

200M Co-investment Fund

Management By-Laws

11 October 2019

This English language version of the 200M Fund Management by-laws is made for consultation purposes only. In case of any discrepancy between the English language version and the Portuguese original, the latter shall prevail.

CHAPTER I THE FUND

Article 1

Name and Type

1. The 200M Co-Investment Fund, hereinafter referred to as "Fund", shall be governed by the provisions laid down in Decree-Law No. 126-C/2017, of 6 October, changed by Decree-Law No. 46/2018, of 20 June, and other applicable laws and regulations, and by these Management By-laws.
2. The Fund shall be an autonomous fund and shall not be used to cover the debts owed by the Fund Manager, other funds it manages, the stakeholders thereof, or by any other entities.
3. The Fund shall not distribute dividends to its stakeholders. Any net income shall be fully reinvested.
4. The Fund shall have an initial lifespan of 10 years from the date of the financing agreement, at the end of which the shares held by the Fund's public participating entity shall be sold. An extension of two years may be granted to the 200M Fund by the Operational Programmes.

Article 2

Funds and Shares

1. The Fund shall have an initial authorised capital of 100 million euros, financed entirely by European Structural and Investment Funds, to be paid-in in cash and represented by 10 billion shares with a par value of 0.01 euros.
2. The shares shall be represented by registered certificates, transferable only in accordance with all applicable laws and regulations.
3. The Fund's authorised capital may be increased or decreased one or more times, by a resolution taken by the General Council on proposal from the majority of its members or the Fund Manager.

Article 3

Purpose

1. The purpose of the Fund is to make equity and quasi-equity investments in eligible Small and Medium-sized Enterprises (SME), in co-investment with the entities envisaged in article 1 of the Framework for Venture Capital, Social Entrepreneurship and Specialised Investment, approved under Law No. 18/2015, of 4 March, or with other entities or individuals that are available to invest in the share capital of companies in the country and have already carried out operations similar to those provided for in said legal framework (the "Co-investors") to:
 - a) To stimulate the incorporation and/or capitalisation of companies, especially those in the early stages (seed, startup, later stage venture - series A and B);
and
 - b) To promote the growth of venture capital in Portugal by mobilising specialised Portuguese and international venture capital companies that, in addition to financial investments, help companies obtain knowledge and technical, commercial and financial expertise.

Article 4

Investment Strategy and Framework

1. The Fund shall make equity and quasi-equity investments in SMEs that have projects with an innovation product or process in co-invest with other entities.
2. For the purposes of the preceding paragraph, co-investments shall be deemed those in which the Fund's investment is accompanied by that of a co-investor with the following requirements being cumulatively met:
 - a) Operations by the Fund must be carried out together with another equity or quasi-equity investment to be made by operators, referred to as co-investors, that be one of the types of entities stipulated in article 1 of the Legal Framework for Venture Capital, Social Entrepreneurship and Specialised Investment, approved under Law No. 18/2015, of 4 March, namely venture capital companies, management companies of venture capital funds, venture capital funds, including "EuVECA", venture capital

investors, social entrepreneurship companies, social entrepreneurship funds, including “EuSEF”, specialised alternative investment companies, specialised alternative investment funds, or other entities or natural persons that are available to invest in the share capital of companies in the country and have already carried out operations similar to those provided for in said legal framework;

- b) Applications to the Fund shall be submitted by the Co-investor (applications with multiple co-investors may also be submitted) and must have already been the subject of an initial investment intention decision in an amount equal to or greater than that being sought from the Fund by the company in question and the respective investment term sheet must be submitted;
- c) The contribution from the 200M Fund, for each investment operation, may not exceed the total amount invested by the co-investors (in the case of projects that will be implemented in the Lisbon region, the contribution of the 200M Fund cannot exceed 40% of the total amount of the investment operation);
- d) Each co-investor may not be supported by the 200M Fund by more than 15% of the amount of the Fund's subscribed capital.
- e) As a result of the equity and quasi-equity investment operation, the Fund and the co-investor shall not hold, together, half or more than half of the share capital or voting rights of the company invested in;
- f) When the co-investor uses other instruments of a public nature or has benefited from European Structural and Investment Funds (ESIF) to invest in partnership with the Fund, the Fund must ensure that all national and european standards are complied, namely those involving limits on the accumulation of state aid or contribution limits of the ESIF.
- g) The Co-investor shall investment at their own expense and risk, bearing all capital risk under market conditions;
- h) Investments shall made in cash. Payments in kind made directly or indirectly through subsidiaries or investments by one or more co-investors are expressly excluded.

