

Rules of participation in the Acceleration Programme within the framework of the project entitled “Poland Prize II Programme powered by Huge Thing,” carried out as part of Operational Programme Smart Growth 2014-2020, Priority Axis 2 Support for the environment and capacity of enterprises for R&D&I activity, Measure 2.5 Acceleration programmes – Poland Prize

Article 1
[Project]

1. These Rules define the principles under which a startup can participate in the Poland Prize programme operated by Huge Thing.
2. The following definitions are introduced for the purpose of these Rules in order to explain the specific nature of startup participation in the Poland Prize programme.

Project – a project carried out by Huge Thing based on an agreement entered into with the Polish Agency for Enterprise Development under the name “Poland Prize II programme powered by Huge Thing” (no. POIR.02.05.00-00-0001/20), according to which Huge Thing is the accelerator (operator) of the Poland Prize programme and, as part of the project, is tasked with soliciting new foreign startups and providing them with grants allowing to finance certain costs necessary to develop such startups. The project is co-financed from the funds of the European Regional Development Fund as part of the Operational Programme Smart Growth 2014-2020, Priority Axis 2 Support for the environment and capacity of enterprises for R&D&I activity, Measure 2.5 Acceleration programmes – Poland Prize

Acceleration Programme – activities planned by Huge Thing and intended to develop a startup by setting up the Soft-landing, Development and Acceleration phases, followed by post-acceleration once they are completed. A startup is entitled to participate in the Acceleration Programme after entering into an acceleration agreement (grant entrustment agreement) with Huge Thing. By participating in the Acceleration Programme, a startup aims to complete milestones whose proper and timely performance allows grant lots to be disbursed to the startup.

Soft-landing – the first phase of the Acceleration Programme. A startup that has entered into an acceleration agreement receives bridging actions preliminary to establishing and developing business activities in Poland. This phase lasts for approximately 1 month.

Development – the second phase of the Acceleration Programme. Following Soft-landing, the startup uses this phase to participate in activities aimed at substantive development of the startup’s founders and individualised activities required to verify the possibility of collaborating with the Business Partner in the run-up and the Acceleration phase proper. This phase lasts for a maximum of 2 months. The Soft-landing and Development phases are covered by a single milestone.

Acceleration – the third phase of the Acceleration Programme. Following the Development phase, a startup may participate in the Acceleration phase, in which formal cooperation with one of the Business Partner of the Project is entered into. The Acceleration phase lasts for a maximum of 6 months and encompasses professional activities meant to develop the startup and its product and to enhance the competences of the startup’s team. If the startup

cooperates with a Business Partner that is a Technology Recipient, the objective of the Acceleration phase is to allow testing the startup's solution at the Technology Recipient's site. If the startup cooperates with a Business Partner that is an Investor, the objective of the Acceleration phase is to achieve business goals necessary for the Investor to decide whether to invest. The Acceleration phase is divided into 3 milestones.

Grant – financial means received by the startup and disbursed in lots, according to the milestones achieved. During the Soft-landing and Development phases, a grant lot is linked to one (joint) milestone, while during the Acceleration phase there are 3 grant lots matching the 3 milestones of that phase. The grant is intended for financing the costs anticipated in undertaking budgets approved by the startup and Huge Thing and, in the Acceleration phase, also by the Business Partner collaborating with the startup. The startup also uses the grant to finance the cost of advisory services provided to it under the Acceleration Programme.

Milestone – the indicator(s) which must be achieved for the startup to receive a specific grant lot. It is assumed that a grant lot will be disbursed only when a milestone is completed. Nevertheless, in some circumstances provided for in the acceleration agreement it is possible for a grant lot to be disbursed in advance while milestone completion is still pending.

Business Partner – an entity that entered into cooperation with Huge Thing and accordingly declared its willingness to cooperate with startups during the Acceleration phase. The solution developed by the startup should match the needs of the Technology Recipient or the investment strategy of the Investor. Thanks to effective cooperation, it is possible for the startup and Technology Recipient to establish commercial relations (for example, the Technology Recipient can be the recipient or distributor of the startup's product or service) and for the Investor to invest in the startup.

