Rules for the Submission and Selection of Tenders

for VC Funds

Call for Tenders No. 13

Organizer:

PFR Ventures spółka z ograniczoną odpowiedzialnością Starter 2.0 ASI S.K.A.

Investments in innovative enterprises – STARTER 2.0

Warsaw, 11.08.2026

§ 1.
Subject

The purpose of these Rules is to present the rules for the submission and selection of Tenders submitted by Tenderers applying for a capital contribution by PFR Starter to existing or planned VC Funds.

§ 2.
List of abbreviations and definitions

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

- **Due Diligence –** a review of the legal and factual status of the Tender, forming a part of the substantive evaluation of the Tender, referred to in § 9 of the Rules;
- **BGK -** Bank Gospodarstwa Krajowego with its registered office in Warsaw, operating under the Act of 14 March 2003 (as amended) on Bank Gospodarstwa Krajowego, being a beneficiary within the meaning of Article 2(9)(e) of the General Regulation;
- **Investment Budget and Operating Budget** - financing of VC Funds as part of the Contributions to the Declared Capitalisation of the VC Fund includes:

  a) investment budget – specifying the planned financial resources of the VC Fund to be allocated to Investments (the "**Investment Budget**");

  b) operating budget – specifying the planned management fees covering the VC Fund's operating costs and the operating costs of the Managing Entity (the "**Operating Budget**"), including in particular:

  (i) Investment preparation costs (including, but not limited to, costs of due diligence of Portfolio Companies and transaction documentation),

  (ii) administrative costs of the VC Fund and the Managing Entity, in particular the remuneration of Key Persons.
- **Declared Capitalisation of the VC Fund** - the value of capital contributions to the VC Fund planned by the Tenderer, made by the Managing Entity and Investors, including PFR Starter;
- **Business Day –** any day from Monday through Friday, other than a public holiday within the meaning of the Act of 18 January 1951 on public holidays (Journal of Laws of 2015, item 90, as amended);
- **VC Fund** *(a specific fund within the meaning of the General Regulation)* - a venture capital investment fund that meets the conditions set out in the Rules (with the preferred forms being a partnership limited by shares and a limited partnership[1]), established as an alternative investment company within the meaning of the Act on investment funds and alternative investment funds management), and with respect to entities with their registered office outside Poland, an entity established as an alternative investment fund that is an entity with a

[1] In relation to a VC Fund that is a capital company, the relevant provisions of the Act on the principles of determining the remuneration of persons managing certain companies of 9 June 2016 (consolidated text: Journal of Laws of 2020, item 1907, as amended) and the Act on the principles of state property management of 16 December 2016 (consolidated text: Journal of Laws of 2023, item 973, as amended).

similar legal structure toa partnership limited by shares or a limited partnership, respectively, investing in Portfolio Companies in accordance with the Investment Policy[2]**;**

- **Innovation/Innovative activity** - the undertaking's launching, or carrying out works with a view to launching, a new product or service on the market, or making a significant improvement of existing products or services (product/service innovation), applying novel or improved production methods/processes, including with the use of high technology or modes of supply of services (process innovation), or implementing novel or significantly modified solutions in the marketing or organisational systems (marketing/organisational innovation).

- **Investment** – (i) equity investment through the VC Fund's capital contribution, made on a one-off basis or in instalments within a single round of investment, to the Portfolio Company in exchange for corresponding equity interests in the ownership structure of the Portfolio Company or (ii) a quasi-equity investment within the meaning of §2 item 2) of the Risk Finance Regulation[3] made by the VC Fund in the Portfolio Company, consisting of: the VC Fund making its first investment in a Portfolio Company concerned (initial investment) and the VC Fund making each subsequent investment in a Portfolio Company concerned after the initial investment is made (*follow-on investment*)*;*

- **Investor** *(Limited Partner)* – a Private Investor and/or a Public Investor, making capital contributions to a VC Fund, being a legal entity;

- **Private Investor –** a legal entity making financial contributions to the VC Fund which: (i) has been selected by the Managing Entity and approved by PFR Starter as of PFR Starter's affiliation with the VC Fund and/or after the VC Fund has been established, (ii) under the Investment Agreement, makes an investment in the VC Fund from its own financial resources, which are not public funds within the meaning of the Public Finance Act, (iii) is independent of the Managing Entity, (iv) as of making the initial investment is independent of the Portfolio Company, i.e., it is not a shareholder of the Portfolio Company in which the VC Fund will make the Investment, (v) bears the full risk related to the Investments and (vi) meets the conditions for having the right/title to participate in the VC Fund set out in the Act on investment funds and alternative investment funds management. With respect to making an investment through an investment vehicle, the entity exercising ultimate control (*ultimate beneficial owner*) over such an investment vehicle and all intermediary entities in the structure of that investment vehicle shall also be deemed to be a Private Investor. For the purposes of this definition, the following shall in particular not be deemed to be a Private Investor: the European Investment Bank, the European Investment Fund, an international financial institution in which a Member

[2] The Tenderer shall have the right to change the legal form of the VC Fund indicated in the Tender to another form specified in this provision also after the Tender has been submitted.

[3] In this respect the Risk Finance Regulation refers to the definition from the GBER. A "quasi-equity investment" within the meaning of Article 2(66) of the GBER means a type of financing that ranks between equity and debt, having a higher risk than senior debt and a lower risk than common equity and whose return for the holder is predominantly based on the profits or losses of the underlying target undertaking and which are unsecured in the event of default. Quasi-equity investments can be structured as debt, unsecured and subordinated, including mezzanine debt, and in some cases convertible into equity, or as preferred equity.