- i) Investments shall be formalised by means of a contract in which, at least, the 200M Fund, Co-investor and Beneficiary Company shall be parties. Such contracts shall include the rights and obligations of the 200M Fund and Co-investor as regards the investment.
- j) The Fund shall appoint the co-investors as its representatives in the beneficiary companies, and it shall be established that the Fund does not intervene directly in the beneficiary companies, with the co-investor acting as its representative. In exceptional and duly justified situations, the Fund may intervene directly in the beneficiary companies, which shall be established in the contractual arrangements referred to in paragraph i) above.
- k) The appointment of the co-investors as representatives of the Fund shall not comprehend appearances in or before General Assemblies of the beneficiary companies, where the Fund shall be present and discuss and resolve on any issues brought before the General Assembly.
- l) Services to be provided in connection with the investment operation by natural or legal persons related to the co-investors must be previously approved by the Fund's Managing Company.

Article 5

Investment Policy

- a. Investments in companies certified as SMEs (as defined by Recommendation 2003/361/EC, of 6 May) in co-investment and risk sharing with venture capital investors, which may take the form of ordinary capital and/or any other form provided for in the Commercial Companies Code, to be established between the Investors and SMEs.
- b. The investment by the 200M Fund shall be made under the same terms and conditions as the Co-investors.
- c. SMEs shall implement investment projects that receive aid from the 200M Fund in the Northern, Central and Alentejo Regions of Portugal as well as in Lisbon and the Algarve. The investment projects shall be financed by the Operational

Programme with jurisdiction in the region in which the project is to be implemented and in accordance with the respective appropriations.

- d. The financial contribution of the co-investors and the 200M Fund shall comprise, at least, 70% equity or quasi-equity instruments
- e. Should the co-investors already hold a stake in the Beneficiary Companies, the Investment Operation must include new Investors who will invest at least 20% of the total round.
- f. Investment Operations must mandatorily be associated with the implementation of projects. Operations for financial restructuring or consolidation shall not be accepted.
- g. Investment Operations related to exports to third countries or Member States, namely aid directly associated to quantities exported, the establishment and operation of distribution networks or other current costs related to export activities, or investments in fixed assets abroad shall also not be accepted.
- h. Preference shall be given to Investment Operations in the Life Sciences, BioTech, Information Technologies and Tourism sectors, as well as Industry 4.0 activities and those that fall within the Portuguese National Strategy for Smart Specialisation and the Regional Strategies for Smart Specialisation of the region to which the Investment Operation relates.
- i. Regarding equity and quasi-equity investments in eligible companies:
 - Replacement capital operations shall be eligible provided such are combined with new capital that represents, at least, 75% of each round of investment in the SME and provided that the stake sold is not held by the coinvestor;
 - No more than 30% of the total amount of the Investment Operation (financial contribution of the co-investors together with the amount invested by the 200M Fund) shall be used for liquidity management purposes.
- j. The total amount of the investment with co-financing from the ESIF may not exceed 15 million euros per eligible company.
- k. Investments to be made using financial instruments may not have been physically

completed or fully implemented at the time the financing decision is taken.

- l. Aid contingent upon the use of domestic products over imported products shall not be eligible.
- m. The 200M Fund shall afford Co-investors a call option, which may be exercised in the first four years from the date the investment is made:
 - If the call option is exercised by the end of the 2nd year, an IRR of 4% must be ensured for the investment made by the Fund;
 - If the call option is exercised between the 3rd and 4th year, an IRR of 6% must be ensured for the investment made by the Fund; or
 - If the Investment Operation is made in the Life Sciences sector indicated in subparagraph (h) above, the call option may be exercised until the end of the 4th year, or between the beginning of the 5th and end of the 6th year, in which case an IRR of 6% must be ensured.
 - The aforementioned IRR shall be calculated as follows:

$$\sum_{i=0}^n \frac{CF_i}{(1+t)^i} = 0$$

Being:

CF - Cash Flow

t - IRR

- n. Subject to prior approval from the Investment Committee, and in consultation with the Fund Manager, the call option provided for in the preceding paragraph may be transferred by the Co-investors to third parties that meet the eligibility requirements stipulated in article 6 hereof.
- o. Eligible investments in SMEs shall be made by 31 December 2020. This date may be extended following authorisation from each of the Fund's public participating entities, together with each of the Operational Programmes via the relevant ESIF.
- p. Investments shall be based on business plans that establish the *ex-ante* feasibility thereof. Said business plans must also include clear and realistic exit

strategies.

