

REGULATIONS

on Microgrants to Participants of the Project for the Creation and Provision of Functioning of the Skolkovo Innovation Center

Article 1. General

1. These Regulations were developed for the purpose of implementing the program for targeted grant financing, aimed at the development of an innovation ecosystem, pursuant to the Civil Code of the Russian Federation, Federal Law No. 244-FZ, dated September 28, 2010, “On Skolkovo Innovation Center”, other regulations of the Russian Federation governing operations of the Foundation as related to the organization and facilitation of research activities, and the Charter of the Foundation.

2. These Regulations shall determine the procedure for allocation, by the Non-Profit Organization the Fund for Development of the Center for Elaboration and Commercialization of New Technologies (hereinafter, the “Foundation”), of grants not exceeding an amount of RUB 1,500,000 (hereinafter, “microgrants”), to participants of the Project for the Creation and Provision of Functioning of the Skolkovo Innovation Center (hereinafter, “participants”) for the performance (rendering) of work (services) by third parties at the request of participants, as well as for the acquisition of any property or property rights (for the purposes of these Regulations, hereinafter jointly referred to as the “products”), in order to facilitate the implementation of innovation projects by participants (hereinafter, the “projects”). The list of the products shall be determined by an order of the Foundation.

3. Orders issued in pursuance of these Regulations by the Chairman of the Foundation Board or by any person authorized by the Chairman of the Foundation Board, where such issuance is provided for in these Regulations, shall be published on the Foundation’s website.

4. Documents sent by participants to the Foundation shall be submitted in the PDF format to the following e-mail address: small_funds@sk.ru.

Article 2. Terms and Definitions

In these Regulations, the following terms and definitions are used:

day means a business day;

application means an application for the provision of a microgrant;

microgrant means a grant not exceeding an amount of RUB 1,500,000;

report means a report on the use of a microgrant;

Regulations on Grants refers to the Regulations on Grants to Participants of the Project for the Creation and Provision of Functioning of the Skolkovo Innovation Center, approved by the Foundation Council and agreed on by the Board of Trustees;

Regulations on Status refers to Regulations on Assignment and Termination of Participant Status in the Project for the Creation and Provision of Functioning of the Skolkovo Innovation Center, approved by the Foundation Council and agreed on by the Board of Trustees;

project means an innovation project of a participant;

products means any work (services) performed (rendered) by third parties at the request of participants, as well as any acquired property or property rights, for which the microgrant is provided;

agreement means an agreement for the provision of a microgrant;

participant means a legal entity assigned participant status, as prescribed in the Regulations on Status, in the Project for the Creation and Provision of Functioning of the Skolkovo Innovation Center

Article 3. Requirements for Participants to Receive a Microgrant

1. A microgrant shall only be provided to participants that meet the following requirements:

1) type of participant – a Start-up according to Clause 3, Article 1 of the Regulations on Status;

2) as of the end of the reporting quarter preceding the application filing date, the number of staff must be at least 3 but not exceed 50 employees;

3) as of the application filing date, the participant shall not be a party to any agreement with the Foundation for grant (microgrant) provision under which the Foundation has not issued a resolution of the Foundation on acceptance of the report for the project's last implementation stage pursuant to the Regulations on Grants or pursuant to the terms and conditions of an agreement for grant provision that are not subject to the Regulations on Grants;

4) revenue for the calendar year preceding the filing of the application shall not exceed RUB100,000,000; a lower value of revenue may be determined by a Foundation order posted on the Foundation's website.

2. The total amount of microgrants provided to one participant shall not exceed RUB 4,000,000 over the period of one calendar year for all applications of said participant filed with the Foundation.

Article 4. Requirements for Compensation of Expenditures for which the Microgrant is Requested

1. Microgrants shall be provided in order to compensate (prepay) expenditures in the following areas:

- 1) patenting and the performance of any other work for the protection of intellectual property;
- 2) participation in exhibitions and conferences;
- 3) prototype (pilot model) development;
- 4) testing.

A list of additional expenditure types not specified herein may be approved by a resolution of the Foundation Council.

2. In the application, the period for incurring expenditures for the products shall be scheduled to occur within the 3 months following the application approval date, unless the participant already incurred the relevant expenditures as of the application filing date.

3. Expenditures subject to compensation shall not be included in the budgets of any other agreements for grant provision between the participant and the Foundation.

4. A microgrant may be provided to a participant if it specifies in the application and confirms by documentation that expenditures for the products were already incurred before the application filing date. In this case, such expenditures must have been incurred no earlier than 6 months before the date of filing the application with the Foundation.

