

**Rules for submission
and selection of tenders
for PE Funds**

Organizer:

PFR Ventures sp. z o.o.

on behalf of

PFR Fund of Funds Closed-End Investment Fund

Warsaw, 27 April 2020

§ 1.

List of abbreviations and definitions

1.1 Unless defined otherwise, capitalised terms used in the Rules shall have the following respective meanings:

- **Carried Interest** – the success fee specified in the Investment Agreement for the benefit of the Managing Entity or members of Key Personnel (or their vehicles), paid if the PE Fund achieves the rate of return on Investment, above the Hurdle Rate, due after the return of all contributions made to the PE Fund/Declared Capitalization of the PE Fund, increased by the Hurdle Rate.
- **Investment Decision** – a decision of the relevant investment committee of the PE Fund concerning the Investment in and exit from portfolio companies.
- **Declared Capitalisation of the PE Fund** – as defined in the PE Fund Investment Agreement, the target sum of Investors' contributions and the contribution of the Managing Entity or members of Key Personnel (or their vehicles) to the PE Fund.
- **Business Day** – any day, Monday through Friday, other than a public holiday within the meaning of the Act of 18 January 1951 on public holidays (Journal of Laws/Dz. U. of 2015, item 90, as amended).
- **Private Equity Fund** (also referred to as the “**PE Fund**”) – means an entity selected or established as a result of the procedure provided for in the Call Rules, which is a closed-end investment fund of non-public assets, a Company, a Partnership Limited by Shares or a joint investment institution established abroad (or with respect to entities established outside the territory of the Republic of Poland with a legal structure similar to a closed-end investment fund, a Company or a Partnership Limited by Shares), respectively.
- **Professional Investor** – an entity (natural or legal person) referred to in section 13 of the Term Sheet.
- **Investors** – PFR Fund of Funds FIZ and a Professional Investor
- **Equity investment** – means the PE Fund’s contribution, made on a one-off basis or in instalments within a single round of Investment, of capital to the Company in return for the corresponding equity interests in the ownership structure of that Company.
- **Add-on or Follow-on Investment** – means the PE Fund’s additional equity investment or quasi-equity Investment in the Company, in which the PE Fund has already invested, after one or more rounds of risk finance Investment.
- **Investment** – means an Equity Investment and/or a Quasi-Equity Investment.
- **Key Personnel** – persons referred to in section 10 of the Term Sheet.
- **Advisory Committee (Board of Investors)** – an advisory body referred to in section 24 of the Term Sheet.

- **Investment Committee** – a unit organised within the Managing Entity/PE Fund referred to in section 23(2) of the Term Sheet.
- **Conflict of interest** – a conflict of interest described in § 12 of the Rules.
- **Call/Call for Tenders** – an open Call for Tenders conducted pursuant to a Notice of Calls and on the basis of the Rules.
- **Tenderer** – an existing PE Fund or a Managing Entity (or persons managing the PE Fund or persons managing the Managing Entity) intending to establish a PE Fund which has submitted a Tender for PFR Fund of Funds FIZ to invest in the financial instruments or property rights of the PE Fund referred to in section 23 of the Term Sheet under the Call.
- **Tender** – a Tender submitted by the Tenderer under the Call for Tenders.
- **Notice of Calls** – a notice concerning the initiation of the Call as published on the Website.
- **Call Organizer** – PFR Ventures sp. z o.o., on behalf of PFR Fund of Funds FIZ.
- **PFR Fund of Funds FIZ** – PFR Fundusz Funduszy Fundusz Inwestycyjny Zamknięty (PFR Fund of Funds Closed-End Investment) entered in the register of investment funds kept by the District Court in Warsaw, 7th Civil Registry Department under number RFI 1597.
- **PFR TFI** – PFR Towarzystwo Funduszy Inwestycyjnych S.A. (previous name: Towarzystwo Funduszy Inwestycyjnych BGK S.A.) with its registered office in Warsaw at ul. Krucza 50, 00-025 Warsaw, entered in the register of entrepreneurs of the National Court Register, kept by the District Court for capita city of Warsaw, 12th Commercial Division of the National Court Register under number KRS 0000486060.
- **PFR Ventures** – PFR Ventures sp. z o.o., with its registered office at ul. Krucza 50, 00-025 Warsaw, entered in the register of entrepreneurs of the National Court Register, kept by the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register under number KRS 0000533101, which is the managing entity of part of the investment portfolio of PFR Fund of Funds FIZ.
- **Managing Entity** – means a legal person or natural persons responsible for the implementation of the Investment Policy and management of the PE Fund’s investment portfolio referred to in section 7 of the Term Sheet.
- **Investment Policy (Investment Strategy)** – a document submitted by the Tenderer containing standard components of a Private Equity Fund’s Investment Strategy (according to the ILPA standard). It is permissible to include components of the strategy in the Private Placement Memorandum submitted by the Tenderer.
- **Reverse solicitation** - the service referred to in Article 115a of the Act of 29 July 2005 on trading in financial instruments (consolidated text: Journal of Laws/Dz. U. of 2020, item 89, as amended), which service is not a brokerage activity within the meaning of the provisions of Article 69 et. seq. of the Act of 19 July 2005 on trading in financial instruments.
- **Company (Portfolio Company)** – an Issuer of securities, shares or participation titles, which are the subject of the PE Fund’s investment.
- **Website** - website of PFR Ventures.