Article 6

Co-Investors

The following cumulative requirements shall be deemed the eligibility requirements of Co-investors:

- a) They must be legally incorporated;
- b) They must have no debts owing to Tax Authorities or to Social Security, to be confirmed upon signature of the financing agreement;
- c) They may legally conduct business in mainland Portugal and under the typology of operations and investments for which they are submitting an application;
- d) They have or can ensure the technical, physical, financial and human resources needed to carry out the operation until the application is approved;
- e) They have repayments in order as regards financing from ESIF;
- f) The co-investor(s), spouses thereof who are not legally separated, parents and children, or partners in cohabitation, do not hold nor have they ever held more than 50% of the share capital of a company that has not complied with a notification to return funds within the scope of an operation funded by European funds;

- g) Their economic and financial situation is sound or they demonstrate an ability to finance the Operation;
- h) They have not submitted the same application, for which the decision-making process is still ongoing or which received a positive investment decision, except for situations in which the application was withdrawn;
- i) They have not been convicted in criminal or administrative proceedings for the violation of child labour laws and those of employment and workplace discrimination, in particular based on gender, disability and on the grounds that a person has a pre-existing aggravated risk to their health, in the three previous years reckoned from the date of the final sentence, save if a longer period results

- from the penalties imposed as part of the proceedings;
- j) They keep accounts pursuant to applicable law;
 - k) They are not deemed an “undertaking in difficult”, as defined by article 2 of Regulation (EU) No. 651/2014, of 16 June;
 - l) They declare that the company is not subject to an outstanding recovery order, whether pending or not, following a previous Commission decision declaring an aid illegal and incompatible with the domestic market, pursuant to article 1(4)(a) of Regulation 651/2014, of 16 June;
 - m) They declare that no wages are in arrears;
 - n) The Co-investors may operate in the euro area.

Article 7

Beneficiary Companies

1. The Beneficiary Companies must meet the following eligibility requirements:
 - a. They must be legally incorporated by the time the Investment Operation is concluded;
 - b. They have no debts owing to Tax Authorities or to Social Security, to be confirmed upon signature of the Financing agreement;
 - c. They may legally conduct business in mainland Portugal and under the typology of operations and investments for which they are submitting an application;
 - d. They have or can ensure the technical, physical, financial and human resources needed to carry out the operation until the application is approved;
 - e. They have repayments in order as regards financing from ESIF (when applicable);
 - f. The Beneficiary Companies, spouses thereof who are not legally separated, parents and children, or partners in cohabitation, do not hold nor have they ever held more than 50% of the share capital of a company that has not complied with a notification to return funds within the scope of an operation funded by European funds
 - g. They have not been convicted in criminal or administrative proceedings for

the violation of child labour laws and those of employment and workplace discrimination, in particular based on gender, disability and on the grounds that a person has a pre-existing aggravated risk to their health, in the three previous years reckoned from the date of the final sentence, save if a longer period results from the penalties imposed as part of the proceedings;

- h. They keep accounts pursuant to applicable law;
- i. They declare that the company is not subject to an outstanding recovery order, whether pending or not, following a previous Commission decision declaring an aid illegal and incompatible with the domestic market, pursuant to article 1(4)(a) of Regulation 651/2014, of 16 June;
- j. They declare that no wages are in arrears;
- k. They are SMEs as defined under Commission Recommendation 2003/361/EC, to be demonstrated by the time financing is received from the financial intermediaries by means of the Electronic SME Certificate, issued pursuant to Decree-Law No. 372/2007, of 6 November;
- l. They have not closed the same or a similar undertaking in the European Economic Area in the two years prior to the approval of financing from the 200M Fund or, at the time of such approval, have specific plans to close said undertaking within two years, at the most, once the business plan to be financed has been finalised;
- m. They are not officially listed on a stock exchange, except alternative trading systems;
- n. They are not deemed "undertakings in difficulty", as defined by Regulation (EU) No. 651/2014, of 16 June
- o. They meet, at least, one of the following requirements:
 - i. They have not operated in any market;
 - ii. They have been operating in any market for less than seven years since their first commercial sale;
 - iii. They require an initial risk finance investment which, based on a business plan prepared with a view to entering a new product or geographical market, exceeds 50% of the average annual turnover of

the preceding five years.

