

Approved by resolution of the Fund Council
of the Non-Profit Organization
the Fund for Development of the Center for
Elaboration and Commercialization
of New Technologies

25 April, 2012

Endorsed by resolution of the Board of Trustees of the
Non-Profit Organization
the Fund for Development of the Center for
Elaboration and Commercialization
of New Technologies

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REGULATION ON GRANTS TO PARTICIPANTS OF THE PROJECT FOR CREATION AND SUPPORT OF OPERATION OF SKOLKOVO INNOVATION CENTER

Article 1. General Provisions

1. This Regulation shall govern the provision by the Non-Profit Organization the Fund for Development of the Center for Elaboration and Commercialization of New Technologies (hereinafter - the Fund) of grants to participants of the project for creation and support of operation of Skolkovo Innovation Center for implementing innovative projects (hereinafter - Grants, Project Participants and Projects, respectively), submission of grant use reports (hereinafter - Reports and Stages, respectively) and review thereof by the Fund.

2. This Regulation contains project rules as defined in article 7 of Federal Law No. 244-FZ dated September 28, 2010 "On Skolkovo Innovation Center" (hereinafter - the Law), which rules constitute mandatory conditions for conduct of activities by the persons involved in project implementation.

3. When providing Grants to Project Participants and during review of Project Participants' Reports, the Fund shall be guided by the Law, the Fund's Charter, by the Regulation governing assignment and cancellation of the status of participant of the project for creation and support of operation of Skolkovo Innovation Center, by this Regulation and other in-house regulations issued by the Fund.

4. Any orders issued by the President of the Fund or by the person authorized by the President of the Fund in pursuance of this Regulation, whenever any such order is stipulated by this Regulation, shall be published on the Fund's website.

5. Unless otherwise provided by this Regulation, any documents submitted by Project Participants to the Fund shall be submitted through a special web-portal at app.sk.ru.

Article 2. Grant Application Submission Deadline

1. Any Project Participant may file a grant application to the Fund (hereinafter - the Application). The Application form shall be approved by the President of the Fund.

2. The Fund (for the purpose of this article represented by the President of the Fund or by the person authorized by the President of the Fund) shall decide whether to accept an Application for examination or refuse to provide Grant within ten business days after submission of the Application and shall notify the Project Participant of its decision.

3. An Application may be accepted by the Fund for examination provided that the Project to be financed with Grant satisfies all of the following requirements:

- 1) The Project is implemented by the Project Participant;
- 2) Substantive examination has demonstrated that the Project meets the criteria specified in paragraph 2.6 of the Regulation governing assignment and cancellation of the status of participant of the project for creation and support of operation of Skolkovo Innovation Center;
- 3) The Project is in line with the innovation priorities set forth in the Regulation governing assignment and cancellation of the status of participant of the project for creation and support of operation of Skolkovo Innovation Center in force at the time;
- 4) The Project complies with the Fund's Grant Policy approved by order of the President of the Fund.

4. The Fund shall refuse to provide a Grant if the Project concerned fails to meet any requirements specified in paragraph 3 of this article.

The Fund shall refuse to provide a Grant, if the Fund decides that financing the Project concerned with a Grant is inexpedient, even if such Project meets the requirements set forth in paragraph 3 of this article.

In case of refusal by the Fund to provide a Grant, the Project Participant may not re-submit the same Application.

Article 3. Submission of Grant Memorandum

1. If the Fund decides to accept an Application for examination, the Project Participant within ninety business days after a notice of such decision may submit a Grant Memorandum to the Fund.

Project Participant's Grant Memorandum shall:

- 1) include sections listed in Annex 1 hereto;
- 2) be in the form to be approved by order of the President of the Fund;
- 3) have enclosed document specified in the list to be approved by order of the President of the Fund.

2. Grant Memorandum may be submitted by the Project Participant to the Fund in Russian and in English. In case a Project Participant submits its Grant Memorandum in Russian only, the Fund shall translate such Grant Memorandum into English by its own forces. The Project Participant shall bear all risks connected with incomplete or inadequate translation of its Grant Memorandum.

3. Except for cases specified in paragraph 4 of this article, the Fund shall accept the Grant Memorandum for review within ten business days after submission thereof by the Project Participant and shall notify the Project Participant of such acceptance.

4. If the Project Participant fails to submit its Grant Memorandum within the deadline specified in paragraph 1 of this article, the Fund shall leave such Project Participant's Application unexamined and shall notify the Project Participant thereof.

