

APPROVED BY
Director General
M.V. Dyagilev

Document signed using electronic signature
Certificate 520A97AC40CCC80E7114C05CD8830BD
Certificate valid
from March 10, 2017 to March 10, 2018
March 17, 2017.

Regulations on Startup Development Program

1. General Information

1.1. These Regulations on Startup Development Program (hereinafter “Regulations”) set forth the procedure and timeframe of the Startup Development Program (hereinafter “Program”), selection system, bid assessment criteria and procedure, bonuses for short-listed bidders and the result announcement procedure and timeframe.

1.2. The Program was set up by Joint Stock Company The Gulidov Krasnoyarsk Non-Ferrous Metals Plant (hereinafter “JSC Krastsvetmet”) in 2017 and is a corporate program to search and develop technological startups having high investment potential and being of interest for JSC Krastsvetmet.

1.3. The selection process is announced by posting applicable publication and the Regulations on the main (initial) page of the Program website.

1.4. Organisers reserve the right to cancel, terminate, suspend or extend the Program in full or in part at their discretion and to amend any terms and conditions of the Regulations at any time and for any reason without being held liable in any way toward the bidders and other parties.

1.5. The Program is not a public tender in the sense provided by Article 1057 of the Russian Civil Code.

2. Basic Definitions

Selection means a standard process of check of the bidder’s Bid Application Form for compliance with the Program requirements.

Technological Project means an innovative project for the development and commercialisation of new technologies conforming to the subject matter of selection and submitted for selection.

Selection theme means one of the themes in the list below:

- production of fine powders with the desired properties made of the platinum group metals, silver and gold;

- powder metallurgy. up-to-date methods of technical appliances manufacturing;
- advanced electro-contact materials based on precious metals (i.e. alloys, adhesives, pastes, films, and composites);
- dispersion-hardened alloys of the platinum group metals and their composites
- precision metalworking
- modern technologies of making precious metals coatings with desired properties
- new approaches to the hydrometallurgical and pyrometallurgical processes in the precious metals refining
- gases and industrial wastewater purification technologies
- modern technological processes modeling methods for chemical and metallurgical industries
- new materials and technologies, replacing the industrial use of precious metals
- new precious metals applications
- the use of additive manufacturing in the precious metals jewelry and technical appliances production
- high-accuracy solids and liquids rapid composition analysis methods
- selective separation of metals
- catalysis processes

Bid Application Form means a standard electronic form describing the Innovative Technological Project to the extent required for the Organiser to carry out a primary Project evaluation, to be completed by the potential Program participant on the Program official website.

Participant means a person or an organisation who completed an application for participation in the Program and has registered on the Program website.

Expert means a specialist issuing the opinion as for the Project compliance with the Program requirements.

Board means an expert team.

Startup means business entity, related to the development, production and supply of innovative products (goods, services).

Enterprise means JSC Krastsvetmet.

Bonus means the list of possible financial and other benefits offered by the Organiser to the Program Participants. The exact size of Bonuses will be determined by the Organiser based on the Program results.

3. Program Requirements

The Program comprises 4 phases:

- Submittal of Bid Application Forms;
- Evaluation in absentia;
- Direct mentoring support;
- Direct evaluation.

All Projects registered for participation in the Program will be evaluated by experts in line with Table 1:

Table 1

Criterion	Decision
Theoretical feasibility of project	0-No; 1-Yes, but the project involves significant technological risks requiring additional investigations for subsequent rectification; 2-Yes.
Competitive advantages	0-Project product has no competitive advantages over non-Russian-made equivalent products; 1-Competitive advantages of the project product are minor; 2-Project product has competitive advantages over both Russian-made and non-Russian-made equivalent products; 3-Project product is unique and is capable to change the market structure in its segment.
Commercialisation potential	0-Project product has no commercialisation potential; 1-Project product has commercialisation potential on the Russian market; 2-Project product has commercialisation potential on both the Russian and international markets.
Prospects for commercialisation and/or introduction at the Enterprise	0-Market study was not carried out; 1-Market study was conducted, and potential product markets were identified; 2-Preliminary talks were held with potential users whose interest was not confirmed, and/or the project is potentially interesting for introduction at the Enterprise; 3-Potential users confirmed their interest (interviews were conducted and/or letters of