- p. Risk finance aid may also include follow-on investments in eligible companies, even after the period of seven years stipulated in (ii) above, if the following requirements have been cumulatively met:
- i. The total amount of risk finance of 15 million euros is not exceeded;
 - ii. Follow-on investments are provided for in the original business plan;
 - iii. The company benefiting from follow-on investments is not a linked enterprise, as defined in article 3(3) of Annex I of Regulation (EU) No. 651/2014 (GBER), with another company other than a financial intermediary or the independent private investor providing risk finance under the measure, unless the new company meets the requirements for classification as an SME.
- q. The accumulation of an equity or quasi-equity investment made through financial instruments financed by the ESIF with other incentives under the Portugal 2020 Partnership Agreement must comply with the cumulation rules laid down in Community laws, namely in the GBER.
- r. Compliance with the total minimum private financing in the Beneficiary Companies invested in must be ensured, in particular:
- o 10% of risk finance allocated to companies that have not yet made their first commercial sale in any market;
 - o 40% of risk finance allocated to companies that have been operating in any market for less than seven years since their first commercial sale;
 - o 60% of the risk finance allocated to investments in companies:
 - ✓ With an initial risk finance investment which, based on a business plan prepared with a view to entering a new product or geographical market, exceeds 50% of the average annual turnover of the preceding five years, and
 - ✓ for additional investments in eligible companies after a period of seven years has elapsed following their first commercial sale.
- s. Investment operations in the following activities (Portuguese Classification of

Economic Activities - CAE, revised by Decree-Law No. 381/2007, of 14 November) shall not be eligible:

- Financial services and insurance - classes 64 to 66;
- Defence - sub-classes 25402, 30400 and 842200;
- Lotteries and other betting games - class 92

Due to specific European restrictions on state aid, the following Investment Operations in Beneficiary Companies shall also be excluded:

- i. In the fishery and aquaculture sector, pursuant to Regulation (EU) No. 1379/2013, of 11 December, which establishes the common organisation of the markets in fishery and aquaculture products, amends Council Regulations (EU) No. 1184/2006 and (EU) No. 1224/2009 and repeals Council Regulation (EU) No. 104/2000;
 - ii. In the primary agricultural production sector, pursuant to Regulation (EU) No. 651/2014, of 16 June;
 - iii. Companies that perform intra-group activities, the main activities of which fall under classes 70.10 "Activities of head offices" or 70.22 "Business and other management consultancy activities" of NACE Rev. 2;
 - iv. In the processing and marketing of agricultural products provided for in Annex I to the Treaty and forestry products, per the Partnership Agreement within the scope of the distinction between the Cohesion Policy funds and the EAFRD and EMFF, for business investment projects implemented on farms (when raw material is sources primarily from the farm itself), or implemented by Producer Organisations, or with a total investment in an amount equal to or less than 4 million euros.
- t. Investments in projects that lead to restrictions in the rights and freedoms of individuals or which violate human rights shall also be excluded, as well as those that are deemed socially or environmentally unacceptable.

Article 8

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Application Process

1. Applications relating to Investment Operations to be supported by the 200M Fund shall be submitted continuously using the electronic form. The Co-Investor must have already taken an investment intention decision regarding the Investment Operation, duly demonstrated by submission of the respective term sheet (to be presented until the decision concerning the Investment Operation).
2. Applications shall be assessed based on the following criteria:
 - Co-investors' experience and track record in venture capital activities and in the 200M Funds' preferred areas;
 - The project's target-sector;
 - Volume of investment in companies;
 - Weight of private investment as regards the total proposed Operation;
 - Number of jobs created;
 - Number of partners involved in the Investment Operation (incubators, accelerators, other investors);
 - Projects' ARR;
 - Introduction of new innovative products / services;
 - Projects' expected IRR.
3. The co-investors shall, in accordance with their usual methodologies, assess the Business Plan/Projects submitted by SMEs or entrepreneurs. Such Business Plans/Projects must include, *inter alia*, a description of the product/service, expected revenue and profitability calculations, feasibility analysis and an exit strategy and must be accompanied by economic, financial and legal due diligence reports.
4. The 200M Fund will assess the eligibility of Investment Operations pursuant to European standards and the regulatory standards of the 200M Fund.
5. Investments in SMEs by the 200M Fund and the Co-investors shall be made simultaneously and entail the execution of a shareholders' agreement/investment agreement between the SME, Co-investor and the 200M Fund, which shall govern the relationship between the parties. The 200M Fund may only contribute its investment simultaneously or after the investment by the co-investors (and after

- receiving the evidence), but never before the Co-investors' investment.
6. For Investment Operations to be made in tranches, the respective applications shall be submitted for the overall amount and the investment will be made in stages and simultaneously among the Co-Investors and the 200M Fund:
 - Co-investors shall submit a duly substantiated Plan with the amounts and expected investment milestones, and the underlying requirements thereof. The Fund Manager of the 200M Fund must be notified of any deviations that occur over time.
 7. Applications submitted by the Co-investors shall be assessed in the order they are received. Only applications that are properly formulated shall be deemed received. Once the authorised capital of the 200M Fund has been exhausted, applications shall no longer be accepted nor shall pending Investment Operations be approved.

