

O R D E R

September 27, 2013

No. 267

Moscow

On approval of the Grant Policy of Non-Profit Organization the Fund for Development of the Center for Elaboration and Commercialization of New Technologies regarding Centers for Applied Research

In accordance with Clause 1 of Article 4 of the Regulation on the Assignment and Termination of the Participant Status within the Project for the Establishment and Operational Support of the Skolkovo Innovation Center, approved by the Decision of the Council of the Non-Profit Organization the Fund for Development of the Center for Elaboration and Commercialization of New Technologies (Minutes of in absentia meeting of the Foundation Council dated June 21, 2012) and by agreement with the Board of Trustees of the Non-Profit Organization the Fund for Development of the Center for Elaboration and Commercialization of New Technologies (Minutes of Meeting of the Board of Trustees dated September 12, 2012),

I hereby order:

1. To approve the attached Grant policy of the Non-Profit Organization the Fund for Development of the Center for Elaboration and Commercialization of New Technologies regarding Centers for Applied Research.
2. This Order shall become effective upon its signing.
3. I shall personally monitor the execution of this Order.

Chairman of the Foundation Board

V.F. Vekselberg

**GRANT POLICY
OF NON-PROFIT ORGANIZATION THE FUND FOR DEVELOPMENT OF THE CENTER FOR
ELABORATION AND COMMERCIALIZATION OF NEW TECHNOLOGIES REGARDING CENTERS
FOR APPLIED RESEARCH**

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Article 1. General Provisions

1. This policy (hereinafter the “CAR Grant Policy”) determines:
 - 1) conditions for the provision of Grants to Project Participants which are engaged in Applied Research in accordance with Subclause 2 of Clause 3 of Article 1 of the Regulation on the Assignment and Termination of the Participant Status within the Project for the Establishment and Operational Support of the Skolkovo Innovation Center;
 - 2) project assessment criteria and requirements for the Grant Recipients;
 - 3) amounts of provided Grants.

Article 2. Terms and definitions

The following terms have the following meanings in this CAR Grant Policy:

Affiliated counterparty – a contractor, supplier or other counterparty of the Project Participant who meets at least one of the following requirements: 1) at least one of the counterparty’s Beneficiaries is a Beneficiary of the Project Participant or a Key Member of the Project Participant’s team; 2) at least one of the counterparty’s executives, a member of a management body or an associate of the counterparty is a Beneficiary and (or) a Key Member of the Project Participant’s team; 3) a close relative of at least one of the counterparty’s Beneficiaries or executive, a member of a management body, or an associate of the counterparty is a Beneficiary and (or) a Key Member of the Project Participant’s team.

Beneficiary – an individual who directly or indirectly (through the ownership of a share (shares) in the authorized capital of other legal entities, being shareholders of the legal entity) controls the activity of the legal entity.

Project Budget – the total amount of the Grant and funds attracted from a Co-investor.

Stage Budget – the total amount of the Stage implementation, consisting of the Grant for the Stage and Stage funds attracted from a Co-investor.

Grant – this term is defined in Clause 1 of Article 4 of the Regulation on the Status.

Grant Recipient– Center for Applied Research (CAR), which entered into an Agreement with the Foundation.

Project implementation starting date – the earliest of the two events: the Project implementation date specified in the Application for receipt of a CAR status, submitted in accordance with Clause 4 of Article 1 of the Regulation on the Status, or the Project implementation starting date, specified in the Agreement with the Project Participant, which changed the type of the Project Participant to CAR after execution of the Agreement.

Application – this term is defined in Clause 2 of Article 1 of the Regulation on the Status.

Innovation Priority – this term is defined in the Regulation on the Status in the wording effective at the time of the decision to admit the Application for consideration.

IP – Intellectual Property.

Key Members of the Project Participant’s team – Individuals, CAR or scientific associates employees, specified in the Application for assumption of CAR Status in accordance with Article 3 of the Regulation on the Status and participating in the Project implementation. The participation format must be in compliance with the following requirements: 1) Key team members spend at least 30% of their working time on the Project implementation in the Russian Federation annually (but not less than 80 business days); 2) by the time of the Project

completion at least 50% of the Key team members have entered into labor agreements with CAR as a principal place of business.

SAC – Scientific Advisory Council of the Foundation.