- **Investment Agreement** – any agreement regulating the rules governing the Fund's investments in financial instruments and property rights of the PE Fund, in accordance with the provisions of section 23 of the Term Sheet.
- **Call Rules/Rules** – rules for the selection of PE Funds (including the Managing Entity of the capital fund, or persons managing the capital fund or persons managing such an entity) under the Call for Tenders.
- **Team** – a team designated by the PE Fund, composed of members of Key Personnel, possibly other members of the investment committee and additional persons who have appropriate background and experience necessary to carry out an investment activity of the PE Fund and dedicated for the conduct, within the PE Fund or the Managing Entity, of operational activity of the PE Fund, obliged to maintain professional market standards according to the guidelines of Invest Europe, ILPA or other equivalent organisations of the PE market¹ .

§ 2.

Basic principles for the Call's organisation

This Call is organised under the procedure of a continuous call for Tenders. The Call does not envisage state aid.

§ 3.

Purpose of the Call

- 3.1 The Call is carried out by PFR Ventures, acting on behalf of PFR Fund of Funds FIZ. PFR Ventures is a specialised entity managing part of the investment portfolio of PFR Fund of Funds FIZ under the agreement referred to in Article 45a(1) of the Act on Investment Funds and the Management of Alternative Investment Funds (Journal of Laws/Dz. U. No. 146, item 1546), concluded between PFR Ventures and PFR TFI.
- 3.2 The purpose of the Call is to select PE Funds, which will contribute most to the main objective set out in the Fund's Strategy.
- 3.3 In justified cases, the Call may be conducted by PFR Ventures using the Reverse Solicitation mechanism.

§ 4.

Key terms and conditions of the Call

The key terms and conditions of the Call are set out in **Appendix 1** to the Call Rules ("Term Sheet").

¹ e.g. Invest Europe – "Professional Standards Handbook" or the ILPA – "Private Equity Principles"

§ 5.

General provisions concerning the Call

- 5.1 Tenders in response to the Call may be submitted from **27 April 2020 to 31 December 2020 by 24:00 hours CET** or until the financial resources of PFR Fund of Funds FIZ have been exhausted, i.e. until the business day following the date on which PFR Fund of Funds FIZ advises on the Website that the allocation has been exhausted. Tenders may be submitted at the initiative of the Tenderer or, where justified, as a result of the Tenderer's response to the invitation from PFR Ventures, in the latter case the Reverse Solicitation mechanism shall apply.
- 5.2 After the resources available within PFR Fund of Funds FIZ have been exhausted, the Call Organizer shall have the right to close the Call, by notice on the Website.
- 5.3 In the event that, as a result of the Tenders submitted, the sum of the contributions of PFR Fund of Funds FIZ under the Declared Capitalization of PE Funds exceeds the amount of resources allocated to the budget of the Programme, the Organizer shall have the right to announce, by notice on the Websites, that the receipt of Tenders has been suspended. The resumption of the Call for Tenders procedure shall be announced by notice on the Websites.
- 5.4 Tenders submitted after the Call deadline or after the announcement of the closure of the Call in connection with the exhaustion of resources or after the notice of suspension of receipt of Tenders shall not be evaluated.
- 5.5 The Tenderer may submit only one Tender within the Call. If the Tenderer submits more than one Tender, only the Tender submitted first shall be considered, unless the Tenderer withdraws the previously submitted Tender.
- 5.6 Tenders are subject to a two-stage assessment.
 - 5.6.1 **Stage One:** As part of stage one, the Tenders shall be assessed:
 - (i) in terms of meeting the Access Criteria set out in §8.1 of these Rules, and
 - (ii) based on merits, according to the criteria for evaluating Tenders set out in §8.2 of these Rules.
 - 5.6.2 **Stage two:** Tenders eligible for stage two will be subject to an in-depth economic and legal analysis (due diligence).
- 5.7 Tenders within the Call for Tenders shall be submitted at the sole expense and risk of the Tenderer (in particular PFR Fund of Funds FIZ and/or PFR Ventures are not obliged to pay any fees to Tenderers directly or indirectly related to the Tender submitted).
- 5.8 Any claims that the Tenderer may have, including claims for damages in respect of the submission of the Tender within the Call, the progress of the Call and its results, shall be excluded. Until the execution of the Investment Agreement, PFR Fund of Funds FIZ and/or PFR Ventures shall not be bound by the selection of the Tender, in particular, any claims that the Tenderer may have in respect of the course of negotiations related to the Investment Agreement or of failure to conclude the Investment Agreement, shall be excluded
- 5.9 In justified cases, PFR Fund of Funds FIZ may modify the wording of the Rules at any time. PFR Fund of Funds FIZ shall publish the modified wording of the Rules on the Website and inform the Tenderers who have already submitted their Tenders within the Call of the changes, by sending a notice of