Article 9

Information and Monitorization

1. The Fund's Managing Company shall determine and inform the beneficiary companies, by letter or other appropriate form, of the instructions concerning information to be provided periodically by the beneficiary companies to the Fund's Managing Company.
2. The Fund's Managing Company, the co-investors and the beneficiary companies shall allow and facilitate the access to documentation pertaining to the Fund or to the investment operations in which the Fund participates to the Fundo de Capital & Quase Capital's managing company and to any representatives of the European Commission duly authorized to perform control, audit and monitoring procedures. The Managing Company shall ensure that the investment operations' contractual documents contain provisions establishing this obligation.
3. The follow up, control and monitoring of the Fund's execution and its management may be performed through visits to the sites where such activities are performed, the exam of documents evidencing expenses and through reports that are requested, as well as through technical and financial audits.

4. The Fund and its Managing Company may be subject to audits performed by the Portuguese audit authority, the European Commission, the European Court of Auditors, as well as by the Portuguese certification authority, and undertake to continually provide any elements required to the monitoring of the Fund by the Fundo de Capital & Quase Capital's managing company and by the Operational Programmes that finance the Fund.

CHAPTER II

RELATED PARTIES

Article 10

General Council

1. The Fund shall have a General Council composed of:
 - a) A Chairperson, appointed by the members of the Government that oversee Finance, Development and Cohesion and the Economy;
 - b) The Chair of the Investment Committee;
 - c) A representative of each of the Fund's public participating entities;
 - d) A representative of each of the Operational Programmes of the ESIF;
 - e) A representative of the Fund Manager;
 - f) A representative of Agência para a Competitividade e Inovação, I. P.
 - g) A representative of Agência para o Investimento e Comércio Externo de Portugal, E. P. E.
2. The Fund's General Council shall, at any given time, be composed by the number of members resulting from the application of the criteria referred to in the preceding paragraph.
3. The members of the General Council shall exercise their mandates for renewable periods of three years and shall not be receive any compensation for the performance of their duties.
4. The General Council shall meet annually to approve the Fund's financial

- statements, until 15 July each year, without prejudice to meeting when deemed necessary, by means of a notice and summons issued by the Chair or when its members express the need to schedule a meeting to discuss a particular matter.
5. Any member may be represented by another member of the General Council by sending a letter addressed to the Chair, which shall only be valid for the meeting to which it relates.
 6. It shall be incumbent upon the General Council to:
 - a) Approve, on proposal from the Fund Manager, activity plans that aim at ensuring the pursuit of the goals established by the stakeholders and which justify the allocation of resources;
 - b) Approve, on proposal from the Fund Manager, the annual budgets and financial plans, as well as financial statements and implementation reports;
 - c) Approve the Fund's financial statements and reports, drafted by the Fund Manager;
 - d) Deliberate on increases and decreases in the Fund's authorised capital, on proposal from the Fund Manager or from the majority of its members;
 - e) Deliberate on proposals for regulations on the design of mechanisms for the pursuit of the Fund's goals, as well as the review of support mechanisms in force and the scope of its activity;
 - f) Appoint, on proposal from the Fund Manager, a Statutory Auditor, external auditor and Custodian Bank for the Fund, approving the terms and conditions of such appointments;
 - g) Approve, on proposal from the Investment Committee, operations that entail contributions from the Fund in amounts exceeding 5 million euros or which total such an amount per Beneficiary Company.
 7. The resolutions referred to in subparagraphs (a), (b), (c) and (d) of the preceding paragraph shall be reliant upon prior approval from the members of the Government that oversee Development and Cohesion and the Economy.
 8. A notice and summons for General Council meetings shall be issued in writing, which may also be sent by email, at least ten business days prior to the day the meeting is to be held. Such a summons shall include the respective agenda.

9. Resolutions by the General Council may be taken unanimously in writing.
10. The General Council may only deliberate when the majority of its members are present or represented. Resolutions shall be taken by an absolute majority of votes cast and the Chair, or substitute thereof, shall have a casting vote.