State of the European Union holds shares or stocks, or a legal person engaged in professional financial activities entrusted by a Member State of the European Union or an authority of a Member State, at central, regional or local level, with the conduct of development or promotional activities (national promotional bank or another promotional institution);

- **Public Investor –** a legal entity making financial contributions to the VC Fund other than a Private Investor and the Managing Entity;
- **Key Persons** – key persons indicated by the Tenderer who: (i) in the opinion of PFR Starter, have relevant experience, skills and knowledge in the field of investment activity management and knowledge of the venture capital market, who lend credence to the implementation of the VC Fund's Investment Policy, (ii) will be prohibited from conducting competitive investment activities, (iii) will be members of the VC Fund's Investment Committee, and (iv) of whom at least two members declare full time commitment to the VC Fund's investment activities until the end of the investment period, i.e., 100% of their professional time, subject to a possible deviation, with the consent of PFR Starter, from the principle of full commitment, to the level of no less than 80% of their professional time, in cases where: i) a Key Person is involved in the management of a previous VC Fund in the divestment period, or ii) any other type of ancillary activity of a Key Person is strictly limited, is of a clear synergistic nature and does not generate a conflict of interest;
- **Investment Committee –** an internal decision-making body of the VC Fund making binding investment decisions regarding the execution of the Investment, exits from the Investment and changes in the terms and conditions to that extent, consisting of Key Persons and observers appointed by the Investors, as well as optionally external experts and advisors and other team members; an observer designated by PFR Starter (acting as a Public Investor) has the right of veto, while observers of other Investors and experts and advisors, as well as team members other than Key Persons do not have the right to vote;
- **Conflict of Interest –** any conflict of interest, in particular described in §12 of the Rules, occurring between the Tenderer, the Managing Entity, Key Persons, the Investment Committee or the Operating Team, and the employees or associates of PFR Ventures and/or BGK, under the Call;
- **Access Criteria –** the so-called boundary conditions in the Call, i.e., the conditions specified in Section 9.2 of the Rules, which must strictly be met under the submitted Tender in order for the Tender to proceed to the substantive evaluation stage.
- **SMEs** - micro, small and medium-sized enterprises, meeting the criteria set out in Annex I to the GBER;
- **Call/Call for Tenders –** a call for Tenders carried out by PFR Starter pursuant to the Notice of Calls and on the basis of the Rules;
- **Tenderer** – the Managing Entity or natural persons who are to establish the Managing Entity and be responsible for managing the affairs of the VC Fund which submitted a Tender or who submitted a Tender under this Call;

- **Tender –** a tender submitted by the Tenderer under the Call for Tenders in accordance with the Rules, including the documents referred to in Section 8.4. of the Rules;
- **Notice of Calls** - a notice concerning the initiation of the Call as published on the Website.
- **PFR Starter** – PFR Ventures spółka z ograniczoną odpowiedzialnością Starter 2.0 ASI S.K.A., which is an alternative investment company investing in shares and financial instruments of VC Funds in order to invest financial resources in Portfolio Companies with the participation of Private Investors, established by PFR Ventures and BGK for the purpose of implementing the financial instrument provided for in the FENG Programme;
- **PFR Ventures** *(AIFM)* **–** PFR Ventures sp. z o.o. with its registered office in Warsaw, which is the manager of PFR Starter within the meaning of the Act on Funds;
- **Managing Entity** (*General Partner)* **–** the general partner of the VC Fund responsible for the implementation of the Investment Policy and management of the VC Fund's investment portfolio, that is an external entity managing the VC Fund or, with respect to entities with their registered office outside Poland, that is an entity with a similar legal structure to the general partner within the meaning of Article 102 of the Act of 15 September 2000 – Commercial Companies' Code (Journal of Laws No. 94, item 1037, as amended);
- **Investment Policy –** a document submitted by the Tenderer comprising the components listed in Appendix 3 to the Rules;
- **FENG Programme –** European Funds for Modern Economy Programme 2021-2027, prepared and supervised by the Ministry of Development Funds and Regional Policy;
- **Starter Programme** - Investments in Innovative Enterprises Starter 2.0 Programme implemented under the FENG Programme;
- **Investment Agreement –** an agreement concluded in accordance with these Rules between the Managing Entity, the Investor(s) and the VC Fund, if the VC Fund exists at the time of concluding the Investment Agreement, governing the principles of cooperation between the Parties.
- **Portfolio Company –** a capital company or a partnership limited by shares (and with respect to Portfolio Companies with their registered office outside Poland – a capital company within the meaning of Article 2(1) of Council Directive 2008/7/EC of 12 February 2008) in which the VC Fund has made or intends to make an Investment which, at the time of disbursement of financial resources to it under the VC Fund's Investment, meets the conditions set out in the Term Sheet;
- **Website –** PFR Starter's website – http://www.pfrventures.pl/pl/
- **Call Rules/Rules –** these Rules for the Submission and Selection of Tenders for VC Funds in the framework of a project financed by the European Regional Development Fund under the Starter Programme;
- **Operating Team –** a team of persons other than Key Persons appointed by the Tenderer, who, as part of their employment with the Managing Entity or ongoing cooperation with the Managing Entity, have a significant impact on the quality and effectiveness of activities

performed by the Managing Entity under the Investment Agreement, in particular persons acting as financial director, investment director, investment manager, investment analyst in the Managing Entity.