	interest were received, terms of reference for project result were generated and agreed upon with potential users); 4-Draft contracts of supply were concluded by project product users, or project is of a significant interest for introduction at the Enterprise.
Team competences	0-The team has insufficient competences for project implementation; 1-The team has generally sufficient competences, but additional technical/marketing/investment specialists have to be included in the team; 2-The team has sufficient competences.
Intellectual property protection potential	0-Intellectual property of the project is not protected, there is no protection potential or the protection potential is not proven; 1-Applications were filed for intellectual property protection documents; 2-Intellectual property protection documents were received.
Prospects for introduction at the Enterprise	0-There are no prospects for introduction; 1-Project is potentially interesting for introduction; 2-Project is interesting for introduction; 3-There are good prospects for introduction.

4. Submittal of Bid Application Form

4.1. Any individuals and legal entities qualify for participation in the selection, except for:

- individuals engaged in preparation and performance of the selection process and evaluation of Bid Application Forms;
- organizations whose personnel include any persons participating in preparation and performance of the selection process and evaluation of Bid Application Forms.

Any Bid Application Form is rejected if it is found to be in breach of this clause.

4.2. Participants shall submit their Bid Application Forms in electronic format via the Program website.

4.3. Bid Application Forms are accepted until July 1, 2017.

5. Evaluation in absentia

5.1. Following the submittal of Bid Application Form, it will pass Evaluation in absentia.

5.2. Evaluation in absentia includes a qualitative analysis of the Bid Application Forms by Experts.

Where an Expert is a person interested in the bid examination result, such Expert reports it or refrains from evaluation of such bid. An Expert is understood to be interested in the bid examination result if he/she derives or may derive benefits in connection with such bid examination. Where an Expert who should have refrained from voting on the above-said ground was found to participate in the decision-making, his/her opinion shall be deemed to be invalid.

5.3. The Evaluation in absentia results in the selection of projects qualifying for participation in the Direct evaluation phase and assignment, to the project, of the Stage in line with the criteria indicated in Table 2.

5.4. Based on the results of the Evaluation in absentia and subject to applicable request, the Participants may be provided with the Expert recommendations/comments that can be taken by the Participants into account for preparation of presentation materials to be used during project presentation during the Direct evaluation.

5.5. The number of projects selected as qualifying for the Direct mentoring support will be determined based on the results of the Evaluation in absentia.

5.6. Holders of projects qualifying for the Direct mentoring support will be provided with applicable notices on or before September 1, 2017 at the e-mail address indicated while completing the Bid Application Form. Such notice will indicate the date, time and venue of the Direct mentoring support.

Table 2

Project stage	Startup stage criteria
Pre-seed stage (pre-seed stage)	<ol style="list-style-type: none"> 1. Project can be implemented in theory; 2. Research plan in place; 3. Intellectual property protection risks and prospects analysis carried out, namely: patent novelty investigated and/or documents identifying and securing production secrets (know-how) formalised, and/or patent applications filed; 4. Investigations to support product characteristics completed; 5. Market study conducted; 6. Draft terms of reference generated for the laboratory or pilot prototype of product under development; 7. Project team established, comprising at least 2 persons, including at least one researcher and one chief process engineer/engineer with work experience in the project area (these two positions may be held by one and the same person).
Startup stage (startup stage)	<ol style="list-style-type: none"> 1. Laboratory or pilot prototype of product/technology developed; 2. Prototype product/technology laboratory test results presented; 3. Research plan in place; 4. Relations with intellectual property authors formalised; 5. Actions taken to protect intellectual property, namely applicable

	<p>patents received/production secrets (know how) formalised;</p> <p>6. Project product commercialisation strategy in place;</p> <p>7. Significant consumer parameters of product identified, competitive advantages over equivalent products substantiated, and marketing analysis completed;</p> <p>8. Project team established, comprising at least 3 members, including at least one researcher (having publication of the subject matter of project) and one chief process engineer/engineer with work experience in the project area (the said position may be held by one and the same person), and at least one member having the investments management experience.</p>
Growth stage (growth stage)	<p>1. Industrial prototype of product/technology developed;</p> <p>2. Existing prototype product/technology independent test results presented;</p> <p>3. Actions taken to protect intellectual property, namely applicable patents received / production secrets (know how) formalised;</p> <p>4. Initial sales carried out.</p>