Article 11

Investment Committee

1. Following assessment by the Fund Manager, investments to be made shall be submitted by said body to the Investment Committee for approval or for submission of the respective proposal to the General Council in situations referred to in subparagraph (g) of paragraph 6 of the preceding article, in accordance with economic support policies.
2. The Investment Committee shall be composed of:
 - a. A minimum of three and maximum of five persons with a background in venture capital investment and recognised academic and professional experience, appointed by administrative order issued by the members of the Government in charge of development and cohesion and of the economy, with one such person being appointed Chair.
 - b. Up to two representatives of the Fund Manager.
3. Investment Committee members shall exercise their mandates for renewable periods of three years and may receive attendance fees for Investment Committee meetings, the amount of which shall be stipulated by a resolution taken by the General Council. Members shall also be refunded for expenses incurred with travelling and accommodation related to their participation in said meetings.
4. The operation of Investment Committee shall be governed by its respective By-laws, to be approved by resolution taken by the Fund's General Council, which may also deliberate on introducing amendments to said by-laws.
5. A notice and summons for Investment Committee meetings shall be issued in writing by the Fund Manager, which may also be sent by email, at least five business days prior to the day the meeting is to be held. Such a summons shall include the respective agenda.

6. Resolutions by the Investment Committee may be taken by email, by a simple majority, and a record of the vote of each Investment Committee member must be kept in writing.
7. Technical staff and advisers indicated by the Fund Manager for such purpose may participate in Investment Committee meetings to clarify any issues submitted to the Investment Committee.

Article 12

Fund Manager

1. The Fund shall be managed by PME Investimentos – Sociedade de Investimento, S.A., with a fully paid-in share capital of €27,500,000 and registered offices at Rua Pedro Homem de Melo, nº 55, 3º Piso, S/309, 4150-598 Porto, registered at the Porto Companies Registration Office under company number 502218835 (the “Fund Manager”).
2. It shall be incumbent upon the Fund Manager, as the Fund’s legal representative, to exercise all rights related to the assets thereof and to perform all acts and operations deemed necessary or appropriate for the proper management thereof, namely:
 - a) Comply with and implement resolutions taken by the General Council;
 - b) Define the Fund’s internal organisation and the instructions it deems appropriate;
 - c) Draft and implement the Fund's activity plan taking into account the guidelines established by the General Council and stakeholders;
 - d) Prepare annual budgets and financial plans, as well as financial statements and implementation reports;
 - e) Draft the regulation proposals deemed necessary to operate the Fund;
 - f) Perform all acts deemed necessary for the proper management and implementation of the Fund, including the purchase, sale, subscription or exchange of any securities;
 - g) Use the unexpended balances of the Fund, which shall be automatically carried over to the next financial year, provided they are related to the balances of

- revenue of European funds to be invested in financial assets;
- h) Approve expenses, regardless of the amount thereof, to be borne by the Fund for contracts exclusively financed by European funds and expenses related to the portion of co-financed contracts financed by European funds.
 - i) Approve multi-year fees borne on financial assets, provided they are exclusively financed by European funds and those related to the portion of co-financed contracts financed by European funds
 - j) Engage the services of financial institutions as custodians of the Fund;
 - k) Keep the Fund's documents and accounts in proper order to ensure that all transactions carried out are recorded and clearly identify the asset structure and operation thereof;
 - l) Monitor and draft quarterly reports on the economic and financial development of the companies in which the Fund invests and ensure that the implementation of the projects supported by the Fund is monitored;
 - m) Provide all information on the implementation of investment strategies, operations carried out and to be carried out, the Fund's portfolio companies, as well as the Fund's account developments to the General Council and stakeholders;
 - n) Calculate the value of the Fund every quarter, with a breakdown of the composition of the investment portfolio;
 - o) Provide the relevant authorities with all compulsory information or any information requested by such authorities;
 - p) Establish protocols with other public institutions or entities, regardless of the form adopted, to engage their services to support the Fund within the respective area of expertise;
 - q) Prepare the Fund's financial statements and reports;
 - r) Forward the Fund's financial statements and reports for the previous financial year to the Inspectorate-General of Finance by 31 May of each year, together with the Statutory Auditor's report;
 - s) Submit the Fund's financial statements and reports for the previous financial year to the General Council by 30 June of each year, together with the

