

call

rules and regulations

article 1

objectives

The **call** is a process of prospection and evaluation of innovative projects and aims to promote investments through the fund **Minho Inovação e Internacionalização** (hereinafter "MII").

The process is organized by the MII fund manager - **2bpartner** – sociedade de capital de risco, sa.- who is responsible for the assessment and implementation of the proposed investment.

The fund MII is a venture capital fund co-financed by FINOVA designed to finance innovative companies with great potential for value creation that are in the early stage of its life cycle, considering two types of investment in early stage: seed capital and start-up capital.

The period for applications will be 18 months (until June 2015) that corresponds to the investment period of the fund allocated to projects prospection. The average participation / investment amounts to 200,000 euros per company addressed and must not exceed 1.5 million euros. The majority of the capital invested in each project must be equity or quasi equity.

article 2

eligibility

Companies / projects targeted should focus its activities on IT research and development, however, all projects with great potential for value creation, future profitability and possibility of internationalization are considered as potential investments.

Specifically, the submitted projects must meet the following characteristics:

- Innovation / differentiation of the proposed approach to the idea, the product / service and / or the market, comparatively to existing businesses in the same area;
- Soundness of the promoters in respect to knowledge of the market (current and foreseen);
- Strong know-how of technology, product or service;
- Technology that can be patented or protected at international level;
- Structured Business Plan and addressing all critical areas for business or project development;
- Clear and acceptable perspective exit strategy considering the patterns and time lines set by management.

Besides the features mentioned, the operations must comply with the objectives and the constraints imposed by fund investors, including:

- a. SMEs certified by IAPMEI;
- b. Activities included in CAE covered by SAPFRI - Industry, Energy, Construction, Retail, Tourism, Transport / Logistics, Services;
- c. Headquarters in the Nuts II regions North, Centre and Alentejo;
- d. Observe the provisions of paragraph 4 of art. 8 of the SAPFRI Regulations;
- e. No outstanding debts to the Tax and Social Security Authorities;
- f. No unjustified incidents in banking, credits overdue or litigation processes;

g. Projects or companies managed by promoters with past bankruptcy by fraud or mismanagement are excluded.

article 3

submissions

Submission of projects should be made through 2bpartner website.

The Business Plan should be concise, written in English or Portuguese and contain the following information:

- **If the company has already started its activity:**
 1. Company profile and activities undertaken;
 2. A brief history and description of the shareholder / corporate structure;
 3. Financial data of the last three years (including Balance Sheet and Income Statement);
 4. Annual budget for 6 years (including break-down of income and costs);
 5. Investment proposal - justification for the investment needs, proposed amount and percentage stake;
 6. Definition of an exit strategy.

- **If the company has not yet started its activity:**
 1. Estimation date for beginning of activity and business / investment road-map;
 2. Presentation of the partnership structure and project promoters;
 3. Description of the company, product and market strategy;
 4. Explanation of the innovative and differentiating factors of the product - market opportunity;
 5. Description of the competition and competitive advantages;
 6. Market surveys for sales, growth and risks;
 7. Structure of human resources, both current as foreseen;
 8. Annual budget for 6 years (including break-down of income and costs);
 9. Investment proposal - justification of the investment needs, proposed amount and percentage stake;
 10. Definition of an exit strategy.

By submitting a project, promoters ensure the accuracy and legitimacy of the information with the absence of breaches of any contract or rights with third parties and consent the transmission of the information to those responsible for project evaluation, or a confidentiality bases.

Submission of a project is not binding for investment and does not imply that projects are automatically considered for evaluation. That could happen if, for example, the eligibility criteria are not met or there is a suspicion of breach of the rules subscribed here.

article 4

evaluation process

After submission of the projects, the application will be evaluated and the promoters will be contacted with the screening results.

Projects that meet investment criteria of article 2 should continue to the next stage where the promoters will be invited to present the project to a panel.

Then, the evaluation of the project will consist of an analysis of the operations process, which includes the collection of information and due diligence process, as well as a technical review of the business plan, in order to properly identify projects with potential added value and differentiation.

The investments will be subsequently presented to the 2bpartner's Board of Directors for a preliminary analysis that is then submitted as a final proposal to an independent body - Investment Committee - which will give its non-binding opinion. The Investment Committee comprises people with high skills and professional experience in various areas involved in the projects under discussion and also representatives of the fund MII participants.

The promoters may be called to present the project one more time in order to discuss the risks associated with the project and their possible mitigation.

Finally, if the investment decision is positive, the Shareholders Agreement and the Final Terms of the investment will be negotiated.

article 5

investment criteria

The final investment decision is taken by the Board based on the following criteria:

- Management team skills and individual ability to overcome the challenges present in the project lifecycle;
- Degree of product differentiation, size of the target market and level of protection of intellectual property;
- Business model and market strategy;
- Level of competition, competitive advantages and barriers to entry for new players during the project lifecycle;
- Ability to generate expected revenues and profits during the planned investment by the fund MII;
- Present and future financing needs and the available finance sources;
- Exit strategy for the fund, by analysing the interest of international players in the ownership or technology licensing, and the existence of an active market for companies considered;
- Investment Committee's opinion regarding future economic benefits of the project and innovative nature of the technology.

article 6

investment decision

The 2bpartner's Board of Directors reserves the right to make the decision of not investing at all stages, being the decision of the Investment Committee not binding.

The investment decision will be based on the sole discretion of the Board of Directors in accordance with the criteria set out in Article 5 of this document, and may result in a different proposal from the suggested by the promoters of the project or even in a no investment decision.

If the investment decision is negative, the promoters are not entitled to any compensation, and the costs associated in any way with the project, prior to the consummation or interruption, shall be borne by each party individually.

The investment decision is subject to the promoter's acceptance of the terms set by 2bpartner for investment and divestment in the project.

article 7

confidentiality

2bpartner commits to keep strictly confidential and not to disclose to any third party any confidential information, in full or in part, before or after signing the Non-Disclosure Agreement, without the prior written consent by the project promoters. To ensure the confidentiality interests of both parties, a Non-Disclosure Agreement will be signed after the projects screening.

2bpartner may only disclose confidential information to its employees to the necessary extent for the performance of their duties and shall refrain from using it for purposes other than those provided for in these Rules and Regulations and in their own or another's benefit, even though not disclosing information.

Promoters who apply for a possible investment may not use the names "2bpartner", "Minho Inovação e Internacionalização" or any variant thereof for advertising purposes or press releases, without written permission from 2bpartner.

The projects selected for investment and whose promoters accept the terms and conditions of the partnership proposed by 2bpartner will also accept the use of the logo and company / project information for advertising purposes, for example by disseminating projects information through 2bpartner official website.

article 8

rules and regulations amendments

The 2bpartner reserves the right to change any provision contained in these Rules and Regulations with timely disclosure of the amendments to the promoters and MII participants.

article 9

others

The submission of projects implies acceptance of these Rules and Regulations.

Situations not provided for in the present document, will later be solved by the 2bpartner competent bodies.