§ 3.
Legal basis

3.1 This Call is carried out under the funding agreement referred to in the General Regulation, concluded between Bank Gospodarstwa Krajowego as the beneficiary and the Ministry of Development Funds and Regional Policy as the Managing Authority for Measure 2.30 Capital Instruments of the FENG Programme, where PFR Ventures acts as the partner responsible for the selection of VC Funds (specific funds within the meaning of the General Regulation) and the following legal provisions apply to it accordingly:

3.1.1 Act on public finance of 27 August 2009 (Journal of Laws of 2009 No. 157, item 1240, as amended) (the "**Public Finance Act**"),

3.1.2 Act of 30 April 2004 on proceedings in matters concerning state aid (Journal of Laws of 2004 No. 123, item 1291, as amended),

3.1.3 Regulation of the Council of Ministers of 29 March 2010 on the scope of information submitted by an entity applying for aid other than de minimis aid or de minimis aid in agriculture or fisheries (Journal of Laws of 2010 No. 53, item 312, as amended),

3.1.4 Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (the "**General Regulation**"),

3.1.5 Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (the "**GBER**"),

3.1.6 Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and the Cohesion Fund (the **"ERDF Regulation"**),

3.1.7 Act of 28 April 2022 on the principles and implementation of tasks financed from European funds in the 2021-2027 financial perspective (Journal of Laws of 2022, item 1079, as amended),

3.1.8 Regulation of the Minister of Development Funds and Regional Policy of 15 November 2022 on granting state aid and *de minimis* aid with the participation of Bank Gospodarstwa Krajowego under the "European Funds for Modern Economy 2021-2027" programme (the "**FENG Regulation**"),

3.1.9 The guidelines on the eligibility of expenditure for the period 2021-2027 and the relevant guidelines and positions of the European Commission, to the applicable extent

3.2 Unless otherwise defined, capitalized names used in the Rules shall have the meaning assigned to them in this § 2 of the Rules.

§ 4.
Objective of the Call

4.1 The Call is issued under the PFR Starter programme, i.e., the Starter 2.0 financial instrument, which is part of the FENG Programme financed by the European Regional Development Fund.

4.2 The objective of the Call is the selection of Managing Entities, and PFR Starter's investment in VC Funds that will most effectively contribute to the achievement of the main strategic objective of Starter, which is to provide financing to micro, small and medium-sized enterprises at an early stage of development, in particular companies before their first commercial sale, which implement or intend to implement or develop innovative solutions. Investments in VC Funds pursuing the 'Starter Science' track will contribute to achieving an additional strategic objective of PFR Starter, namely to increase technology transfer from the science sector.

4.3 VC Funds, selected or established under the Call, shall be responsible for selecting and making Investments in Portfolio Companies for the development of Innovative Activities, based on repayable financing provided by the Public Investor, the Managing Entity and Private Investors made: (i) in the amount and on the terms set out in these Rules, (ii) in accordance with the terms and conditions set out in the Investment Agreement and (iii) in compliance with the provisions of law set out in §3 of the Rules above and the principles of VC Funds' Investment.

§ 5.
Key Terms of the Starter Programme

The key terms and conditions of the Starter Programme are set out in Appendix 7 entitled Key Terms of the Starter Programme (the "Term Sheet").

§ 6.
General provisions concerning the Call

6.1 Tenders in response to the Call may be submitted within the period specified in the Notice of Calls.

6.2 Participation in the Call and submission of Tenders in response to the Call for Tenders shall be at the Tenderer's sole risk and expense.

6.3 Any claims that the Tenderer may have, including claims for damages in respect of the submission of the Tender under the Call, the progress of the Call and its results, shall be excluded. Until the entry into the Investment Agreement, PFR Starter 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 leading to the entry into the Investment Agreement or of failure to enter into the Investment Agreement following the selection of the relevant Tender, shall be excluded.

6.4 In justified cases, PFR Starter may, at any time, before the expiry of the time limit for the submission of Tenders, modify the content of the Rules. In such a case, PFR Starter may extend the time limit for the submission of Tenders by a period of time sufficient to introduce changes to Tenders resulting from the modification of the Rules. PFR Starter shall publish the modified Rules on the Website and advise the Tenderers who have already submitted their Tenders under the Call of the changes, by sending a notice of modification to such Tenderers by electronic mail to the Tenderer's e-mail address stated in the Tender, while setting a time limit for supplementing the Tender or submitting a new Tender.

6.5 During the Call, PFR Starter and the Tenderer may communicate with each other using means of remote communication. Where PFR Starter or the Tenderer uses means of remote communication, the delivery time shall be deemed to be the time of sending the message by the sender with no response from the recipient's mail server stating the reason for failure to deliver the message to the addressee's mailbox.

6.6 In justified cases, in situations where, due to the occurrence of events caused by objectively unforeseeable reasons that could not have been avoided (Force Majeure), PFR Starter may, at any time, without following the procedure referred to in Section 6.4 above and before the expiry of the time limit for the submission of Tenders, extend the time limit for the submission of Tenders or close the Call with no selection.

§ 7.

Conditions for Participation in the Call for Tenders

7.1 Under the Call, Tenders for VC Funds shall be evaluated as submitted by:

7.1.1 VC Fund's Managing Entity, or

7.1.2 Natural persons who are to establish the VC Fund's Managing Entity and be responsible for managing the VC Fund's affairs – where at the time of the Tender, the Managing Entity has not yet been established.

7.2 No Tender may be submitted by a Tenderer:

7.2.1 who is subject to public collective insolvency proceedings for the purpose of rescue, adjustment of debt, reorganisation or liquidation within the meaning of Article 1(1) (without the last sentence) of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings,

7.2.2 who is subject to the obligation to reimburse public aid pursuant to a decision of the European Commission or a decision of an authorised domestic authority, declaring such aid to be illegal and/or incompatible with the internal market,

7.2.3 against whom, or against any of the members of its management, supervisory bodies or proxies, criminal proceedings are pending in connection with an offense related to economic transactions, if an indictment has been filed for such offenses and where any of those persons has been convicted of such an offense; however, in each case, the Tenderer shall disclose the fact that charges have been brought in connection with the said offence,

7.2.4 who is in arrears with the payment of social security contributions, health insurance contributions and taxes or other public law liabilities.