- modification to such Tenderers by electronic mail to the Tenderer's electronic mail address from which the Tender was sent, while setting a time limit for supplementing or submitting a new Tender
- 5.10 At any stage of the examination and analysis of the Tender, PFR Fund of Funds FIZ and/or PFR Ventures may request the Tenderer to clarify the content of the Tender submitted and to provide additional documents necessary for the due analysis of the Tender. At each stage of evaluation and selection of the Tenders under the Call, PFR Fund of Funds FIZ or PFR Ventures may again carry out any of the previously carried out stages (or parts thereof) of the Call in relation to a given Tender.
- 5.11 During the Call for Tenders, PFR Fund of Funds FIZ, PFR Ventures and the Tenderer may communicate with each other using means of direct remote communication. Where PFR Fund of Funds FIZ, PFR Ventures or the Tenderer uses means of direct remote communication, any statements, documents, notices, materials, files, etc. provided via these means of communication shall be deemed to have been effectively delivered when delivery thereof has been confirmed with a signature of the authorized person or by electronic mail, and with respect to transmission of statements, requests, notices and information via electronic mail, the delivery time shall be deemed by the parties to be the time of sending the message by the sender (in the event that the sender does not receive a response from the mail server of the recipient containing a message describing the cause for failure to deliver the message sent to the addressee's mailbox) or via an individual electronic account of the Tenderer, established on the online platform which has been made available for that purpose at the following address: <https://pfrventures.pl/en/>.

§ 6.

Conditions for participation in the Call for Tenders

- 6.1 Within the Call, Tenders for PE Funds shall be evaluated as submitted by:
- 6.1.1 a PE Fund, subject to §6.2, or
 - 6.1.2 a Managing Entity intending to establish a PE Fund, in a situation where, at the time of submission of the Tender, the PE Fund has not yet been established in accordance with the law applicable to the PE Fund concerned, or
 - 6.1.3 persons managing the PE Fund or persons managing the Managing Entity or persons intended to manage the said entities in the future.
- 6.2 If the Tender is submitted by a PE Fund or the Managing Entity of an already established PE Fund, it must be formally established, according to the law applicable to the place of its registration.
- 6.3 With respect to the PE Fund established in the form of collective investment institution based outside the territory of the Republic of Poland, such PE Fund should be established in accordance with the governing law of its place of registration.
- 6.4 The PE Fund (with respect to an already established PE Fund) and the Managing Entity is not, nor within 5 years prior to the submission of the Tender, was not bankrupt, insolvent, under liquidation, subject to restructuring or compulsory administration, and no proceedings are pending against it in the cases listed above nor any other proceedings of a similar nature, in accordance with the law applicable to the location of its registered office, nor is it in a situation justifying the initiation of such proceedings in the future.

- 6.5 No Tender may be submitted by a Tenderer who is subject to the obligation to return state aid pursuant to a decision of the European Commission or decision of an authorised national body, declaring such aid to be illegal and/or inconsistent with the internal market.
- 6.6 Tenders must be submitted by Tenderers established or intended to be established in accordance with the requirements, as regards the form and stages of establishing an Alternative Investment Company in accordance with the requirements laid down by the Act of 27 May 2004 on Investment Funds and the Management of Alternative Investment Funds (Journal of Laws/Dz. U. No 146, item 1546, as amended) or in accordance with the law applicable to the registered office of the PE Fund, in particular the regulations implementing Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, as amended, if applicable.

§ 7.