Post-acceleration – a phase of the Project available to a startup that has successfully completed the Acceleration phase. During that phase, the startup receives advisory support in order to facilitate its development. The advisory support provided during post-acceleration is not financed from the grant; the nature of the support is defined by the startup itself together with Huge Thing. Post-acceleration lasts for 2 months after participation in the Acceleration Programme has ended.

3. By signing a grant provision agreement (acceleration agreement), a startup undertakes to participate in the Acceleration Programme pursuant to the terms and conditions of the acceleration agreement, including any appendices thereto, of which these rules form a part.
4. A startup can participate in 1 or 2 phases of the Acceleration Programme:
 - phase 1 (Soft-landing and Development);
 - phase 2 (Acceleration).

The startup is admitted to phase 2 at the discretion of Huge Thing, once the criteria required for the startup to participate in this phase have been met.

The specific nature of the Development and Acceleration phase may vary depending on the startup (e.g. as regards available advisory services), its degree of development, area of activity, and type of Business Partner the startup cooperates with.

5. The participation of a startup in the Acceleration Programme does not involve paying any fees to the accelerator. The startup does, however, cover the costs of advisory services (the services of mentors, experts etc.) which can be financed from the grant it receives.
6. The participation of a startup in the Acceleration Programme consists in particular in developing its own innovative business idea, with the additional involvement of the Business Partner in the Acceleration phase and beyond, as well as in participating in training classes (services of mentors and experts, use of advisory services) which have been aligned with the needs of startups participating in the Poland Prize programme. Huge Thing will ensure professional advisory support which a startup can take advantage of. In addition, a startup can use the services of a concierge and a mentor.

Article 2 **[Grant]**

1. As of the date of signing the acceleration agreement, a startup must meet all formal requirements in order to receive a grant. The list of formal requirements constitutes an appendix to these rules and will also be inserted into the acceleration agreement.
2. The grant is a public aid instrument provided in pecuniary form, referred to in Article 22 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty and in § 21 of the regulation of the Minister of Infrastructure and Development of 10 July 2015 on financial aid granted by the Polish Agency for Enterprise Development as part of the Operational Programme Smart Growth 2014-2020.
3. The value of the grant depends on the value of costs which the startup plans to incur while participating in a specific Acceleration Programme phase. During the Soft-landing and Development phases, the total value of the grant may not exceed PLN 50,000. During the Acceleration phase, the total value of the grant may not exceed PLN 250,000.
4. The grant is settled on a fixed sum basis, which means that costs related to achieving milestones are not settled according to expenses actually incurred. The grant is settled according to a schedule and detailed budget of an individual development plan or individual acceleration plan, which constitute appendices to the acceleration agreement. The plans define the value of the grant and the indicators used to verify the completion of milestones. Failure to complete a milestone will prevent the related grant lot from being disbursed, except for funds allocated to Soft-landing costs.
5. The startup may expend the grant in the manner set out in Appendix no. 4 to the Project co-financing agreement – Rules of simplified settlement of grants provided to grantholders in projects of Measure 2.5 Acceleration programmes – Poland Prize of the Operational Programme Smart Growth 2014-2010. This means that:

- a) the Soft-landing phase may utilise 20% of costs allocated for the Development phase, of which:
 - up to 50% of costs allocated for Soft-landing activities may be used for the purchase of concierge services,
 - the remaining costs may consist of the cost of purchasing other services (including those related to the completion of an individual substantive track by the startup) and paying wages of startup employees involved in completing the individual development plan, including persons hired under civil law agreements;
 - b) during the Development phase, costs may consist of wages of startup employees involved in completing the individual development plan, including persons hired under civil law agreements, other than financed during the Soft-landing phase, costs related to the completion of the individual substantive track of the startup, costs of purchasing services, fixed assets and goodwill, and costs of informational and promotional activities.
 - c) during the Acceleration phase, costs may consist of wages of startup employees involved in completing the individual acceleration plan, including persons hired under civil law agreements, costs of purchasing services, including costs related to the completion of the individual substantive track of the startup, costs of fixed assets and goodwill, and costs of informational and promotional activities.
6. Failure to complete a milestone prevents the commencement of activities relevant to the next milestone. Completion of a milestone is confirmed by Huge Thing and, in case of the Acceleration phase, by the Business Partner. When a startup cooperates with a Technology Recipient during the Acceleration phase, the developed deliverable (product/service/solution) is confirmed by the Technology Recipient, and when a startup that cooperates with an Investor during the Acceleration phase, the startup's business results are confirmed by the Investor for compliance with the pre-investment agreement.
7. The Acceleration Programme provides for advisory services for startups, oriented on serving them with the knowledge necessary to properly develop a startup, including the developed deliverable. Huge Thing may make the acceptance of a milestone dependent on the startup completing a particular substantive track, including a specific level of participation in events during which advisory services are provided or usage of such services. This is meant to ensure that a startup is developing correctly and that the startup team acquires the necessary knowledge and experience.