5. Expenditure of microgrant funds for products shall take place in accordance with the innovation priority that corresponds to the project being implemented by the participant.

6. No microgrant shall be provided for an application that simultaneously contains both expenditures that a participant plans to incur in the future and expenditures that have already been incurred.

Article 5. Procedure for Submission of an Application

1. A participant is entitled to file an application with the Foundation. The application form shall be approved by an order of the Foundation.

2. An order of the Foundation shall establish the timeframe for the acceptance of applications for microgrants, which must be used exclusively for the purposes specified in said order.

3. The Foundation shall make a decision with regard to any filed application on the provision of or refusal to provide a microgrant within the term determined in these Regulations.

4. A decision to deny the provision of a microgrant shall not preclude a subsequent refiling of an application by the same participant during the timeframe for

acceptance of applications for a microgrant for the purposes established by a Foundation order pursuant to Clause 2 of this Article.

5. A participant shall be entitled to file no more than three identical applications. The identity of applications shall be determined based on the contents of the list of products specified in the application, for which the participant intends to use the microgrant. If a participant files more than three identical applications, the Foundation must make a decision to deny the provision of the microgrant with regard to the fourth and any subsequent applications.

6. The provision of a microgrant is a right of the Foundation. To receive a microgrant, the participant must submit as a part of their application documents and information confirming the acquisition or intention to acquire products of required quality at the lowest possible price.

Article 6. Procedure for the Review of Applications

1. The Foundation shall make decisions with regard to applications filed for the provision of microgrants on a regular basis, beginning from the date of commencement of application acceptance pursuant to Clause 2 of Article 5 of these Regulations.

2. The procedure and timeframe for reviewing and making decisions with regard to applications shall be established by an order of the Foundation. Specifically, an order of the Foundation may establish one of the two timeframes for making a decision:

1) within 20 days following receipt of an application;

2) within 20 days following the date when the list specified in Clause 3 of this Article is made.

3. No later than 18:00 on the last day of the period determined by the order of the Foundation, the Foundation shall make a list of applications received via the e-mail address specified in Clause 5, Article 1 of these Regulations, during the established period.

4. Applications shall be forwarded for review to departments of the Foundation as provided for in the protocol for interaction of departments of the Foundation on matters concerning microgrant provision approved by an order of the Foundation. Subject to agreement, subsidiaries of the Foundation may also be involved in the application review process.

5. The Foundation may make a single decision on the provision of microgrants to either just one participant or to several participants.

6. A decision on the provision of a microgrant shall be published on the Foundation's website within 5 days of the date of the decision.

Article 7. Execution of an Agreement. Microgrant Provision

1. A relevant notice with a draft agreement containing the terms and conditions of the provision of the microgrant specified in the application shall be sent to participants whose applications for microgrant provision are approved by the Foundation. The standard agreement form shall be approved by an order of the Foundation.
2. The participant shall sign the agreement without any amendments and return it to the Foundation within 30 days of receipt of the notice as specified in Clause 1 of this Article.
3. The Foundation shall sign the agreement received from the participant within 10 days of the day of its receipt.
4. If a signed agreement is not submitted to the Foundation within the period prescribed in Clause 2 of this Article, the decision on microgrant provision shall cease to be in force.
5. The microgrant shall be provided to the participant in one of the following ways:
 - 1) compensation to the participant for expenditures for products acquired and paid for by them;
 - 2) prepayment of expenditures for products to the participant in cases provided for by an order of the Foundation.

Article 8. Submission of Reports to the Foundation. Permitted Use of a Microgrant

1. The use of a microgrant shall correspond to the purposes of its provision as provided for in the agreement. Otherwise, the use of the microgrant shall be deemed unauthorized.
2. If a microgrant is provided to pay for products that a participant intends to acquire, the participant shall submit a report to the Foundation in hard copy and electronic form, together with documents confirming the use of the microgrant, within the period provided for in the agreement and in a form approved by an order of the Foundation. Any failure to submit the report to the Foundation within the prescribed timeframe shall be deemed as unauthorized use of the microgrant.
3. A participant shall return any unused microgrant or any unused part thereof to the Foundation within 10 days after the date when the necessity and/or possibility of the use thereof ceases to exist, and, in any case, no later than the date set for submission of the report to the Foundation.
4. A participant shall return a microgrant used in an unauthorized way to the Foundation within 10 days following receipt of the latter's relevant request.