Tender

- 7.1 The Tender shall be prepared in accordance with the requirements set out in these Call Rules.
- 7.2 The Tender must be sent only in the electronic version via the Tenderer's individual electronic account set up by the Tenderer's registration on the online platform available at the following address: <https://pfrventures.pl/en/>. The maximum total size of files attached to the Tender through the Tenderer's individual account may not exceed 1000 MB. Within 3 (in words: three) Business Days of receipt of the Tender by PFR Ventures, the details of the acronym assigned to the Tender shall be available through the Tenderer's individual account and it shall be sent by PFR Ventures via electronic mail (to the email address stated by the Tenderer in the Tender).
- 7.3 The Tender shall be prepared in Polish or English. Documents drawn up in English may be sent together with the translation into Polish. In the event of discrepancies, the Polish language version shall be binding.
- 7.4 The Tender should clearly specify the type of PE Fund's Investment Strategy: Buyout, Private Credit, Growth, Real Estate, mixed or other. Currently, the subject of interest of the Fund of Funds FIZ under the Call are the strategies of Buyout, Private Credit and Growth, however, the Fund of Funds FIZ reserves the right to change its interest in the future, which will be announced in the Notice of Calls.
- 7.1 The Tender shall be accompanied by the following documents, in electronic form, using means of direct remote communication, e.g. by e-mail, VDR (*Virtual Data Room*) system or via the Tenderer's individual account on the online platform made available for this purpose at the following address: <https://pfrventures.pl/en/>, presentations, containing information on the purpose and Investment Strategy of the PE Fund, the main members of the PE Fund's Team and their experience, as well as the planned return and risks associated with the Investments, track record of the PE Fund's Team, basic legal conditions (including: structure and location) of the PE Fund, the amount of the management fee proposed by the Tenderer, minimum amount of the Investment, planned capitalization of the PE Fund (including the minimum fund size and hard cap) and timeline), alignment of interest. The preferred form of communication of the information referred to in the preceding sentence is: Private Placement Memorandum, DDQ (according to the ILPA standard), Investment Agreement of the previous fund of the Tenderer or the Managing Entity, etc. and the following **Appendices** (whereby the Organizer allows the use of another form or communication of information

otherwise, if the scope of the data thus provided by the Tenderer is the same as the scope of data set out in the following Appendices):

- 7.1.1 **Tenderer's statement** (*according to the form attached as Appendix 2 to the Call Rules*),
 - 7.1.2 **Key Personnel Member's statement** (*according to the form attached as Appendix 3 to the Call Rules*)²,
 - 7.1.3 **Statement by a Team Member making a contribution under the Declared Capitalisation** (*according to the form attached as Appendix 4 to the Call Rules*),
 - 7.1.4 **Declaration of consent to the processing of personal data** (*according to the form attached Appendix 5 to the Call Rules*)³.
- 7.2 The Organizer shall have the right to request the transmission of the above statements in the original and request other information and documents listed above if they are necessary to duly evaluate the Tender.
- 7.3 The evaluation of the Tenders shall be based on the criteria relevant to the Investment Strategy of the PE Fund declared by the Tenderer (e.g. Buyout or Private Debt).
- 7.4 The results of the analysis of the merit-based conditions shall be notified to the Tender by the Call Organizer in the manner specified in section 7.11.
- 7.5 The Call Organizer, at each stage of the Tender's analysis, shall have the right to instruct the Tenderer to:
- 7.5.1 correct any typing or computational errors contained in the Tender or
 - 7.5.2 change or fill any gaps the Tender (e.g. failure to attach or supplement the form/appendix), or
 - 7.5.3 clarify the discrepancies in the Tender,
 - 7.5.4 provide additional information and clarifications.
- 7.6 The Tenderer shall be required to provide any missing details within 7 (in words: seven) Business Days of the date the notice to provide missing details or correct errors is sent by PFR Ventures (such notice to be sent by electronic mail to the e-mail address stated by the Tenderer in the Tender or via the Tenderer's individual account made available on the platform for submission of Tenders), by sending the Tender documents as requested. PFR Ventures shall be authorised to extend the period allowed for filling gaps in the Tender, at the reasonable request of the Tenderer.
- 7.7 The Tender may be withdrawn at any time during the Call for Tenders period, provided that the Tender is withdrawn via the Tenderer's individual account on the online platform, in writing or by electronic means to the e-mail address: pfrff_tenders@pfrventures.pl. The Tender shall be considered to be withdrawn upon an effective withdrawal of the Tender via the Tenderer's individual account on the online platform. At the Tenderer's request, PFR Ventures shall confirm the receipt of information on withdrawal of Tender.

² Note: the original must be sent to the Organizer's address in writing or by electronic transmission in a form with a certified electronic signature.

³ Note: the original must be sent to the Organizer's address in writing or by electronic transmission in a form with a certified electronic signature.