7.2.5 in respect of whom, or in relation to any of the members of its management, supervisory bodies or proxies, there exist grounds for exclusion set out in Article 136 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018.

§ 8.

Tender

8.1 The Tender shall be prepared in Polish or in English.

8.2 The Tender must only be submitted in electronic form via the dedicated form available on the http://www.pfrventures.pl/pl/ website in the section applicable to the respective programme.

8.3 The Tenderer shall be bound by the submitted Tender until the date of entry into the Investment Agreement or until the date of participation in the Calls (without entering into the Investment Agreement with the Tenderer concerned), however, the Tenderer shall not be bound by the Tender withdrawn in accordance with Section 8.6 of the Rules or by other than the last submitted Tender (in the event of submission of more than one Tender and failure to withdraw the previous Tender(s).

8.4 For the Tender to be effectively submitted, it shall be required to send the following documents in electronic form in the manner set out in Section 8.2 of the Rules:

8.4.1 Tender Identification Form – **Appendix 1**,

8.4.2 Verification Form for Key Persons/Operating Team Members of the VC Fund – **Appendix 2**, together with

(i) Statement by Key Persons – **Exhibit A to Appendix 2** and

8.4.3 (ii) a Statement by a member of the Operating Team – **Exhibit B to Appendix 2**,

8.4.4 The Tenderer's Investment Policy, in accordance with the guidelines for the preparation of the Investment Policy contained in **Appendix 3**,

8.4.5 Financial Schedule - **Appendix 4**,

8.4.6 Lists of potential investment projects – **Appendix 5**,

8.4.7 Statement by the Private Investor(s) – **Appendix 6a** and 6b.

The Tenderer is obliged to submit the Appendices in the following form:

Appendix 1, 6a or 6b, **Exhibits A and B to Appendix 2** – in the form of a scanned document signed by hand or in the form of a document signed with an electronic signature that includes a time stamp and information allowing to identify the signatory.

Appendix 1, 2, 3, 4, and 5 – in an editable form (word, excel)

8.5 PFR Starter may, at any time during the Call, oblige the Tenderer to present or deliver to PFR Starter the original documents sent in the form of scans referred to in Section 8.4 of the Rules.

8.6 A Tender may be withdrawn at any time during the Call by the Tenderer submitting the relevant statement via e-mail to the address starter@pfrventures.pl or kontakt@pfrventures.pl or via a dedicated form through which the Offer was submitted. At the request of the Tenderer, PFR Starter shall confirm the receipt of information on Tender withdrawal.

8.7 A Tenderer who has withdrawn a Tender submitted under the Call may resubmit the Tender during the Call for Tenders, on the terms and conditions referred to in this §8 of the Rules, subject to the time limit referred to in Section 6.1 of the Rules. In the event that the Tenderer submits more than one Tender under the Call [if the previously submitted Tender(s) have not been withdrawn], the last Tender submitted shall be examined.

8.8 With respect to submissions made by electronic means, Article 66^1 §1 - §3 of the Act of 23 April 1964 – Civil Code (Journal of Laws of 2022, item 1360, as amended) shall be excluded, and PFR Starter shall confirm receipt of the Tender in electronic form to the Tenderer.

8.9 PFR Starter shall have the right to instruct the Tenderer via e-mail, to the e-mail address indicated by the Tenderer in the Tender, to correct typographical and calculation errors in the Tender, and/or fill deficiencies subject to Section 8.10 below. The Tenderer will be obliged to correct the errors and/or fill deficiencies within 5 (five) Business Days from the date of PFR Starter's request to correct the errors by providing corrected and/or completed documents, information, or statements following the request to the e-mail address indicated by PFR Starter in the request. PFR Starter shall be authorised to extend the above-mentioned time limit.

8.10 Tenders that are not corrected and/or completed within the time limit subject to the request referred to in Section 8.9 of the Rules shall be rejected.

8.11 At each stage of the Tender examination and analysis process, PFR Starter may request the Tenderer to provide explanations regarding the Tender submitted and to provide additional documents necessary to duly analyse the Tender. If the aforementioned explanations or additional documents are not provided within 5 (five) Business Days, the Tender shall be evaluated on the basis of the submitted documents.

8.12 After the deadline for submitting Offers, the Tenderer may not significantly modify the Offer, i.e., change key parameters of the Offer that materially affect its evaluation. If changes are made to the Offer that, in PFR Starter's opinion, constitute a significant modification of the Offer, PFR withdraws from further processing of the Offer and informs the Tenderer accordingly. This does not preclude the Tenderer from submitting a new Offer under revised terms as part of the next PFR Starter Call.

§ 9.
Rules for selecting Tenders under the Call for Tenders

9.1 General rules for the selection of Tenders:

9.1.1 The Tender shall be prepared in accordance with the requirements set out in these Rules.

9.1.2 Tenders shall selected under a competition for Tenders, under open, transparent, proportionate and non-discriminatory procedures, not allowing the emergence of conflicts of interest.

9.1.3 The evaluation of Tenders shall include: (i) an analysis of the fulfilment of the Access Criteria and (ii) a substantive evaluation.