Commercial partner – Russian or foreign juridical person or group of juridical persons, which operates in the fields related to the planned results of the CAR applied research and aims to take part in the Project implementation. Requirements for commercial partners and allowed forms of their participation in the Project implementation are specified in Article 4 of the CAR Grant Policy.

Focus areas – areas of research and developments, defined in Part 8 of Article 10 of Law No. 244 On the Skolkovo Foundation Center of September 28, 2010.

Research areas – one or several areas in which a CAR carries out research and developments within the Project. Each area must comply with at least one Innovation priority (combination of Innovation priorities from different Focus areas is allowed) and is defined by goals and tasks, connected with those of the Project, and also by the selected team of researchers and developers.

Scientific partner – Russian or foreign scientific organization, in Russia and (or) abroad, which is engaged in research and development in one or several areas of research, implemented within the Project, which aims to participate in the Project implementation. Requirements for Scientific partners and allowed forms of their participation in the Project implementation are specified in Article 4 of the CAR Grant Policy.

Report – report of the Grant use.

Plan – goals and plan of action for the Project implementation.

Regulation on the Status – Regulation on the Assignment and Termination of the Participant Status within the Project for the Establishment and Operational Support of the Skolkovo Innovation Center.

Project – this term is defined in Clause 1 of Article 3 of the Regulation on the Status. To avoid contradictions within this CAR Grant Policy the term period for the Project implementation pursuant to the Agreement is used.

Project result – result of the research and developments, implemented within the Project. The following are the allowed results forms: 1) tested sample of a registrable product and (or) technology, for which within the Project at least one international patent request must be submitted; 2) a report of the performed research with the presence of at least one Commercial partner on the reasonability of practical application of the research.

Agreement – Agreement for the Grant provision.

Co-investor – Russian or a foreign individual or legal entity, or group of entities providing or intending to provide, for the purposes of the Project implementation, the funds to the Grant Recipient on a free and non-returnable basis, not involving the payment of consideration by the Grant Recipient, in accordance with the stipulation in Clause 4 of Article 3 of this CAR Grant Policy.

Co-contractors for research and development – contractors of the Grant Recipient that perform the operations related to research and development, except for making laboratory or test samples (prototypes) and (or) making testing facilities pursuant to the CAR design specification. Co-contractors for research and development do not include contractors providing services of the independent inspection of the Project results or the operations, connected with the IP research.

Co-financing – monetary funds attracted from the Co-investor or Co-investors for the whole Project or the Project Stage and (or) monetary funds, attracted from the CAR net profit.

Spin-off – corporate person, established in accordance with the Russian Federation law by the CAR (solely or jointly with other persons) for commercialization of the Project results and which applied for the Project participant Start-up status or obtained the Project participant Start-up status. A Spin-off may carry out both research and development necessary to take the Project to the commercialization stage and commercialization itself, including manufacturing.

Start-up – Project participant in the meaning of this term specified in Subclause 1 of Clause 3 of Article 1 of the Regulation on the Status.

Project Participant – this term is defined in Clause 2 of Article 1 of the Regulation on the Status.

Foundation – Non-Profit Organization the Fund for Development of the Center for Elaboration and Commercialization of New Technologies.

CAR – Center for Applied Research in the meaning specified in Subclause 2 of Clause 3 of Article 1 of the Regulation on the Status.

Part of the Grant – part of the Grant for the next stage, paid by the Foundation after the making of decision to examine the report in the amount necessary for the Grant Recipient to implement the Project within the term the Foundation inspects the Report, but not more than 20% of the Grant amount for the Stage.

Clean Room – the room necessary for the Project, where in the air the size and the number (in a given range) per cubic meter of such particles as: dust, microbes, aerosol particles and chemical vapors, as well as such parameters as humidity, pressure and temperature are controlled.

Stage – a part of the CAR Project lasting from 9 to 18 months, characterized by achievement of measurable results that are necessary for the Project's goals and tasks implementation.

Article 3. General principles for provision of the CAR Grant

1. Grants are provided to CAR for implementation of the applied research within the meaning of Clause 2 of Article 1 of the Regulation on the Status. The Foundation provides not more than one Grant to one CAR for the whole time of the CAR existence.