Article 3 **[Project supervision]**

1. Because the Project is carried out under an agreement with the Polish Agency for Enterprise Development, the Project (including issues related to startup participation in the Acceleration Programme) may be subject to supervision. The Polish Agency for Enterprise Development, its designated supervisors and other entities responsible for supervising the expenditure of public aid are entitled to supervise the Project during and after its completion. By taking part in the Project, a startup agrees to being supervised and to provide any information necessary for this purpose.
2. The purpose of the Project is to facilitate the development of startups, including finding commercial partners or carrying out investments. A startup must therefore notify Huge Thing about the progress in commercialising its innovative business idea.

Article 4
[Personal data]

1. The participation of a startup in the Acceleration Programme involves submitting personal data, e.g. data of persons who develop the startup's innovative business idea or are members of company bodies or its shareholders. Such data will be used to carry out and supervise the Project and may be shared with persons involved in carrying out the Project (e.g. Business Partners, mentors and experts providing advisory services) as well as the Polish Agency for Enterprise Development and other supervising institutions.
2. Personal data are processed according to generally applicable legal provisions of the Republic of Poland.
3. Personal data are processed according to the Privacy Policy applicable at Huge Thing Sp. z o.o., which can be found at hugething.vc.

Article 5
[Intellectual property]

1. Participation in the Acceleration Programme does not result in any transfer of intellectual property to Huge Thing or other entities involved in carrying out the Project. Any transfer of intellectual property occurs on the basis of agreements entered into by the startup.
2. Due to a startup's participation in the Acceleration Programme, Huge Thing is entitled to advise the public about the startup and its undertaking, as well as the Business Partner it is paired with. Detailed provisions concerning information revealed to the public are found in the acceleration agreement.
3. The Acceleration Programme implements solutions to prevent the unauthorised disclosure of intellectual property vested in entities involved in carrying out the Project.

Article 6
[Eligibility for the Acceleration phase]

1. A startup that successfully completes the Development phase by the set date and:
 - submits a draft schedule and detailed budget on which its participation in the Acceleration phase will be based and which has been approved by the Business Partner willing to cooperate with the startup.
 - In case of cooperation with an Investor – submits a pre-investment agreement (term sheet) or an extract thereof showing the indicators that must be met for the investment to proceed, will undergo an assessment of its previous commitment to the Project. The startups scored the highest by Huge Thing will be allowed to prolong their participation in the Acceleration Programme by entering the Acceleration phase.
2. Only startups with the highest scores will be chosen for the Acceleration phase, except that they can be replaced by startups with a lower score if this is necessary to meet the Project indicators such as the number of startups from a particular industry or number of startups collaborating with a specific type of Business Partners. The commitment of startups is scored on a scale from 0 to 5 by the Project Manager together with the Program Managers.

3. When a startup chosen for the Acceleration phase declines to sign an annex to the acceleration agreement, the startup with the next best score can be invited as a replacement if all other criteria noted above are met.