9.2 Evaluation of the fulfilment of the Access Criteria shall be carried out:

(i) based on the formal requirements referred to in pt 6.1, pt. 8.1 and pt. 8.46-8

and

(ii) consistency of the data stated by the Tenderer in Appendix 1 with the requirements set out in Appendix 7, regarding:

a) the levels of declared capital contributions of Private Investors, PFR Starter, the Managing Entity;

b) the level of capital contributions of Key Persons made to the Managing Entity;

c) the duration of the VC Fund, including the Investment and Divestment Period;

d) the required number of Key Persons engaged on an appropriate working time basis;

e) the maximum value of the first Investment in the Portfolio Company;

f) minimum level of initial Investments in Group A companies;

g) the level of utilization of the Investment Budget for Follow-on Investments;

h) the level of carried interest;

i) the VC Fund's investment policy accounting for sustainable development factors in the evaluation of investment projects.

9.2.2 Non-compliance of the Tender with any of the Access Criteria shall result in the rejection of the Tender under the Call concerned..

9.2.3 Non-compliance of the Tender with the Access Criteria may also be identified at the stage of substantive evaluation, in which case the Tender shall be rejected.

9.3 Substantive evaluation of the Tenders:

9.3.1 Tenders that meet the Access Criteria will be subject to substantive evaluation, subject to Section 9.2.3 of the Rules.

9.3.2 Substantive evaluation shall consist of three stages:

a) First stage of substantive analysis – analysis of the Tender documentation;

b) Second stage of the substantive analysis – a meeting with the Tenderer, when following the first stage of the substantive analysis the Tender has been recommended to advance to the second stage;

c) Third stage of the substantive analysis – Due Diligence, when after the second stage of the substantive analysis the Tender has been recommended to advance to the third stage;

9.3.3 As part of the substantive evaluation, the Tenders shall be evaluated based on the following criteria:

A) Key Persons and members of the Operating Team appointed by the Tenderer – 40% of the score

(i) are able to implement the proposed Investment Policy verified on the basis of joint experience of individual Key Persons and/or experts/advisors/investors who are not Key Persons, with the experience of Key Persons being the primary focus of the evaluation,

(ii) have investment experience with projects at the seed/start-up to expansion/growth stages, supported by performance and/or knowledge of the venture capital market as to the above-mentioned stages of development, however, Key Persons with low investment experience in venture capital projects, but with extensive knowledge of the venture capital market and private equity and/or transactional and/or entrepreneurial experience and/or in seed/start-up investing for their own account (*first-time teams*) shall not be excluded,

(iii) have experience in the implementation of R&D projects, including the implementation or acceleration of completed or acquired R&D works,

(iv) have experience in cooperation with special purpose vehicles, technology transfer centres at research and development units, industry clusters of enterprises and related scientific institutions, technology parks and incubators supporting SMEs in the implementation of new (innovative) technologies,

(v) have experience in supporting the operations of investment portfolio companies (with respect to investment experience), including companies with a profile similar to that of Portfolio Companies, taking into account measures intended to support the implementation of individual value-building plans of such undertakings (*smart money*),

(vi) have entrepreneurial experience, including in the development of innovative SMEs, in particular with a profile similar to that of Portfolio Companies, in which the VC Fund is to invest in accordance with the Investment Policy,

(vii) have specialised sector-specific experience (however, no restrictions shall apply as to the industry sectors preferred by the VC Fund; especially sought after shall be teams with unique sector-specific experience, standing out in respect of other Tenderers) with a profile similar to that of Portfolio Companies, in which the VC Fund is to invest in accordance with the Investment Policy,

(viii) have business (e.g. strategic/ consulting/ restructuring) experience and/or knowledge of the seed/venture capital market,

(ix) have experience in obtaining financing (also as part of subsequent rounds) for enterprises,

(x) declare (at least two Key Persons) full involvement in the investment activities of the VC Fund until the end of the investment period, of 100% of professional time, subject to a possible deviation, with the consent of PFR Starter, from the principle of full involvement, to the level of no less than 80% of professional time, in cases when: i) a Key Person is involved in the management of a previous VC Fund in the divestment period, or ii) another type of ancillary activity of a Key Person is strictly limited in scope, is of a clear synergistic nature and does not generate a conflict of interest,

(xi) make significant financial contributions as part of the Managing Entity's contribution.

B) **Investment Policy of the VC Fund -** 30% of the score:

(i) Completeness, quality and effectiveness of the Investment Policy,

(ii) Potential of the Investment Policy with regard to *smart money*,

(iii) Demonstrating a realistic and effective Investment Budget and Operating Budget, which can ensure the achievement of the objective of the Call,

(iv) Viability of the Investment Policy construed as a link between the assumptions of the Investment Policy and the size of the proposed budget,

(v) Consistency of the Investment Policy with the investment and/or entrepreneurial experience and/or experience other than investment or entrepreneurial experience of Key Persons,

(vi) The Investment Policy is based on market principles and includes a risk diversification policy,

(vii) Arm's length and effective terms and conditions of Investment Agreements with Portfolio Companies.

(viii) Integrating sustainability factors into the evaluation of investment projects, e.g. by applying the Principles for Responsible Investment[4] or other relevant international ESG standards. PFR Starter, acting as a Public Investor, shall not invest in VC Funds that do not ensure the application of the ESG policy under their Investment Policy. Failure to include the ESG policy in the VC Fund's Investment Policy shall be tantamount to the Tender's failure to meet the Access Criteria and the Tender shall be rejected.