If the Grant Memorandum submitted fails to meet the requirements set forth in paragraph 1 of this article, the Fund shall notify the Project Participant of such failure (such notice shall include a complete list of faults) within ten business days after submission of the Grant Memorandum.

The Project Participant shall correct such faults within ten business days after such notice. In case of a failure to make such corrections, the Fund shall leave the Application concerned unexamined and shall notify the Project Participant thereof.

5. If an Application is left by the Fund unexamined due to any reasons specified in paragraph 4 of this article, the Project Participant may re-submit its Application to the Fund in accordance with the procedure stipulated by article 2 paragraph 1 hereof.

Article 4. Review of the Grant Memorandum by the Fund

1. In case the Grant Memorandum is accepted for review, the contents thereof shall be analyzed by the Fund with respect to the following:

- 1) Project commercialization prospects;
- 2) Project team;
- 3) Project risks;
- 4) Project budget (hereinafter – the Budget);
- 5) Potential for attracting co-investors;
- 6) Objectives and plan of Project-related activities (hereinafter – the Plan).

2. Within ten business days after acceptance of the Grant Memorandum for examination the Fund shall take one of the following decisions with a notice of such decision to the Project Participant: Fund for Development of the Center

1) to provide a Grant, if the amount of Grant does not exceed RUR 5,000,000 (hereinafter - Minigrant);

2) to submit the Grant Memorandum for examination, if the amount of Grant exceeds RUR 5,000,000;

3) to return the Grant Memorandum to the Project Participant for revision (with a complete list of faults to be corrected during such revision). In this case the Project Participant may re-submit its revised Grant Memorandum to the Fund in accordance with article 3 hereof. The Fund shall assist the Project Participant with the revision of its Grant Memorandum;

4) to refuse to provide a Grant. In this case the Project Participant may re-submit its revised Application to the Fund in accordance with article 2 hereof.

Article 5. Examination of Grant Memorandum

1. The Grant Memorandum shall be examined by experts, with a list of experts to be approved by order of the President of the Fund or by the person authorized by the President of the Fund.

The Fund may also engage advisors to perform Project-related patent research.

2. The experts referred to above shall assess the Grant Memorandum within fifteen business days after its receipt by the experts and shall fill in a questionnaire covering the aspects specified in article 4 paragraph 1 hereof.

The contents of such questionnaire shall be approved by order of the President of the Fund.
Possible answers by experts: "excellent", "good", "satisfactory", "unsatisfactory."

3. Within ten business days after receipt of answers from at least three experts, the Fund shall include the provision of a Grant to the Project Participant in the agenda of the meeting of the Fund's Grant Committee (paragraph 4 of this article) and shall notify the Project Participant thereof, specifying in such notice (without disclosing any data identifying the experts) answers given by the experts on every question specified in paragraph 2 of this article, as well as comments given by the experts.

4. At least half of members of the Grant Committee shall be individuals not employed by the Fund (hereinafter - independent members of the Grant Committee).

Independent Members of the Grant Committee shall meet the following requirements:

1) they shall have managerial experience in legal entities that perform or finance R&D and commercialize R&D results;

2) they shall be renowned and reputable in investment and/or research community.

With respect to the provision of a Grant, the Grant Committee may pass one of the following resolutions:

1) to provide a Grant;

2) to return the Grant Memorandum to the Project Participant for revision (with a complete list of faults to be corrected during such revision). In this case the Project Participant may re-submit its revised Grant Memorandum to the Fund in accordance with article 3 hereof. In addition, the Grant Committee may decide that the revised Grant Memorandum does not need to be re-examined;

3) to refuse to provide a Grant. In this case the Project Participant may re-submit its revised Application to the Fund in accordance with article 2 hereof.

Resolutions of the Grant Committee shall be issued as minutes of meetings of the Grant Committee.

The Grant Committee Regulation and members of the Grant Committee shall be approved by orders of the President of the Fund.

Article 6. Conclusion of a Grant Agreement

1. Following signature of the minutes of meeting of the Grant Committee (or, in case of a Minigrant Agreement - within five days after the Fund decides to provide a Minigrant as described in article 4 paragraph 2 hereof), a Grant Agreement (hereinafter - Agreement) shall be concluded between the Fund and the Project Participant (hereinafter - Grant Recipient) on the terms and conditions stipulated by the Grant Memorandum and by the standard Agreement to be approved by order of the President of the Fund.

2. The Fund shall within ten business days submit a draft Agreement to the Grant Recipient for signature.

Article 7. Amendments to Agreement

1. The Grant Recipient may send a letter to the Fund to propose amendments to the Agreement, which letter shall include justification for such amendments. In case the Grant

Recipient proposes material amendments to the Agreement (paragraph 2 of this article), the said letter shall have enclosed a revised Grant Memorandum.