- Inspectorate-General of Finance's opinion and the Statutory Auditor's report;
- t) Submit the financial statements and reports approved by the General Council to the members of the Government that oversee Finance, Development and Cohesion and the Economy, within thirty days at the most from the date of approval thereof;
 - u) Convene Investment Committee meetings and draft the respective minutes, as well as provide its members with the technical support deemed necessary such that they may perform their respective duties;
 - v) Ensure there are mechanisms to disclose contributions made, as well as to disseminate and promote financial instruments and aid financed by the ESIF such that companies directly or indirectly invested in and the general public may be made aware of the source of the respective funding;
 - w) Cooperate with the management authorities of the operational programmes and other financiers in all assessments carried out of resources allocated to them;
 - x) Ensure quarterly reporting obligations are fulfilled as regards information required for the monitoring of the physical and financial implementation and accounting of funded operations. Companies shall be obliged to undertake and comply with the obligations stipulated in this regard;
 - y) As part of the monitoring process referred to in the preceding subparagraph, a file shall be prepared with all documents that support the information provided and statements and declarations made, as well as all supporting documents of investments made, which must be available for consultation at any time by the bodies involved in financing the Fund, and which shall be kept for three years following the date the respective operational programmes are closed; and
 - z) Ensure that, for monitoring, auditing, control and assessment purposes, a computer system is in place that allows financiers and stakeholders of the Fund to obtain information on all equity and quasi-equity investments made in beneficiary companies, as well as gather information on indicators, results and milestones, ensuring compliance with confidentiality and separation of duties in the management of the Fund. The computer system shall also provide

information on sectoral and regional investments per investment priority and employment levels.

3. The Fund Manager may outsource technical services to fulfil its duties, upon approval from the General Council.

Article 13

Statutory Auditor, Auditor and Custodian Bank

The Fund's Statutory Auditor, external auditor and Custodian Bank shall be appointed by the General Council, which shall also approve the terms and conditions of such appointments, on proposal from the Fund Manager.

Article 14

Inspectorate-General of Finance

1. Auditing of the Fund shall further be assured by the Inspectorate-General of Finance, which shall ensure compliance with applicable laws and regulations and issue an opinion on the Fund's annual financial statements.
2. The Fund Manager shall submit the Fund's financial statements and reports to the Inspectorate-General of Finance by 31 May of each year, together with the report issued by the Statutory Auditor and external auditor.

CHAPTER III

ASSETS AND LIABILITIES

Article 15

Resources

- 1 - The Fund shall be financed by:
 - a) Contributions from the European Union, including those from European Structural and Investment Funds. Transactions shall be subject to the terms of approval laid down by the Management Authorities of the respective operational

programmes, Portuguese regulations and European directives and regulations, in particular those related to State aid and the ESIF, including the requirements provided for in the notices and financing contracts, which are subject capital placed in the Fund;

- b) Contributions from other public investors and multilateral financial institutions;
- c) Income from the investment of resources;
- d) Any other income or revenue allocated thereto, including but not limited to, that directly or indirectly resulting from transfer in lieu of payment of liabilities incurred by any entities in relation to the Fund.

2 — The Fund's cash on hand subject to the principle of unity of State Treasury.

Article 16

Composition of the Fund's Portfolio

1. The following assets may be included in the Fund's portfolio:

- a) The subscription and purchase of shares in the share capital of companies that qualify as SMEs;
- b) The subscription and purchase of bonds and other forms of equity financing or debt financing issued by companies that qualify as SMEs;
- c) Put and call options on the shares of companies, the share capital of which is held by venture capital operators;
- d) Collateral of any kind provided by the Fund in the sharing of risk inherent to venture capital operations in co-investment with other venture capital operators.

2. The assets referred in paragraph 1 (a) and (b) of this Article may continue to be part of the Fund's portfolio even if the companies concerned no longer qualify as SMEs.

Article 17

Fees and Expenses

- 1. As compensation for activities performed, the Fund Manager shall charge an annual management fee corresponding to 0.44% of the capital paid in to the Fund at any given moment and in accordance with the maximum thresholds and method laid

down in Regulation (EU) No. 480/2014, of 3 March, which shall be paid in arrears every quarter.

2. In addition to the management fee referred in paragraph one above, the following expenses shall also be borne by the Fund:
 - a) The remuneration of the members of the Investment Committee, established pursuant to Article 11 (3). the Statutory Auditory, external auditor and Custodian Bank;
 - b) Costs incurred with equity investments and divestments, including, but not limited to, expenses related to the operation of the Investment Committee, dissemination and announcement of the Fund, due diligence carried out at companies and the formalisation of investment operations or divestments;
 - c) Operating costs incurred with managing the Fund, including legal costs related to advertising, publication, mandatory registrations and fees;
 - d) Costs incurred with legal, financial and tax consultants, including, but not limited to, costs related to litigation in which the Fund is involved.
2. The costs indicated in the preceding paragraph shall be limited to 1% per annum during the first two years and 0.5% per annum in the subsequent years, at any given time in the Fund, in accordance with the maximum thresholds and calculation method (*pro rata temporis*) laid down in Regulation (EU) No. 480/2014, of 3 March.