6. Direct mentoring support;

6.1. Direct mentoring support comprises a series of direct consultations with the Enterprise employees and with outside experts to promote project development and prepare presentation materials and speech to be delivered during project presentation at the Direct evaluation. It is also expected that a draft roadmap of potential cooperation with the Enterprise will be worked out during Direct mentoring support .

6.2. Based on the results of the Direct mentoring support and with account of mentor and expert recommendations as per the criteria indicated in Table 1, projects will be selected to move further for the Direct evaluation.

6.3. The date, time, venue and schedule of the Direct evaluation will be determined based on the results of the Direct mentoring support and will be communicated separately to the owners of projects which successfully passed the Direct mentoring support, but in any case on or before October 1, 2017.

7. Direct evaluation.

7.1. Direct evaluation of Program includes presentation of Projects to the Board.

7.2. Every presentation shall take a maximum of 5 minutes, to be followed by answers to the questions of the Board for another 10 minutes.

7.3. Based on the results of Direct evaluation as per the criteria indicated in Table 1, the Board members will select the Projects for which the Enterprise will generate, within one month, offers of bonuses from among the bonuses listed in Table 3 in accordance with the Stage assigned to the project at the Direct evaluation phase, and will make the decision to implement the prepared draft roadmap of the Enterprise interface.

Project stage	Bonuses for successful bidders
Pre-seed stage (pre-seed stage)	<ol style="list-style-type: none"> 1. 500 thousand roubles for project development will be awarded to the best project based on the results of the Direct evaluation; 2. Expert support in preparation of the terms of reference which would, as the project progresses, enable JSC Krastsvetmet to come up with a proposal for cooperation; 3. Mentoring support for raising investments and generation of business plan; 4. Provision of access to the research infrastructure of JSC Krastsvetmet (if the project has to be located in the R&D park, the Enterprise will allocate space in the R&D park and/or time of work in line with the agreed plan of work on the existing research equipment); 5. Access to precious metals for experiments, Under the relevant agreement, without their purchase In the order established by the acting Legislation; 6. Funding of certain R&D phases as per a pre-agreed plan; 7. Expert support in preparation of application for funding to be filed to the development institutions.
Startup stage (startup stage)	<ol style="list-style-type: none"> 1. 500 thousand roubles for project development will be awarded to the best project based on the results of the Direct evaluation; 2. Allocation of project investments (in the form of a contribution to the authorised capital or a convertible loan), as well as mentoring support in raising funds from the state development institutions; 3. Provision of access to the research infrastructure of JSC Krastsvetmet (if the project has to be located in the R&D park, the Enterprise will allocate space in the R&D park and/or time of work in line with the agreed plan of work on the existing research equipment); 4. Expert support in preparation/adjustment of the terms of reference which would, as the project progresses, enable JSC Krastsvetmet to come up with a proposal for cooperation; 5. Access to precious metals for experiments, Under the relevant agreement, without their purchase In the order established by the acting Legislation; 6. Funding of certain R&D phases as per a pre-agreed plan; 7. Expert support in preparation of application for funding to be filed to the development institutions.
Growth stage (growth stage)	<ol style="list-style-type: none"> 1. 1 million roubles for project development will be awarded to the best project based on the results of the Direct evaluation; 2. Proposal for further cooperation from JSC Krastsvetmet;

	3. Provision of access to the company's partnership network.
--	--

7.4. The list of Successful Participants of the Program will be published on the Program website on or before October 01, 2017. Proposals to the Successful Participants of the Program, generated in line with clause 7.3 above, will be sent by e-mail at the address indicated in the Application Form.

7.5. Successful Participants will also be entitled to use mentoring support from the Board members for further development of the project concepts and aid for search of further funding and/or commercialisation tools, and to receive expert consultations as to the further project development.