2. In case the Grant Recipient proposes material amendments to the Agreement, conclusion of an amendment to the Agreement (hereinafter - Amendment) shall be considered at a meeting of the Grant Committee after the Grant Memorandum has been reviewed by the Fund and examined as described in articles 4 and 5 hereof. If the Fund decides that such amendments are inappropriate, the Fund may refuse to approve the revised Grant Memorandum, which shall be notified to Grant Recipient.

The following amendments to the Agreement shall be deemed material:

- 1) extension of the Project implementation period by more than one third;
- 2) extension or shift of the implementation period for any Stage by more than a half;
- 3) increase of the amount of Grant;
- 4) change of any objectives of the Project (Project Stages).

3. In case the Grant Recipient proposes any amendments to the Agreement that are not material, the Fund shall decide whether to conclude (by signing an Amendment) or refuse to conclude an Amendment within ten business days following receipt of the Grant Recipient's letter suggesting amendments to the Agreement. This issue does not need to be submitted to the meeting of the Grant Committee.

Article 8. Provision of Grant to Grant Recipient

1. Unless otherwise provided by paragraph 2 of this article, a Grant shall be provided to the Grant Recipient by transferring the amount due to the Grant Recipient's bank account specified in the Agreement within five business days after signature of the Agreement.

2. In case the Agreement includes any preliminary conditions for provision of a Grant by the Fund, upon fulfilment of such preliminary conditions the Grant Recipient shall submit supporting documents to the Fund.

Within five business days (unless otherwise provided by the Agreement) the Fund shall review such documents and provide the Grant (if preliminary conditions have been fulfilled) or send a letter with a complete list of identified faults to the Grant Recipient.

Article 9. Reporting to the Fund

1. The Grant Recipient within ten business days after completion of a Project Stage shall submit a signed Report to the Fund, and such Report shall meet the requirements of Annex 2 hereto.

Such Report may be submitted by the Grant Recipient in Russian and in English. In case the Grant Recipient submits a Report in Russian only, the Fund shall translate such Report (except for Minigrant Use Reports) into English. The Grant Recipient shall bear all risks connected with incomplete or inadequate translation of the Report.

2. In case the Grant Recipient is unable to submit a Report within the deadline specified in paragraph 1 of this article, the Grant Recipient shall in writing notify the Fund not later than ten business days prior to the deadline (such notice shall specify the causes of such inability and the expected Report submission date).

Within ten days after receipt of such notice, the Fund shall decide whether or not to extend the Report submission deadline for the Grant Recipient and shall notify the Grant Recipient of its decision.

3. In case the Grant Recipient fails to submit a Report within the deadline specified in paragraph 1 of this article and also fails to send a written notice as described in paragraph 2 of this article, or in case the Fund decides not to extend the Report submission deadline, the Fund, upon expiration of ten working days after the Report submission deadline has ended or a decision of non-extension has been taken, may post information about such Grant Recipient to the Fund's website in the section "Unscrupulous Grant Recipients" (such information shall include the cause described in this paragraph).

Article 10. Review of Reports

1. Reports will be reviewed by the Fund for the following purposes:

- 1) controlling compliance of the persons involved in the implementation of the project for creation and support of operation of Skolkovo Innovation Center with its objectives;
- 2) enabling the Fund to assess intermediate and final results of the implementation of Projects by Grant Recipients;
- 3) enabling the Fund to decide whether or not the amount of Grant for the next Stage shall be provided.

2. The Fund shall verify the Report within five business days after receipt thereof and shall decide whether the Report shall be accepted for review or rejected, with a notice of such decision to the Grant Recipient.

A Report shall be rejected by the Fund only in case the Report concerned does not meet the requirements of Annex 2 hereto.

In its decision to reject a Report the Fund shall provide a complete list of identified faults and shall set a deadline (up to thirty business days) for the Grant Recipient to correct such faults that caused the Report to be rejected.

3. In case the Grant Recipient fails to correct the faults, which caused its Report to be rejected, within the deadline specified in the decision of such rejection, the Fund, upon expiration of ten business day after the deadline specified in its decision of rejection has ended, may post information about such Grant Recipient to the Fund's website in the section "Unscrupulous Grant Recipients" (such information shall include the cause described in this paragraph).