2. The requirements for the provided Grant and the minimal amount attracted from the Co-investor, for the terms of attracting the funds from the Co-investor and for the duration of the Project are given below:

- 1) The duration of the Project implementation under the Agreement must not exceed 5 years;
- 2) The amount of Co-financing of the Project must not be less than 25% of the Project Budget and must be provided for each Stage in proportion to the Grant amount (except the cases specified in Clause 3 hereof);
- 3) The Grant or Part of the Grant per Stage shall be provided only after the Grant Recipient confirms the receipt of Co-financing for the Stage (except for the cases specified in Clause 3 hereof).

3. Provision of the Grant and Part of the Grant is allowed for the first or first two Stages of the Project without attracting of Co-financing, or with attraction of Co-financing in the amount of 25% of the Stage Budget, in compliance with the following conditions:

- 1) The Project consists of at least three Stages;

- 2) By the time the Grant or Part of the Grant is provided for the third Stage, the total amount of Co-financing attracted for the first three Stages is at least 25% of the total budget of the first, second and third Stages.
4. The following are allowed options to attract Co-financing:
 - 1) Investment in the authorized capital of the Grant Recipient (for Grant Recipients – limited liability companies);
 - 2) Purchase of the Grant Recipient’s shares (for Grant Recipients – joint-stock companies);
 - 3) Lodgment into the Grant Recipient’s property (for Grant Recipients - limited liability companies);
 - 4) Other forms of free and non-returnable attraction of monetary funds, including grant financing and donation in favor of the Grant Recipient (only applicable to Co-investors who are foreign corporate or natural persons);
 - 5) Monetary funds attracted from the CAR net profit.

By agreement with the Foundation, those Project Participants that are not limited liability companies or joint stock companies, may have other similar options to raise funds from Co-investors, if the mentioned fund raising, considering the specifics of the legal form of the Project Participant, is on a free and non-returnable basis, and not involving reimbursement from the part of the Project Participant.

5. The principles for CAR Grant provision and requirements for the CAR, its Project and Budget Estimate specified in Article 4-5 of the CAR Grant Policy and in Appendices 1 and 2 to it, are complete.

Article 4. Requirements for the CAR and its Project

1. The following requirements are set for the CAR and its Project:
 - 1) The CAR must have the rights to the intellectual property results, necessary and sufficient for performing the research and the commercialization of the Project Results in the planned markets (licensing, alienation of the exclusive right to produce goods, perform operations, render services) without violation of any third person rights, or commit to purchase such rights or to conclude licensing agreements or contracts for the alienation of the exclusive right before the Grant is provided;
 - 2) The CAR must execute (register) solely in its name the exclusive rights to the created intellectual property (including trade secrets (know-how)) created within the Project, including the Result or its components, and the means of identification, as well as rights to independent use of the above results of intellectual activity and (or) means of identification (conclude on its behalf licensing agreements, agreements on alienation of the exclusive right, give consent for transactions, produce goods, perform operations, provide services taking into consideration the constraints of the Foundation’s bylaws, which contain rules for the Project within the meaning of this term, stipulated by Federal Law No. 244- FZ dated September 28, 2010);
 - 3) The CAR is to ensure that the information contained in the documents submitted to the Foundation is complete and accurate. The Foundation has the right to check the reliability of the information provided.
 - 4) The CAR is to provide the Foundation with complete and accurate information on its Beneficiaries and Beneficiaries of the Co-investor;

5) Key Members of the team, as well as the Managers and Beneficiaries of the Project Participant should not have any outstanding convictions for economic crimes.

2. The Project to be implemented by the CAR shall involve:

1) Attraction of at least one Russian and one foreign Scientific partner;

2) Attraction of at least one Commercial partner;

3) Creation of at least two Spin-Offs not later than at the end of the last Stage of the Project to commercialize the results of the applied research, of which at least one Spin-Off must get a Project Participant Start-up Status not later than at the end of the last Stage of the Project;

4) Submission of at least two international patent requests for the Project Results;

5) Presence of at least one Research area;

6) Presence of at least one Project result in each Research area;

7) The Project must consist of at least two Stages.

8) Provision of the opportunity for other Project Participants use the equipment purchased with the Grant funds on the terms of the Agreement.

3. If the Project involves more than one Research area, Innovation Priorities for each may be different (including from different Focus areas).