C) **Demonstrating an effective and systematic method of acquiring potential investment projects and carrying out the investment process (including investment project evaluation) based on the best market practices.**

D) **Demonstrating a credible list of potential investment projects (pipeline), e.g., information on a letter of intent/term sheet, etc. concluded with a potential Portfolio Company.**

16% of the total score for meeting C-D groups criteria

E) **The amount of private capital contribution of Private Investors and the Managing Entity,**

F) **Presentation of an effective incentive system of Key Persons and the Operating Team, including the presentation of the level and rules of distribution of Carried Interest,**

G) **Providing credible evidence of organisational capacity and readiness and effectiveness of the organisational structure of the VC Fund for achieving the objectives of the Call and project schedule**, in particular with regard to the governance framework, i.e., completeness and qualifications of Key Persons and the Operating Team, legal form of the VC Fund, investment decision-making procedures in place or planned to be implemented to ensure the participation of the Investment Committee and external experts/advisors, procedures for monitoring and supervising Investments, procedures for auditing the Investments made, procedures for managing conflicts of interest, the internal checks procedures /Compliance, taking into account the experience, resources, reputation of the VC Fund and/or the Managing Entity, as well as ESG policies and procedures related to social and employee issues, such as respect for human rights, the principle of equality between men and women, the principle of equal opportunities and non-discrimination, ensuring the protection of employee rights, compliance with occupational health and safety standards, fair working conditions, diversity and training and development opportunities.

14% of the total score for meeting E-G groups criteria

9.4 Due Diligence shall consist of three parts, i.e.:

9.4.1 business Due Diligence – concerning, in particular, the correctness of statements and information provided by the Tenderer in the Tender, investment experience indicated and investments made and the business reputation of Key Persons, as well as the financial capacity of the Private Investors, the Managing Entity and Key Persons to make a private capital contribution

to the VC Fund in the declared amount – carried out by PFR Starter or, in specific cases, by their professional advisors;

9.4.2 legal Due Diligence – concerning, in particular: (i) the legal capacity of Private Investors, the Managing Entity and Key Persons as to the authority to implement of the Investment Agreement Starter – carried out by PFR Starter's professional advisors, (ii) the legal and tax structure of the VC Fund, including from the perspective of regulations on the prevention of money laundering and terrorist financing, and

9.4.3 compliance audit – concerning, in particular, the reputation of persons indicated by the Tenderer in the Tender, based on verification of available sources, in accordance with the recommendations of the regulators. The compliance audit may also include, to a limited extent, a reputational assessment of the spouse of a member of the Key Persons.

9.5 The VC Fund and/or the Managing Entity shall enable PFR Starter to carry out such Due Diligence, and shall ensure that the Managing Entity, the VC Fund, Key Persons, the Investment Committee and the Operating Team and/or each Private Investor, provide all information and documents that PFR Starter or their professional advisors may request for that purpose.

9.6 With respect to Tenderers who, as a result of the substantive evaluation, received the number of points (for meeting the criteria set out in Section 9.3.3) enabling the Tender to advance to the third stage of the substantive evaluation, PFR Starter may subsequently, following the Due Diligence procedure, make the advancement of a given Tender to the Investment Agreement Preparation Stage contingent on, in particular (i) a reduction of the VC Fund's capitalisation specified by the Tenderer in the Tender, (ii) an increase in the amount or a change in the structure of the Managing Entity's own capital contribution specified in the Tender; (iii) a decrease in the amount or a change of the manner of distribution of Carried Interest specified in the Tender, including any of the conditions alone, all or selected conditions in any configuration, if PFR Starter deems it appropriate for the achievement of the VC Fund's Investment Policy. The fulfilment by the Tenderer of the conditions referred to above shall be achieved by submitting the Tenderer’s written statement on acceptance of the terms and conditions set out by PFR Starter.

9.7 The selection of Tenderers for the entry into the Investment Agreement, including the advancement to the Investment Agreement Preparation Stage, will be made from among the most advantageous Tenders and within the limit of the availability of funds provided for in the Call.

9.8 In the event all Tenders are rejected or no Tender is selected, the Call shall remain unresolved.

9.9 The time provided for the assessment whether the Access Criteria have been met and for the substantive evaluation of the Tenders as well as the commencement of the Investment Agreement Preparation Stage depends on the number of Tenders submitted under the Call and the complexity of issues requiring clarification during the Due Diligence process, however, the estimated period for their review is a minimum of two months from the commencement of the Call.

§ 10.
Communication regarding the Call

10.1 By e-mail (to the e-mail address indicated by the Tenderer in the Tender), the Tenderer shall receive information about:

10.1.1 rejection of the Tender, or

10.1.2 advancement of the Tender to the next stage of evaluation, or

10.1.3 advancement of the Tender to the Investment Agreement Preparation Stage.

10.2 The list of Tenderers with whom the Investment Agreements have been entered into shall be published on the Website upon conclusion of the Call. The list will include the name of the VC Fund and/or Managing Entity and the amount allocated to finance the VC Fund concerned.

10.3 In the case referred to in Section 10.1 above, PFR Starter may provide the Tenderers with feedback on the evaluation of the Tenders. The feedback referred to above may in no case be the basis for raising any claims against PFR Ventures and/or PFR Starter in that respect.

§ 11.
Investment Agreement

11.1 The provisions of the Investment Agreement indicated or arising under these Rules together with appendices and/or arising under the applicable provisions of law are non-negotiable.