- 7.8 A Tenderer who has withdrawn the Tender submitted through the Call for Tenders may resubmit the Tender via the Tenderer's individual account on the online platform during the Call for Tenders period on the terms and conditions referred to in §7 of these Rules, subject to §6 of the Rules.
- 7.9 If submissions are made by electronic means, Article 66¹ §1 - §3 of the Act of 23 April 1964 – Civil Code (Journal of Laws/Dz. U. of 2017, item 459, as amended), shall be excluded, with the provision that PFR Ventures shall confirm (in electronic form) to the Tenderer concerned, at the Tenderer's request, the receipt of the Tender in electronic form.
- 7.10 Submission of the Tender shall operate as acceptance by the Tenderer of the provisions of the Rules.
- 7.11 During the Call period, the Call Organizer and the Tenderer may communicate with each other using means of direct remote communication - e-mail, via the Tenderer's individual account made available on the platform for submission of Tenders or by fax. Where that form of communication is used, any statements, documents, notices, materials, files, etc. shall be deemed to have been effectively delivered or transmitted when delivery thereof has been confirmed by electronic mail or by fax. With respect to transmission of statements, requests, notices and information via electronic mail, the delivery time shall be deemed by the parties to be the time of sending the message by the sender (unless the sender receives a response from the mail server of the recipient containing a message describing the cause for failure to deliver the message sent to the addressee's mailbox).
- 7.12 Submitting a Tender that is incomplete or inconsistent with the requirements set out in this paragraph excludes the Tender from further qualification proceedings (such Tender is not eligible for the further evaluation stage), unless the Tenderer provides the missing details or corrects errors within the time limit referred to in section 7.6.
- 7.13 The Tenderer shall be bound by the Tender until the date of execution of the Investment Agreement or until the date on which it is informed that its Tender has been excluded, at any stage of the evaluation of the Tender, or until the effective conclusion of negotiations on the execution of the Investment Agreement, without it being signed with a given Tenderer or until withdrawal of the Tender by the Tenderer.

§ 8.

Tender evaluation process – Stage one

8.1 Access criteria.

Prior to a merit-based evaluation, the Call Organizer shall verify whether the Tender meets the Access Criteria set out in § 10. Failure to comply with any of the Access Criteria shall result in the Tender being excluded. An excluded Tender is not subject to further evaluation.

8.2 Analysis of merit-based conditions.

8.2.1 The Call Organizer shall carry out a merit-based analysis of the Tender based on the catalogue of qualitative criteria set out in § 10 of these Rules, awarding points within each of the criteria on the basis of the Tenders' internal evaluation sheet.

8.2.2 As part of the merit-based analysis of the Tenders, the Call Organizer may invite the Tenderer to present its Tender.

- 8.2.3 As part of the merit-based analysis of the Tenders, the Call Organizer shall be entitled to request the Tenderer to provide explanations regarding the content of the Tender it submitted if they prove necessary to duly evaluate the Tender.
- 8.3 Tenderers shall be notified as indicated in section 7.11 within 5 Business Days of the Call Organizer's decision to qualify or not to qualify them to the second stage of Tender evaluation.

§ 9.

Tender evaluation process – Stage two

9.1 Due diligence analysis

Under the second evaluation stage, Tenders shall be subject to an in-depth economic and legal analysis (due diligence). The analysis is intended to verify any information contained in the Tender, which affects the evaluation of the Tender, as well as to verify the legal/financial/business capacity of the Tenderer to execute and perform the Investment Agreement. For this purpose, the Call Organizer or its authorised advisers may request additional documents, in addition to the information submitted in the Tender, as well as information enabling due diligence to be carried out. The detailed scope of the due diligence process is described in § 11 of these Rules.

- 9.2 Upon completion of the due diligence, the Tenderers shall be notified by the Call Organizer, as set out in section 7.11 within 5 Business Days of the decision, whether they have been qualified for the subsequent stage of the Call or whether they have not been qualified and the Call procedure in relation thereto is concluded.

§ 10.

Tender selection criteria

- 10.1 Prior to a merit-based evaluation of the Tender, the Call Organizer shall verify that the Tenderer meets the following Access Criteria jointly:
- a) the applicant Team is experienced in equity investments or the management of capital funds, e.g. venture capital funds (operating at the seed, early stage, "A", "B" or subsequent funding series), growth capital or private equity funds, private debt, RE (real estate) or other joint investment institutions in which the total amount of assets under management exceeded the equivalent of EUR 5 million,
 - b) at least two Members of Key Personnel are dedicated to a minimum of 80% (not less than 32 hours per week) of professional working time to the PE Fund,
 - c) at least two Members of Key Personnel have a verifiable⁴ history of equity investments made,
 - d) not less than 1% and not more than 20% of the Declared Capitalisation of the PE Fund, has been provided by the members of Key Personnel/Team.

⁴ Verifiability shall be construed, in particular, as the presentation by the Tenderer of documents certifying the participation of a Member of Key Personnel in a particular investment project, e.g. an extract from the relevant register or any other documents enabling verification.