Article 7

[Final provisions]

1. The provisions of these Rules bind Huge Thing and the startup in matters not regulated in the acceleration agreement or general documents regulating the operation of Measure 2.5 Acceleration programmes – Poland Prize.
2. Huge Thing reserves the right to amend these Rules. Such amendment may in particular occur on request of the Polish Agency for Enterprise Development submitted to Huge Thing. The changes enter into force on the date stated in the amendment of the Rules, and otherwise when the Rules are published on the Huge Thing website.
3. These Rules are governed by Polish law. The court having jurisdiction to resolve any potential disputes is the common court having jurisdiction according to the seat of Huge Thing. The Polish version of these Rules is binding.
4. These Rules enter into force on the date of their publication.

Appendix no. 1 to the Acceleration Programme Regulations

Formal requirements on which signing the acceleration agreement (grant provision agreement) with a startup is dependent, provided for in the Poland Prize programme documentation

The Project admits startups that successfully complete the recruitment process and have the final beneficiary status in the meaning of the Poland Prize programme regulations, i.e. are micro or small entrepreneurs operating as a company in which at least one half of shares or stock is held by persons who are not Polish nationals and at least one member of the company's management board is not a Polish national, and that meet the following conditions:

- are enterprises which have not been publicly traded within 5 years following their registration;
- have not yet divided their profits;
- have not been established by a merger;
- have no capital or personal affiliations with the Polish Agency for Enterprise Development or with Huge Thing sp. z o.o. in the meaning of Article 6c, item 2 of the Establishment of the Polish Agency for Enterprise Development Act of 9 November 2000;
- do not conduct activities related to:
 - manufacture, processing or marketing of tobacco and tobacco products;
 - manufacture or marketing of alcohol beverages;
 - manufacture or marketing of pornographic materials;
 - trade in explosives, arms and ammunition;
 - games of chance, mutual betting, machine and low-prize machine games,
 - manufacture or marketing of narcotic drugs, psychotropic substances or precursors,
 - block exemptions listed in Article 1 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

The startup must have exclusive rights to the innovative business idea it has submitted and must be entitled to dispose of all these rights in its own name. The innovative business idea must be free of any legal encumbrances, collaterals or claims of third parties and must not have been seized in enforcement proceedings. The startup did not undertake to dispose of the innovative business idea or encumber it with any property right or obligation right, in whole or in part, and did not enter into any preliminary agreement in this respect or submit an offer to third parties.

The startup must not be in arrears with paying any public liabilities. The startup must not be an entity barred from receiving public aid, i.e. in particular:

- based on Article 6b, item 3 of the Establishment of the Polish Agency for Enterprise Development Act of 9 November 2000,
- pursuant to Article 35, item 4 and Article 37, item 3 of the Act of 11 July 2014 on the rules of implementing cohesion policy programmes financed under the 2014-2020 financial perspective,
- based on Article 207 of the Public Finance Act of 27 August 2009.
- on which the prohibition referred to in Article 12, item 1, point 1 of the Act of 15 June 2012 on consequences of delegating work to foreigners residing on the territory of the Republic of Poland in violation of regulations or the prohibition referred to in Article 9, item 1, point 2a of the Act of 28 October 2002 on the liability of collective entities for acts prohibited under penalty has been imposed,

- which is an undertaking in difficulty in the meaning of EU provisions on state aid, in particular Article 2(18) of the Commission Regulation No 651/2014,
- which is under an obligation to reimburse aid as a result of an European Commission decision ruling that the aid was contrary to law and incompatible with the internal market.
- in cases listed in § 4, item 3 of the regulation of the Minister of Infrastructure and Development of 10 July 2015 on financial aid granted by the Polish Agency for Enterprise Development as part of the Operational Programme Smart Growth 2014-2020, in Article 1 of Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, and in Article 3(3) of Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for development and jobs goal and repealing Regulation (EC) No 1080/2006.

The startup may not be an entity:

- which was publicly traded,
- which was registered more than 5 years ago,
- which has, or whose startup team member, shareholder or member of management bodies has, been convicted by a final judgement for the offence of perjury, the offence of bribery, offences against property, credibility of documents, trading in money and securities, economic transactions and the banking system, tax offences or any other offences related to conducting economic activities or perpetrated to achieve material benefits,
- is not under compulsory administration and is not in undergoing liquidation or insolvency proceedings,
- the planned undertaking belongs to at least one thematic category of National Smart Specialisations.