11.2 Each Investment Agreement entered into under the Call, irrespective of any other terms and conditions set out in the Investment Agreement and the legal form of the VC Fund, shall contain mandatory provisions concerning, in particular, the following issues:

11.2.1 Commitment to achieve the VC Fund's objectives set out in the Investment Policy and the milestones set out in Appendix 7 entitled Key Terms of the Starter Programme (“Term Sheet”), including in particular those relating to the rate of spending under the Investment Budget, together with the determination of the sanctions for their non-performance, in particular in the form of PFR Starter's right to reduce the Declared Capitalisation of the VC Fund or terminate the Investment Agreement,

11.2.2 Rules for the utilisation of financial resources made available to the VC Fund, in particular the investment rules in line with the FENG Regulation, the GBER, the General Regulation, and the Managing Entity's obligation to invest in Portfolio Companies meeting the criteria of the Starter Programme,

11.2.3 Object and rules of financing the VC Fund, including the amount of the Managing Entity's remuneration and the rules for its payment and settlement,

11.2.4 Rules for reimbursement by the VC Fund of financial resources spent incorrectly or collected in an excessive amount,

11.2.5 Basic terms and conditions of investment agreements with Portfolio Companies,

11.2.6 Principles of engagement of VC Fund's personnel, in particular the undertaking that the Key Persons and members of the Operating Team shall not, without the prior consent of PFR Starter, act in any managerial, supervisory, advisory or other key capacities in entities other than the VC Fund, the Managing Entity and/or the Portfolio Company which is the subject of

the VC Fund's Investment, the performance of which would entail a conflict of interest in relation to the VC Fund's activities, which shall in each case be verified by PFR Starter,

11.2.7 Obligation of the VC Fund to develop and implement internal audit procedures,

11.2.8 Procuring the implementation of an accounting system at the level of the VC Fund to ensure reliable, complete and credible information regarding, in particular, the investments made by the VC Fund in due time and recording financial flows between the VC Fund and the Portfolio Company,

11.2.9 Obligation of the Managing Entity to undergo checks and audits by BGK, the Ministry of Development Funds and Regional Policy (FENG Managing Authority), the European Commission, the European Court of Auditors or other entities authorised to carry out such audits, including the provision of information and assistance to the European Court of Auditors to the extent necessary for the performance of the obligations imposed on it by the Court, as well as the obligation to ensure that the Portfolio Companies in which the VC Fund invests will also be audited by the above-mentioned institutions and to ensure an adequate audit trail,

11.2.10 Obligation to provide authorised institutions (in particular BGK and the Ministry of Development Funds and Regional Policy) with data required for the Ministry of Development Funds and Regional Policy to build databases, perform and order analyses on the implementation of the PFR Starter programme, financial instruments, policies, including horizontal policies, impact evaluations, as well as evaluations of macroeconomic impacts in the context of financial instruments implementation,

11.2.11 Rules for managing conflicts of interest,

11.2.12 Obligation of the Managing Entity to comply with the EU policies and rules arising under the FENG programme, the Detailed Description of FENG Priorities, and the relevant guidelines of the FENG managing authority,

11.2.13 Obligation of the Managing Entity to procure minimum private capital from Private Investors,

11.2.14 Further utilisation and distribution of returns from Investments in Portfolio Companies,

11.2.15 Obligation of the Managing Entity to carry out information and promotion measures for the Starter Programme, in accordance with the applicable information and promotion rules,

11.2.16 Rules for monitoring and reporting,

11.2.17 Obligation to keep documentation related to the financing obtained by VC Funds – throughout the investment horizon, but for a period not shorter than until 2034,

11.2.18 Rules for termination of the Investment Agreement

11.3 The Investment Agreement Preparation Stage shall only commence if the following conditions are met:

11.3.1 At the request of PFR Starter, the Tenderer has provided all the original documents referred to in Section 8.5 of the Rules, and

11.3.2 The Due Diligence procedure carried out at the substantive evaluation stage shows no legal and/or financial and/or reputational incapacity to conclude or perform the Investment

Agreement by the Managing Entity, Private Investors, Key Persons, the Investment Committee and members of the Operating Team and/or the VC Fund, and

11.3.3 The Tender has been referred to advance to the Investment Agreement Preparation Stage.

§ 12.
Conflict of interest

12.1 Conflicts of interest may arise, in particular but without limitation, 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 and/or BGK with members of the corporate bodies of the VC Fund or the Managing Entity, Key Persons, the Investment Committee or the Operating Team or the Private 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 VC Fund or the Managing Entity, Key Persons, the Investment Committee or the Operating Team or the Private 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 links involving the ownership of shares or stocks of the VC Fund, the Managing Entity or the Private Investor, or any other entity, in which any of the above entities hold shares or stocks, by an employee or associate of PFR Ventures and/or BGK, 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 material, especially financial links (e.g., the receipt by an employee or associate of PFR Ventures and/or BGK from the VC Fund, the Managing Entity, Key Persons, the Investment Committee or the Operating Team or the Private Investor of gifts of considerable value or donations), as well as incurring financial liabilities by an employee or associate of PFR Ventures and/or BGK with the VC Fund, the Managing Entity or the Private Investor,

12.1.4 an employee or associate of PFR Ventures and/or BGK receiving income from the VC Fund, the Managing Entity, Key Persons, the Investment Committee or the Operating Team or the Private Investor in respect of employment or civil-law contracts, i.e. an employee or associate of PFR Ventures and/or BGK with the VC Fund, the Managing Entity or the Private Investor under a contract of employment, contract for specific work or contract of mandate; also where an employee or associate of PFR Ventures and/or BGK is absent on unpaid leave granted by the VC Fund, the Managing Entity or the Private Investor,

12.1.5 an employee or associate of PFR Ventures and/or BGK in the VC Fund, the Managing Entity or the Private Investor serving in a managerial or supervisory capacity by holding a position in the governing bodies of the VC Fund, the Managing Entity or the Private Investor, e.g., in the Management Board, Supervisory Board, etc.,

12.1.6 an employee or associate of PFR Ventures and/or BGK contacting the VC Fund, the Managing Entity or the Private Investor regarding possible future employment or professional cooperation,

12.1.7 having such a legal or actual relationship, which may give rise to reasonable doubt as to the impartiality of an employee or associate of PFR Ventures and/or BGK.

The reasons listed in the sections above may result in a Conflict of Interest if they arise at the time an employee or associate of PFR Ventures and/or BGK considers and processes the Tender submitted by the Tenderer, or if they arose in the past or are likely to arise in the future – insofar as they affect the decision-making process in the case.