4. Each Scientific partner must participate in the Project implementation in at least one of the following ways:

1) The Scientific partner is the Co-contractor for research and development of the Project's key tasks;

2) The Scientific partner provides its own resources (laboratories, equipment, research personnel) for the Project implementation;

3) The Scientific partner transfers to the CAR the rights (exclusive or nonexclusive) to the IP in its possession, essential for the Project implementation.

5. Each Commercial partner must participate in the Project implementation in at least one of the following ways:

1) The Commercial partner not later than at the end of Stage 2 sets forth the technical requirements for the CAR pursuant to which one of the Project results shall be obtained not later than at the end of the Project implementation;

2) The Commercial partner performs testing of the registrable sample(s) of the product and (or) technology, created within the CAR;

3) The Commercial partner cooperates in commercialization of the Project Results or performs as a CAR Co-investor, or otherwise provides monetary funds for the Spin-Offs, which obtained the Start-Up Project Participant Status.

6. Requirements for the CAR Projects are specified in Appendix 1 to the CAR Grant Policy. The requirements for the Project implementation results are specified separately for each of the following areas:

1) Research and development;

- 2) Creation of the commercial version of the Product. Marketing and implementation;
- 3) IP protection;
- 4) Human resources;
- 5) Attraction of investments and financial indicators.

Article 5. Requirements for the Budget Estimate

1. The requirements for the Budget Estimate are listed in Appendix 2 to the CAR Grant Policy and contain the expenditures to be covered by the Grant and the funds from the Co-investor.

2. In all articles of the Budget Estimate, the prices for goods, operations and services shall not exceed the average level of prices for similar goods, operations and services in the market.

3. The Grant Recipient shall be entitled to use the Grant funds to pay for operations and services of the subsidiaries of the Foundation. If it is possible to perform the same operations (rendering of similar services) by a subsidiary of the Foundation, its tariffs are subject to mandatory consideration when analyzing the average level of prices.

4. Inclusion of the goods, operations and (or) services of an Affiliated counterparty, except the goods, operations and (or) services of a Co-contractor for research and development in the Budget Estimate is allowed only if all the following conditions are met:

- 1) The CAR provides a comprehensive, adequate and accurate, in the opinion of the Foundation, information on the grounds of the affiliation of the Affiliated counterparties during filing of the Application;
- 2) Participation of the Affiliated counterparty is not associated with testing or obtaining expert reports that are to be used as an independent validation of the results of the Project;
- 3) Workers of the CAR and (or) Key Team Members of the CAR are not the employees of the Affiliated counterparty and do not participate in the charter (share) capital or its activities;
- 4) Operations or services performed (rendered) by the Affiliated counterparty, do not duplicate the operations performed by the employees of the CAR and (or) Key Team Members;
- 5) Goods, operations or services supplied, performed, rendered by the Affiliated counterparty, are not a significant factor in the Project implementation;
- 6) Goods, operations, and (or) services supplied, performed and (or) rendered by the Affiliated counterparty cannot be delivered, performed, and (or) rendered for a comparable or lower price by an entity which is not the Affiliated counterparty;
- 7) The CAR has provided detailed and accurate information on the number of its employees and the level of their engagement, equipment and resources that the Affiliated counterparty intends to use in the performance of obligations under the contract with the CAR;
- 8) The cost of goods, operations and services of the Affiliated counterparty does not exceed the market price levels.

Article 6. Publication of information on the provision and use of the Grant

Information on the decisions of the Foundation to provide Grants to CAR, as well as other information on the provision and use of Grants by the CAR should be published on the website of the Foundation in the section “Grants Information”, containing the following:

- 1) Name of the CAR;
- 2) Name of the Project;
- 3) The operative part of the resolution taken by the SAC (with the date of the meeting and general results of the voting);
- 4) Information on the date of signing the Agreement;
- 5) Information on the dates of the Reports provision by the CAR to the Foundation and the decisions of the Foundation upon considering the submitted Reports.