4. Within five business days after a decision has been taken to accept a Report for review (except for Minigrant Use Reports), the Fund shall notify the Grant Recipient and shall transfer portion of the Grant for the next Stage required to enable the Grant Recipient to implement the Project, within the deadline for substantive examination of the Report by the Fund specified in paragraph 5 of this article (hereinafter - Portion of Grant). The amount of the Portion of Grant shall be determined in the Agreement and may be increased upon a justified written application from the Grant Recipient.

5. Substantive examination of a Report shall be completed by the Fund within sixty business days after the Report concerned has been accepted for review (or within ten business days in case of Minigrant Use Reports).

Unless the Fund has decided to refuse to provide a Grant for the next Stage as described herein, the Fund shall take a decision to provide a Grant for the next Stage (less Portion of Grant) and shall notify the Grant Recipient of such decision (except for cases when Minigrant Reports Use are reviewed).

6. For the purpose of substantive examination of Reports (except for Minigrant Use Reports) the Fund shall involve experts and may involve any other persons.

Such experts shall assess the Grant Recipient's activities related to Project implementation in terms of compliance with the requirements of the Law, this Regulation and the Agreement, for which purpose the experts shall answer the following questions:

1) whether the activities completed by the Grant Recipient include research activities. Possible answers by experts: "Yes", "No";

2) assessment of compliance of the results of completed activities with the Project Plan and objectives. Possible answers by experts: "excellent", "good", "satisfactory", "unsatisfactory".

7. During substantive examination of Reports the Fund may:

1) request from the Grant Recipient additional clarifications related to the Report, or any underlying documents certifying the contents of the Report, including expenses financed with the Grant or funds provided by the Project co-investor;

2) verify, whether with its own forces or by engaging experts at its own expense, the reliability of the contents of Reports, including by visiting the Grant Recipient's facilities and/or site.

The Grant recipient shall provide all requested materials and/or shall ensure access to the Grant recipient's facilities and/or site within the deadline specified in the Fund's request. In case the Grant Recipient delays fulfilment of such request, the Fund may extend the period for substantive examination of the Report concerned proportionally to such delay.

In case the Grant Recipient fails to comply with the Fund's request, the Fund, upon expiration of ten business days after the end of the deadline specified in such request, may post information about such Grant Recipient to the Fund's website in the section "Unscrupulous Grant Recipients" (such information shall include the cause specified in this paragraph).

Article 11. Decision-making by the Fund based on Review of Reports

1. Subject to the following conditions, the Fund shall provide the amount of Grant for the next Stage to the Grant Recipient (less Portion of Grant) and notify the Grant Recipient while all the following conditions are met:

1) all experts answered "Yes" to the question specified in article 10 paragraph 6 item 1 hereof;

2) all experts answered "excellent" or "good" to the question specified in article 10 paragraph 6 item 2 hereof;

3) there are no causes specified in paragraph 4 items 2-4 of this article.

2. In the following circumstances, the Fund may provide or refuse to provide the amount of Grant for the next Stage to the Grant Recipient (less Portion of Grant) and notify the Grant Recipient while all the following conditions are met:

1) all experts answered "Yes" to the question specified in article 10 paragraph 6 item 1 hereof;

2) one or more expert(s) answered "satisfactory" to the question specified in article 10 paragraph 6 item 2 hereof. No expert answered "unsatisfactory" to this question.

3) there are no causes specified in paragraph 4 items 2-4 of this article.

In this case the question whether or not to provide the amount of Grant for the next Stage (less Portion of Grant) to the Grant Recipient may be submitted by the Fund to the meeting of the Grant Committee.

A decision to refuse to provide the amount of Grant for the next Stage to the Grant Recipient may be taken by the Fund only on the grounds of a corresponding resolution of the Grant Committee.

3. In the following circumstances, the Fund may provide or refuse to provide the amount of Grant for the next Stage to the Grant Recipient (less Portion of Grant) and notify the Grant Recipient while all the following conditions are met:

1) one or more expert(s) answered "no" to the question specified in article 10 paragraph 6 item 1 hereof;

2) one or more expert(s) answered "unsatisfactory" to the question specified in article 10 paragraph 6 item 2 hereof.

3) there are no causes specified in paragraph 4 items 2-4 of this article.

In this case the question whether or not to provide the amount of Grant for the next Stage (less Portion of Grant) to the Grant Recipient shall be submitted by the Fund to the meeting of the Grant Committee.

A decision to refuse to provide the amount of Grant for the next Stage to the Grant Recipient may be taken by the Fund only on the grounds of a corresponding resolution of the Grant Committee.