10.2 As part of the merit-based analysis of the Tender, the Call Organizer shall evaluate it according to the following criteria:

- a) *Track record*: IRR and TVPI, investments below cost, benchmarking (relative quartile performance), holding period, distribution of portfolio returns
- b) *Team of the PE Fund and experience*: quality and years of professional experience (investment and operational) individually and as a team, stability of team, track record traceability to individuals and team, carry distribution, complementary experience.
- c) *Planned return and investment-related risks*: market strategy and market segment attractiveness, quality of the pipeline, value creation, investment pacing
- d) *The amount of the management fee proposed by the Tenderer, the minimum amount of the Investment, the planned capitalization of the PE Fund (including minimum fund size and hard cap) and timeline, alignment of interest*: Management fee and carry, divorce clauses, GP commitment, waterfall, Clawback and warranties, LPAC seat
- e) *Other*: ESG, reporting standards, investor base and others.

§ 11.

Due Diligence and the Investment Agreement

11.1 Prior to the execution of the Investment Agreement, PFR Ventures, PFR Fund of Funds FIZ or their professional advisers: (1) shall carry out a due diligence analysis of the Managing Entity, the PE Fund, the Team and/or the Professional Investor with respect to: (i) confirmation of any information contained in the Tender affecting the evaluation of the Tenderer (ii) the legal and financial capacity of Professional Investors and the Managing Entity (including making a private contribution by Commercial Investors to the PE Fund in the declared amount) and the performance of obligations under the Investment Agreement, (iii) the legal capacity of the PE Fund and its legal structure (including the proposed one, where the PE Fund has not been established) in the context of the authority to perform the Investment Agreement and the legal and tax obligations for PFR Fund of Funds FIZ related to the investment in such a structure, (iv) verification of the investment experience presented in the Tender, (v) the reputation of the Team, (vi) the absence of a relationship between the Managing Entity and Professional Investors or personal and capital links between the entities indicated in the Tender; the PE Fund and/or the Managing Entity undertakes to enable PFR Fund of Funds FIZ to carry out such an analysis, including its commitment to ensure that that the Managing Entity, the PE Fund, members of the Team and/or each Professional Investor, shall provide all information and documents that PFR Ventures, PFR Fund of Funds FIZ or their professional advisers may request for this purpose, and (2) PFR Ventures shall negotiate the content of the Investment Agreement with pre-qualified Tenderers, save for the provisions under applicable laws and the provisions indicated below which are not negotiable and which will be presented to the Tenderer prior to commencement of negotiations.

11.2 After the due diligence analysis, if a positive recommendation is obtained, the Call Organizer shall qualify the Tender for the stage of negotiations of the Investment Agreement in accordance with the internal investment decision-making procedure and then shall communicate to the Tenderer, in the manner set out in section 7.11, the information that its Tender has been qualified and an invitation of the Tenderer to negotiate the Investment Agreement.

- 11.3 Each Investment Agreement made between PFR Fund of Funds FIZ and a PE Fund, a Managing Entity and the Professional Investor(s), irrespective of any other conditions set out in the Investment Agreement or the legal form of the PE Fund, shall contain mandatory provisions concerning, in particular, the following issues:
- 11.3.1 commitment of the Key Personnel and the Managing Entity to inform PFR Ventures and the Advisory Committee/Board of Investors of any situation from which a conflict of interest may potentially arise,
 - 11.3.2 commitment of the PE Fund to develop and implement internal audit procedures and commitment of the members of the Team to act with utmost professional due diligence
 - 11.3.3 identification of mechanisms ensuring economic viability and financial feasibility of the Investment Agreement by the PE Fund,
 - 11.3.4 commitment to ensure an appropriate organisational structure and governance framework necessary to lend credibility to the PE Fund,
 - 11.3.5 commitment to comply with applicable standards and regulations for the prevention of money laundering and combating terrorism and tax fraud, in particular the commitment not to cooperate with any entities registered within the territory of countries whose jurisdictions do not cooperate with the European Union in the application of tax standards agreed at international level,
 - 11.3.6 definition of the rules of monitoring the PE Fund's Investment portfolio, including the Managing Entity's commitment to perform periodic valuation of the investment portfolio and the performance of reporting and information obligations to PFR Ventures
 - 11.3.7 definition of the rules for replacement of Key Personnel and Professional Investors during the investment period and the rules for the dismissal of the Managing Entity;
 - 11.3.8 definition of the terms of distribution of proceeds from exits from investment between PFR Fund of Funds FIZ, Professional Investors and the Managing Entity, including the terms of payment of Carried Interest,
 - 11.3.9 definition of the rules for documenting the conduct of business activities by the Company in the territory of the Republic of Poland at the time of the Investment or an add-on Investment and the rules for documenting the allocation of financial resources obtained in connection with the Investment for the purposes indicated in the investment agreement,
 - 11.3.10 determination of the liability of the Managing Entity/Team for actions contrary to the Investment Agreement or to the provisions of law, including non-performance or improper performance of obligations arising under the Investment Agreement
 - 11.3.11 definition of the rules for the management of conflicts of interest,
- 11.4 It will be possible to enter into the negotiations of the Investment Agreement provided that the verification in the course of the due diligence referred to in this § 11 of the Rules has not demonstrated the absence of legal, financial or reputational capacity to execute or perform the Investment Agreement by the Managing Entity, Professional Investors, the Team and/or the Fund or the significant legal and tax risks to PFR Fund of Funds FIZ, related to the investment in the PE Fund.
- 11.5 With respect to a Tender submitted by a Managing Entity intending to establish a PE Fund:

- 11.5.1 such a PE Fund, after it is established, will be required to join the Investment Agreement (unless the relevant provisions of national law do not require joining the Investment Agreement for the establishment of a PE Fund to be valid) and shall make a statement that all the conditions laid down by law and the Fund to make the first transfer of funds to the PE Fund have been fulfilled, which should take place no later than prior to the first transfer of funds to the PE Fund on the terms of and in accordance with the provisions of the Investment Agreement,
- 11.5.2 before such PE Fund joins the Investment Agreement, PFR Ventures, PFR Fund of Funds FIZ or their professional advisers shall have the right to carry out a due diligence analysis of such PE Fund (including to determine whether such PE Fund is the entity authorised to submit a Tender on the terms and conditions set out in these Rules). The Managing Entity which has signed the Investment Agreement and the PE Fund joining the Investment Agreement shall enable PFR Ventures, PFR Fund of Funds FIZ or their professional advisers to carry out such an analysis, including a commitment to ensure that the PE Fund shall provide all information and documents that PFR Ventures, PFR Fund of Funds FIZ or their professional advisers may request for this purpose.

§ 12.

Conflict of interests

- 12.1 A conflict of interest may arise, in particular, for the following reasons:
- 12.1.1 the existence of family relationships, i.e. the relationship by marriage, consanguinity, lineal or collateral affinity up to the second degree, adoption, care or guardianship, or actual cohabitation, and other close private ties between an employee or associate of PFR Ventures, PFR Fund of Funds FIZ, PFR TFI with members of the corporate bodies of the PE Fund, Managing Entity or Professional Investor, or persons linked by marriage, consanguinity, lineal or collateral affinity up to the second degree, adoption, care or guardianship, or actual cohabitation, and other close private ties with members of corporate bodies of the PE Fund, Managing Entity (with members of the Team) or Professional Investor (a conflict of interest shall survive cessation of the relationship justifying this exclusion, referred to above),
- 12.1.2 the existence of any ownership relationships involving the ownership of shares or stocks of the PE Fund, Managing Entity or Professional Investor, or any other entity, in which any of the above entities hold shares or stocks, by an employee or associate of PFR Ventures, PFR Fund of Funds FIZ, PFR TFI, or joint participation in partnerships, investment funds and other unincorporated bodies, involving any rights attaching to shares or stocks, or any similar rights,
- 12.1.3 the existence of asset-based relationships, especially financial relationships (e.g. the receipt by an employee or associate of PFR Ventures, PFR Fund of Funds FIZ, PFR TFI of gifts of a significant value or donations from the PE Fund, Managing Entity (from members of the Team) or Professional Investor; or an employee or associate of PFR Ventures, PFR Fund of Funds FIZ contracting financial liabilities with the PE Fund, Managing Entity or Professional Investor),

- 12.1.4 an employee or associate of PFR Ventures, PFR Fund of Funds FIZ receiving income from the PE Fund, Managing Entity or Professional Investor in respect of employment or civil-law contracts, i.e. an employee or associate of PFR Ventures, PFR Fund of Funds FIZ is employed with the PE Fund, Managing Entity or Professional Investor under a contract of employment, contract for specific work or contract of mandate; also where an employee or associate of PFR Ventures, PFR Fund of Funds FIZ or a Beneficiary remains on unpaid leave granted by the PE Fund, Managing Entity or Professional Investor,
- 12.1.5 an employee or associate of PFR Ventures, PFR Fund of Funds FIZ, serving in managerial or supervisory capacity with the PE Fund, Managing Entity or Professional Investor, by holding a position on the governing bodies of the PE Fund, Managing Entity or Professional Investor, e.g. on the management board, supervisory board, etc.,
- 12.1.6 an employee or associate of PFR Ventures, PFR Fund of Funds FIZ establishing contacts with the PE Fund, Managing Entity or Professional Investor concerning the possibility of establishing in the future an employment relationship as an employee or associate of PFR Ventures, PFR Fund of Funds FIZ with the PE Fund, Managing Entity and/or Professional Investor,
- 12.1.7 remaining in such a legal or factual relationship, which may give rise to reasonable doubt as to the impartiality of an employee or associate of PFR Ventures, PFR Fund of Funds FIZ and PFR TFI.

The reasons listed in the paragraphs above may lead to a conflict of interest if they arise at the time an employee or associate of PFR Ventures, PFR Fund of Funds FIZ considers the Tender submitted by the PE Fund or Managing Entity, or if they have arisen in the past or there is a high probability of their arising in the future, insofar as they affect the decision-making process in the case.