Requirements and limitations for the “Research and development” area

Admission requirements for the Project	Requirements for the planned Project Results
<ol style="list-style-type: none"> 1. The research results which confirm the scientific justification of the Project and prospects of the planned research and development for each Research area are provided. 2. The research activity plan for each Research area is provided. 3. The measurable goal parameters of the Project results are specified. 4. Scientific partners are specified and between them and the CAR an agreement for conducting joint research is signed. 5. The plan of action includes events (scientific work) which would be performed jointly with the Scientific partners' employees on the basis of laboratory facilities of the CAR in the Russian Federation. 	<ol style="list-style-type: none"> 1. Samples are created, tests are performed, documentation is elaborated and other materials are prepared for each Research area, which allow assessment of the Project Results. 2. Depending on the Focus area of the Project results, at least one of the following terms shall be met: <ol style="list-style-type: none"> 1) Independent tests of the Project results in conditions similar to those of practical use are performed, including at the Commercial partner's facilities, and conclusions are made; 2) Certification of the product which is the Project Result is carried out; 3) A test sample of the Project result is made, a set of design documentation is prepared. 3. Expert opinion from each Commercial partner on the practical value and applicability of the Project result is obtained. 4. For each Research area the corresponding Applied research plan is adjusted. 5. For each Research area at least one article in the peer-reviewed journal is published.

Requirements and limitations for the “IP Protection” area

Admission requirements for the Project	Requirements for the planned Project Results
<ol style="list-style-type: none"> 1. Relations with the authors of the official results of the intellectual property are formalized. 2. The mode of confidentiality (commercial secret) is introduced, Agreement on non-disclosure in Russian and in a foreign language is present. 3. Agreements on the procedure for division of rights for the present and planned IP with Scientific partners are present. 4. A list of the third persons’ intellectual activity results, necessary and sufficient for implementation (including commercialization) of the Project is prepared, including the list of free software (if applicable). 	<ol style="list-style-type: none"> 1. The risks and prospects in the IP field analysis is performed regarding the Project results, and more precisely: <ol style="list-style-type: none"> a. Patent landscape is built; b. The research of novelty in Russian and in the planned markets is carried out, defined with consideration of the patent landscape (at least once in two years during implementation of the Project); c. Potentially registrable engineering solutions are defined; d. Technology level is defined (for the engineering solutions above); e. An opinion for cease of research, continuation of research, changing of the research program (commercialization) and (or) further development of the present Project implementation results to achieve patentability and novelty is prepared (at least once in two years); f. The mode and protection schedule in Russia and in the target markets of engineering solutions is defined (know-how, filing of Russian (Eurasian, international) patent requests, approximate term of transfer to the national phase regarding the international requests, general publication), patent objects (the result on the whole, its component, etc.) regarding the patent requests, their number is defined; g. A list of intellectual activity results of the third persons necessary and sufficient for implementation (including commercialization) of the Project (in case of missing novelty and having doubts) is prepared; 2. Relations with the authors of the official results of the intellectual property are formalized (with regard to new employees). 3. Documents defining the allocation of the official intellectual activity results, the amount and procedures for remuneration payment to the authors are formalized; 4. Documents identifying and containing specific production secrets (know how) are formalized and (or) Russian and (or) international patent requests for the Project implementation results are filed; 5. License or other kind of agreements regarding the intellectual activity results of the third persons are made, necessary and sufficient for implementation (including commercialization) of the Project (when missing novelty or having doubts). 6. At least two international patent requests for the Project Results for each Research area are filed.

Requirements and limitations for the “Creation of the Commercial Version of the Product. Marketing and implementation” area

Admission requirements for the Project	Requirements for the planned Project Results
<ol style="list-style-type: none"> 1. Key parameters of the Project results are defined and their market prospects for confirmation of the applicability of the planned research are described. 2. The expected competitive advantage of the Project Results over the world analogs are justified by the time of entering the market. 3. The applicability and commercialization potential of each Project Result must be confirmed by letters of interest or letters of support by at least one Commercial partner (not necessary if at least one Commercial partner confirmed its intention to become Co-investor). 	<ol style="list-style-type: none"> 1. The Project Plan must involve the development of the commercialization strategy and creation of Spin-Offs not later than at the first Stage of the Project. 2. A detailed commercialization plan of the Project Results is developed. 3. The IP rights necessary for commercialization of the Project results or further research and development are transferred to the Spin-Offs created in the course of the Project. 4. The CAR and (or) the Spin-Offs, created in the course of the Project have entered into at least one license agreement with an external licensee. 5. The proceeds from the activity in the Research areas of the CAR are at least 30 million rubles per year.