4. In the following cases, the Fund shall refuse to provide the amount of Grant for the next Stage and shall notify the Grant Recipient:

1) the Grant Committee of the Fund resolved to refuse to provide the amount of Grant for the next Stage;

2) the Fund determined that further financing of the Project is inexpedient due to the following reasons (without limitation):

a) Financing of the Fund for the purpose of providing Grants to participants of the project for creation and support of operation of Skolkovo Innovation Center has been stopped;

b) The Grant Recipient has violated any requirements of the Law or project rules, as approved by the Fund acting as the management company in accordance with the Law;

c) The Grant Recipient has lost its status of participant of the project for creation and support of operation of Skolkovo Innovation Center;

3) The Grant Recipient has provided false data in its Report;

4) in other cases stipulated by the Agreement.

5. In case the Grant Recipient submits a Report for the last Stage or a Minigrant Use Report, the Fund shall take such Report into consideration (provided that in cases specified in paragraph 6 of this article the Fund may post information about the Grant Recipient to the Fund's website in the section "Unscrupulous Grant Recipients").

6. The Grant Recipient may spend the Grant under the Agreement only for Project-related purposes.

The Grant may not be used by the Grant Recipient for launching commercial production; construction or repair of real estate; procurement of vehicles, unless a vehicle is part of the product under development; procurement of premium goods, work or services; payment of scholarship or prizes to third persons; depositing the Grant with any bank; purchase of securities with the Grant;

provision of loans out of the Grant to any third persons, or for any other purpose not related to the Project.

In case a Grant Recipient violates this Rule, the Fund, within one month after such violation becomes known to the Fund, may post information about such Grant Recipient to the Fund's website in the section "Unscrupulous Grant Recipients" (such information shall include the cause specified in this paragraph).

7. In case the Fund decides to provide the amount of Grant for the next Stage (less Portion of Grant) to the Grant Recipient, the actual redistribution of spent funds of Grant between Budget items shall be deemed approved by the Fund without the need to make an Addendum, unless otherwise provided by the Fund's decision. Overspending on some items and saving on other items of the Budget shall not entail any curtailment of Grant to be provided for the next Stage.

8. Under no circumstances the Fund may request refund of the amount of Grant provided to the Grant Recipient.

SECTION OF A GRANT MEMORANDUM

1. Date.
2. Project Participant's name.
3. Title, summary and objectives of the Project (Project Stages).
4. Problem and proposed solution.
5. Market.
6. Comparison with similar solutions.
7. Technology.
8. Business model.
9. Project team.
10. Project's current status.
11. Intellectual property.
12. Development plan.
13. Budget.
14. Co-investor.
15. Disclosure of the Project Participant's beneficiaries.
16. Disclosure of conflict of interest.
17. Any additional information necessary in the opinion of the Project Participant.

CONTENTS OF REPORT

ON COMPANY'S LETTERHEAD PAPER

REPORT

(Grant Recipient's name)
on use of the Grant upon completion of ____ stage
of the innovative project (hereinafter - stage)
under Grant Agreement No. ____ dated _____

(date)

1. Project title.
2. Project summary.
3. Amount of Grant provided for this stage in accordance with the Plan, RUR: _____
4. Grant Recipient's Project-related activities described as follows:
 - a) activities specified in the Plan;
 - a) results of all activities;
 - c) title and details of all supporting documents, including reports issued by independent laboratories to confirm achievement of the results stated in the report (if applicable);
 - d) any additional information necessary in the opinion of the Project Participant.
5. Use of funds provided for this Stage:

| No. | Cost item | Expected expenses according to the Budget, RUR | | | Actual expenses, RUR | | | Explanation of deviations |
|----------------------------------|---|--|-----------------------------|-------|----------------------|-----------------------------|-------|---------------------------|
| | | financed by the Fund | financed by the co-investor | Total | financed by the Fund | financed by the co-investor | Total | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1. | Capital expenses | | | | | | | |
| 2. | Expenses on consumables | | | | | | | |
| 3. | Salary fund | | | | | | | |
| 4. | Miscellaneous expenses (maximum share of such expenses in total expenses is fixed in the Agreement) | | | | | | | |
| TOTAL EXPENSES FOR STAGE: | | | | | | | | |

6. Results of Project-related activities that are not included in the Plan, but in the opinion of the Grant Recipient facilitated the implementation of the Project. Any unexpected results and their nature.

7. Faults identified during implementation of the Project Stage.

8. General conclusions about the implementation of the Project Stage.

9. Enclosed: copies of supporting documents listed in paragraph 4 of this Report.

I warrant that the information provided in this Report corresponds to the reality.

Signature of the person authorized to sign the Report on behalf of the Project Participant.