12.2 An associate of PFR Ventures and/or BGK, as the case may be, should be construed as a person involved in conducting any of the stages of the Call for Tenders, cooperating with PFR Ventures and/or BGK, as the case may be, under any legal relationship.

12.3 An employee or associate of PFR Ventures and/or BGK (including employees/associates who are not involved in conducting any stage of the Call for Tenders), or an entity in which an employee or associate of PFR Ventures and/or BGK serves in a managerial capacity, may not submit Tenders under the Call if at the time of submission, he/she is an employee or associate of PFR Ventures and/or BGK.

12.4 An employee or associate of PFR Ventures and/or BGK involved in work related to the Call for Tenders, shall submit a written statement to PFR Ventures of no grounds for a Conflict of Interest in the case on which they make a decision or deliver an opinion.

12.5 A Conflict of Interest with respect to links to PFR Ventures and/or BGK, referred to in Section 12.1 of the Rules, shall apply to members of the Operating Team and the Investment Committee, including Key Persons, who have undertaken to provide a capital contribution as part of the Managing Entity, in the Declared Capitalisation of the VC Fund and Private Investors, who are natural persons, respectively. In such a situation, the links to PFR Ventures and/or BGK referred to in Section 12.1 of the Rules should be applied accordingly.

12.6 Where the Tender has been selected in breach of the provisions of Sections 12.1 – 12.5, the selection of such a Tender may be revoked and the Tender may be re-evaluated.

12.7 Prior to an Investment in a given Portfolio Company, the VC Fund shall be required to inform PFR Starter of the capital or personal links of the shareholders or partners of the Portfolio Company, members of its management or supervisory body or their spouses, relatives by blood or by marriage (up to the second degree) to a partner, shareholder or to persons managing or supervising the VC Fund, the Managing Entity, the Private Investor, or to other persons of those entities who have an impact on the VC Fund's investment decisions. In the event of the Conflict of Interest described above, an Investment in such a Portfolio Company shall require PFR Starter's consent.

12.8 Detailed provisions regarding a conflict of interest between the Parties to the Investment Agreement and their related entities/affiliates (upon its conclusion) shall be set out in the Investment Agreement.

§ 13.
Final provisions

13.1 The Rules shall enter into force on the date of publication of the Notice of Calls on the Website.

13.2 Submission of a Tender shall operate as acceptance by the Tenderer of the provisions of the Rules and all appendices forming an integral part hereof.

13.3 The data contained in the Tenders or provided in connection with the submission and selection of Tenders may be transmitted to BGK, the Ministry of Development Funds and Regional Policy and relevant institutions participating in the implementation of the FENG CI and entities authorised by them.

13.4 Subject to Section 13.3 above, PFR Ventures, PFR Starter or the Tenderers may not, without the consent of the other party, disclose any information related to the Tenders and the progress of the Call, and PFR Starter, the Tenderer, Key Persons, the Investment Committee and the Operating Team as well as Private Investors shall be obliged to keep confidential any information obtained at the Investment Agreement Preparation Stage. The foregoing shall be without prejudice to the right of PFR Starter and/or PFR Ventures to use external experts, auditors and advisors 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 Starter and/or PFR Ventures from other sources. The confidentiality obligation shall be without prejudice to the obligation of PFR Starter, PFR Ventures, the Tenderer, Key Persons, the Investment Committee and the Operating Team and/or Private Investors to provide information to authorized (internal or external) bodies or to make the information public to the extent required by the provisions of law.

13.5 Key Persons, the Operating Team and the Managing Entity declare that they have been advised of the fact that PFR Ventures/PFR Starter and PFR Ventures' authorised legal advisors derive information on their previous investment and entrepreneurial activities and reputation on the market for the purposes of a substantive analysis of the Tender and the Due Diligence procedure. The foregoing declaration shall constitute consent of the party to which confidential information refers, to the disclosure of information covered by the confidentiality obligation, should any contractual or unilateral obligation provide for non-disclosure of information on Key Persons, the Operating Team or the Management Entity. Key Persons and the Operating Team as well as the Managing Entity also consent to further processing of the information obtained by PFR Starter and PFR Ventures solely for the purposes of institutions that offer financing from public funds (PARP, NCBR, BGK, ARP) and solely for the purpose of verifying the stated investment and entrepreneurial experience and reputation on the market.

13.6 The rules for the processing of personal data under the PFR Starter programme, i.e., the Starter 2.0 financial instrument, which is part of the FENG Programme financed by the European Regional Development Fund, are attached as Appendix 8 to the Call Rules.

13.7 These Terms shall be governed by and construed in accordance with the laws of Poland and the laws of the European Union.

13.8 Any disputes arising under or in connection with these Rules shall be resolved by a common court with jurisdiction over PFR Starter's registered office.

13.9 PFR Starter reserves the right to cancel the Call, in particular in the event of substantial amendments to laws and regulations that affect the conditions of the Call procedure or events of Force Majeure. In such a case, the Tenderer shall not have the right to claim damages.

Appendices:

Appendix 1: **Tender Identification Form**

Appendix 2: **Key Persons/Operating Team Members Verification Form**

Exhibit A to Appendix 2: Statement of Key Persons

Exhibit B to Appendix 2: Statement by a member of the Operating Team

Appendix 3: **Investment Policy**

Appendix 4: **Financial Schedule**

Appendix 5: **List of potential investment projects**

Appendix 6a: **Private Investor's Statement (natural person)**

Appendix 6b: **Private Investor's Statement (legal person or another legal entity)**

Appendix 7: **Key Terms of the Starter Programme (“Term Sheet”)**

Appendix 8: **Information clause**