Requirements and limitations for the “Human resources” area

Admission requirements for the Project	Requirements for the planned Project Results
<ol style="list-style-type: none"> 1. Among Key team members for each Research area there are: <ol style="list-style-type: none"> a. Russian and (or) foreign researchers and developers related to the Research area subject-matter; b. Managers with the managing of research projects experience of over 2 years; 2. In the Project team there is a specialist or several specialists with international experience in research, development and (or) commercialization of the results. 3. All Scientific partners have revealed the information on the number of scientific employees engaged in the CAR research subject-matter. 4. The number of CAR employees who pursuant to the staff register are engaged in research and development must account for at least 40% of the number of the Scientific partners employees, engaged in the CAR Project implementation. 	<ol style="list-style-type: none"> 1. The time of the key team members stay on the territory of Russia within the Project implementation is in compliance with the Regulation on the Status and terms of the Agreement. 2. At least 30 jobs are created (in total at the CAR and specific Spin-Offs)

Requirements and limitations for the “Attraction of investments and financial indicators” area

Admission requirements for the Project	Requirements for the planned Project Results
<ol style="list-style-type: none">1. The financing plan of the Project involves receipt of Co-financing not later than within 2 years from the date of obtaining the Project Participant status by the CAR.2. Documents justifying the feasibility, terms and the amount of the expected Co-financing are provided.	<ol style="list-style-type: none">1. Co-financing from at least one Commercial partner or venture investor is attracted.2. Attraction of monetary funds to the CAR in the amount necessary to continue applied research up to the commercialization of the results is confirmed.3. The agreement on the intention of attracting financing to at least one Spin-Off is executed.

Requirements for the Budget Estimates

Item of the Budget Estimate	Benchmarks
<p>Capital expenditures The equipment for research, components for creating equipment models available in the market</p>	<p>Equipment is required for the Project according to the experts, who evaluated the Project, or the experts did not express specific views on this issue.</p> <p>Project Budget Estimate is based on the essential conformity of the intended expenditure with the goal of the Project, for which the Grant is intended.</p> <p>Equipment and components are not designed to create mass production, erect buildings and infrastructure.</p> <p>The cost of purchased equipment does not exceed the market level.</p> <p>List and description of the equipment, the unit value of which exceeds 1,000,000 rubles (this restriction does not apply to the components of devices under development) must be sent to Technopark Skolkovo LLC to consider the possibility of its purchasing to be used by two or more Project Participants. In case the equipment is purchased by Technopark Skolkovo LLC, the Grant Recipient leases the equipment (and (or) pays for appropriate services provision, performance of relevant operations) on a reimbursable basis, including the use of the Grant funds.</p> <p>The Budget Estimate of the Project does not involve purchasing of vehicles and their components, except when the project is focused on the development and (or) modification of the vehicles or the vehicle is an integral part of the product under development.</p> <p>The procedure for the equipment purchasing should be agreed upon with the Foundation. Upon the Agreement termination, in case the equipment is not required for the further implementation of the Project, the Project Participant has the right to sell the equipment. Sales of the equipment during the term of the Agreement are not allowed.</p> <p>The expenses may include the cost of insurance of the equipment costing more than 1,000,000 rubles per unit for the term of the Agreement.</p> <p>The expenses include the cost of transport vehicle insurance, which is an integral part of the product under development, except for the cost for hull (KASKO) insurance.</p> <p>It is not allowed to:</p> <ol style="list-style-type: none"> 1. include the cost of repairs in the expenses for the Project, except for technologically necessary preparation of the facilities or the space for the equipment installation, which is necessary for the Project, as well as the expenses for repairs associated with the safety requirements within the Project implementation; 2. include the repairs required to create Clean Rooms in the expenses of the Project; 3. include office premises renovation and decoration in the expenses of the Project; 4. include the cost of purchasing premium goods, operations and services in the expenses of the Project; 5. provide loans to third parties from the Grant amount, except for advances, and repayment of previously received loan from the Grant amount is also not allowed.