CHAPTER IV FINANCIAL STATEMENTS

Article 18 Financial Year

The Fund's financial year shall correspond to the calendar year.

Article 19 Chart of Accounts

- 1 The Fund's Chart of Accounts shall be kept in such a way as to allow all transactions carried out to be recorded and to clearly identify the asset structure and operation thereof, as well as to enable separation per financing source, namely per operational programme.
- 2 The Fund shall not be subject to the provisions of Decree-Law No. 192/2015, of 11 September, which establishes a Unified Accounting System for Public Authorities (SNC-AP), except as regards compliance with the requirements relating to budgetary accounting and the use of a multidimensional chart of accounts, for the purposes of integrating information with the Central Accounting and Reporting System.

Article 20

Activity Plan

The Fund Manager shall draft the activity plans, the milestones and outcomes of which must be aligned with the indicators related to the respective operational programmes. Such plans shall be annual, if applicable, and should include:

- a) The investment strategy and a description of the investment policy;
- b) The operating budget;
- c) The provisions on professionalism, competence and independence as regards management;
- d) The justification for and intended use of the contributions from the operational programmes;
- e) The expected leverage effect;
- f) The implementation plan for dissemination, awareness and advertising initiatives as regards investments made;
- g) The schedule for audits and external checks, when applicable.

Article 21

Annual Financial Statements

1. The Fund Manager shall submit the Fund's financial statements and reports to the General Council by 30 June of each year, together with the Inspectorate-General

- of Finance's opinion and the Statutory Auditor's certification;
2. The financial statements and reports shall be approved by the General Council by 15 July of each year.
 3. The Fund Manager shall submit the financial statements and reports approved by the General Council to the members of the Government that oversee Finance and the Economy, within thirty days at the most from the date of approval thereof.

CHAPTER V

TERMINATION OF THE FUND

Article 22

Termination

1. Without prejudice to the provisions laid down in applicable European law, namely as regards the deadlines for the eligibility of expenses and the lifespan of the Fund, should the Fund be terminated, the proceeds of the winding up thereof shall be allocated to:
 - a) the budget thereof or, by means of a resolution taken by the management authorities, shall be reused for the same purposes, until the operational programmes are closed, in accordance with the goals and according to the rules of the operational programmes;
 - b) to the purpose decided by the Inter-ministerial Commission for Coordination (ICC) of the Portugal 2020 Partnership Agreement or, should it not be operational, by the members of the Government that oversee Finance, Development and Cohesion and the Economy, as regards the investment and management of liquidated funds, until the operational programmes are closed;
2. Within six months prior to the winding up of the Fund, should the Fund still hold shares in the Beneficiary Companies, the Fund Manager shall promote the sale of said shares aiming to ensure the disposal thereof under the best conditions possible.
3. When the shares referred to in the preceding paragraph are unable to be sold

prior to the completion of the winding up of the Fund, the ownership of said shares shall be transferred to the respective Operational Programmes, through the Fundo de Capital & Quase Capital, which hereby mandate the Fund Manager to manage the shares with a view to the disposal or redemption thereof as quickly as possible, with such mandate being non remunerated.

4. The proceeds from the respective sale or redemption, when such exist, shall be allocated to the payment of costs incurred by the Fund Manager with managing the shares in question. The remaining amount shall be refunded by the Fund Manager to the Operating Programme to which the transaction relates, through the Fundo de Capital & Quase Capital.
5. When no amounts are received as a result of the respective disposal or redemption, or when the amount is insufficient to cover costs incurred, the costs related to managing the shares shall be borne by the reimbursements arising from the execution of the 200M Fund, with such costs being subject to the prior approval of the Fundo de Capital & Quase Capital's managing company.
6. Without prejudice to the winding up date of the Fund set out in these By-laws, the services to be provided by the Fund's Managing Company under paragraphs 3 through 5 of this Article shall be deemed legacy services in respect of the Fund's management services and the Managing Company shall not perceive any remuneration for its provision.

CHAPTER VI

GENERAL PROVISIONS

Article 23

Omissions

Any matters not expressly addressed in this By-laws shall be regulated, as applicable and, whenever necessary, on a *mutatis mutandis* basis, by the provisions Decree-Law 126-C/2016, of 6 October, the Regulation (UE) 651/2014 of the European Commission, of 16 June 2014, and the Management Contract entered into by the Managing Company and the Fundo de Capital & Quase Capital's managing company.