- 12.2 An associate of PFR Ventures, PFR Fund of Funds FIZ, PFR TFI, as the case may be, shall be defined as a person involved in conducting any stage of the Call for Tenders, collaborating with PFR Ventures, PFR Fund of Funds FIZ, PFR TFI, as the case may be, under any legal relationship.
- 12.3 An employee/associate of PFR Ventures, PFR Fund of Funds FIZ, PFR TFI, as the case may be, involved in work related to the Call for Tenders, shall submit a written statement to PFR Ventures to the effect that there are no grounds for a conflict of interest in the case on which they make a decision or give an opinion.
- 12.4 A conflict of interest, as to the affiliations with PFR Ventures, PFR Fund of Funds FIZ, PFR TFI, referred to in §12.1 of the Rules, shall apply to the persons composing the Team, who have undertaken to contribute to the Declared Capitalisation of the PE Fund and to the Professional Investors being natural persons. In such a situation the affiliations with PFR Ventures, PFR Fund of Funds FIZ, PFR TFI, referred to in §12.1 of the Rules, should apply accordingly.
- 12.5 Where the Tender has been selected in breach of the provisions of §12.1 – §12.4, the selection of such Tender may be cancelled and the Tender may be subject to re-evaluation.
- 12.6 Prior to Investment in a given Company, the PE Fund shall be required to inform PFR Fund of Funds FIZ of the capital or personal relationship of shareholders or partners of Companies, members of the management or supervisory body of Companies or their spouses, relatives by blood or by marriage (up to the second degree) with partners, shareholders or with persons managing or supervising the

PE Fund, Managing Entity (including members of the Team/Key Personnel), Professional Investor or with other persons of those entities who can impact the PE Fund's investment decisions. In such a situation, making an Investment in such a Company shall be preceded by an opinion of the Advisory Committee/Board of Investors.

§ 13.

Final provisions

- 13.1 These Rules shall enter into force as of the date of publication of the Notice of Calls on the Website.
- 13.2 Submission of the Tender shall operate as acceptance by the Tenderer of the provisions of the Rules.
- 13.3 Neither PFR Fund of Funds FIZ, PFR Ventures sp. z o.o. nor Tenderers may, without the consent of the other party, disclose any information associated with the content of the Tender and the progress of the Call, and PFR Fund of Funds FIZ, the Tenderer, the Team and Professional Investors shall keep all information obtained in the course of negotiating the Investment Agreement confidential. The above shall be without prejudice to the right of PFR Fund of Funds FIZ and/or PFR Ventures to use the assistance of external experts, auditors and advisers in the course of the Call procedure, including the examination and evaluation of Tenders, and shall not apply to any information that has been made public or is known to PFR Fund of Funds FIZ and/or PFR Ventures from other sources. The confidentiality undertaking shall be without prejudice to the obligation of PFR Fund of Funds FIZ, PFR Ventures, the Tenderer, the Team and/or Professional Investors to provide information to competent (internal, external) authorities or to make information public insofar as required by law. Members of the Key Personnel, other members of the Team and the Managing Entity shall also give their consent to the further processing by PFR Fund of Funds FIZ and PFR Ventures of the information obtained only for the purposes of institutions that offer financing from public funds (PARP, NCBIR, BGK, ARP), and only in order to verify the indicated experience in investment activities and market reputation
- 13.4 The Tenderer represents that it has read the **Information on the Processing of Personal Data**, attached as **Appendix 6** to these Rules.
- 13.5 Where personal data of persons other than the members of Key Personnel are also indicated in the Tender, the Tenderer shall obtain and provide to the Organizer, together with the Tender, a statement by those persons that they have read the content of the Information, referred to in section 13.4 above and a written consent of data subjects (the form using a certified electronic signature is allowed) to the processing of personal data, in accordance with the content of **Appendix 5** to the Call Rules.
- 13.6 These Rules shall be governed by and construed in accordance with the Polish law.
- 13.7 Any disputes arising from these Rules or arising out of or in connection with these Rules shall be resolved by a common court having territorial jurisdiction over the registered office of PFR Fund of Funds FIZ.
- 13.8 The Organizer and PFR Fund of Funds FIZ reserves the right to cancel the Call, in particular in the event that major changes are made to laws and regulations that affect the conditions of the Call process or events of Force Majeure. In the event the Call is cancelled, the Tenderer shall not have the right to claim damages.

Appendices:

- **Term Sheet**
- **Tenderer's statement**
- **Key Personnel Member's statement**
- **Statement by a Team Member making a contribution under the Declared Capitalisation**
- **Declaration of consent to the processing of personal data**
- **Information on the Processing of Personal Data**