<p>Consumable costs Raw materials for the test samples, etc.</p>	<p>Supplies cannot be used to create mass production, erect buildings and infrastructure, products manufacturing in industrial-scale outputs or close to them or create equipment with similar capacity. Expenditures on materials are reasonable according to the experts, who evaluated the Project, or the experts did not express specific views on this issue.</p>
<p>Salary Fund Wages, payments to contractors and consultants (individuals).</p>	<p>The employees headcount and those working for the Project Participant on the basis of civil law contracts, does not exceed by more than 20% the average number recommended by the experts who evaluated the Project, or the experts did not express specific views on this issue. Salaries of managerial and support staff should not exceed the average ones in the market according to the results of the labor market study. There may be a salary above the market average amount, with proper justification.</p> <p>The Budget Estimate does not involve the staff motivation, such as:</p> <ol style="list-style-type: none"> 1. Voluntary Health Insurance; 2. Payment for personnel and (or) the counterparties meals; 3. Compensation for personnel and (or) the counterparties meals; 4. Transfers, except for business trips; 5. Administrative personnel training. The costs for scientific and technical personnel training should not exceed 1% of the salary fund; 6. Expenses similar in content to the above. <p>Expenses for personnel recruiting are included in the Project budget according to a separate agreement with the Foundation.</p>
<p>Other expenses</p>	<p>Rent:</p> <ol style="list-style-type: none"> 1. Budget Estimate of the Project provides for the rent expenses for the office, laboratory and (or) technical premises. At the same time, rental price for one square meter of office space, including mandatory payments for rented premises which are rented by the Project Participant within the Project implementation shall not exceed the rental price for the office space provided by Technopark Skolkovo LLC. 2. Rental costs must not exceed the average rental rates in view of the region and the location of the facility. 3. Cost and technical facilities for rent are to be agreed upon with the Foundation. <p>Marketing and Implementation: Budget Estimate of the Project may involve a marketing budget, including, depending on the Stage, the expenses for:</p> <ol style="list-style-type: none"> 1. Expenses for preparation and participation in trade shows, conferences, seminars; 2. Purchasing ready market research on the Subject of the Project or ordering the research from external contractors for a total amount of not more than 1,000,000 rubles for all Research areas; 3. Advertising and promotional materials; 4. Web-site development. <p>It is not allowed to include in the Budget Estimate the expenses for advertising campaign, as well as hospitality expenses.</p> <p>Business travel expenses; The Budget Estimate of the Project provides for business travel expenses, herein:</p> <ol style="list-style-type: none"> 1. Expenses for staying in hotels with higher than 4-star-rating are not allowed to be included in the Budget estimate; 2. Per diem allowance must be defined by a local regulation of the Project Participant and for travels within the Russian Federation Travel allowance should not exceed 700 rubles for each day of the travel (Russian Federal Tax Service Letter dated July 11, 2011 No. AC-4-3/13104);

	<ol style="list-style-type: none"> 3. It is not allowed to include in the Budget Estimate expenses for transportation using business class fares; 4. Only employees of the Project Participant are paid for business travel in accordance with well-founded tasks for performance of which a business trip is required. <p>Co-contractors and Co-contractors for research and development (hereinafter – Co-contractors):</p> <p>The Budget Estimate of the Project allows for outsourcing services provided that:</p> <ol style="list-style-type: none"> 1. Format and the scope of participation of the Co-contractors are reasonable according to the experts who evaluated the Project, or the experts did not express specific views on this issue; 2. Co-contractors may be affiliated with the CAR, if so, the CAR is obliged to reveal the fact of affiliation and provide justification of the reason why the operations cannot be performed by the non-affiliated co-contractor, or why performance of the operations by a non-affiliated co-contractor is not economically viable. The experts believe that the cost of operations performed by the affiliated co-contractors is justified or the experts did not express specific views on this issue; 3. Co-contractors (excluding Co-contractors for research and development) do not perform the key tasks of the Project in accordance with the Project Plan, and are engaged to perform subtasks; 4. The total expenditure on Co-contractors which are not Scientific partners does not exceed 20% of the Project Budget (for the Projects in “Medical Technologies in the development of equipment, medical products” area the share of Co-contractors that are not Scientific partners may exceed 20% of the Project Budget, during (1) pre-clinical studies, and (or) (2) clinical research, as well as if a major part of the research should be carried out according to the GLP (good laboratory practice) and GMP (good manufacturing practice) laboratories standards).
The amount of Part of the Grant for the Stage	Not more than 20% of the Grant amount for the Stage.