

Fond-ICO Next Tech

Additional criteria for private equity funds

1. Target Fund Size (TFS) of at least 150 million euros.
2. Maximum commitment in each fund up to 49% of the total target fund size and 100 million euros, taking into account all public investors including Fond-ICO Next Tech.
3. Majority of investments in scale-ups as previously defined.
4. The fund is incorporated in an OECD member country and registered or authorized with the CNMV or, when required by the applicable legislation, under the corresponding local regulatory authority of an OECD member country.
5. At least one (1) investment team professionals (partner / director) must have been investment team member of a private equity fund or firm during the whole investment period of that fund or Management Company.
6. The participant must have at least (1) investment team professional (partner / director) with the characteristics previously described and with investing experience in Spain.
7. The Management Company must commit to invest at least 2 times Fond-ICO Next Tech's committed capital in Spanish companies. This commitment must be reflected in the fund legal documentation.
8. FOND-ICO Next Tech will attend to 70% TFS closing (in where Fond-ICO Next Tech should not exceed 49% of the TFS), including Fond-ICO Next Tech's commitment; and another closing until complete the investment.
9. There must be a minimum of three (3) investors in addition to Fond-ICO Next Tech among the requested commitments. At least two (2) of these investors must be (i) completely independent from the investment team and among them, (ii) do not have any ownership stake in the Management Company, and (iii) either be institutional investors or commit at least 1 million euros in the fund.
10. The management fee and hurdle rate will be negotiable depending on the invested amount, could not be greater than 2.5% per annum of the committed capital throughout the investment period and of the capital still invested throughout the divestment period.

In any case, it will be the ones of the investor who has the most favorable conditions.

For Management Companies working before with other Funds or Initiatives developed by AXIS, previous investment conditions will be considered.
11. The management team and/or the Management Company will commit at least 1.0% of the fund's size. Only commitments signed by the Management Company, the management team and/or a vehicle 100% owned by them will be considered in this regards Commitments from other investors with an ownership stake in the Management Company will not. The aforementioned commitment is required both on the fund target size and on vehicle in which Fond-ICO Next Tech will invest.

12. The Management Company must be 100% privately owned.
13. In addition, funds in which Fond-ICO Global will invest should meet the following requirements:
 - 1) Funds shall be incorporated and denominated in euros and Fond-ICO Next Tech's commitments will always be in euros.
 - 2) The majority of capital raised by the funds must come from private investors, including Fond-ICO Next Tech.
 - 3) In the event that government-backed institutions, organizations or companies with local scope participate in the funds, the sum of their participation and Fond-ICO Next Tech's participation should not exceed the investment limits identified on the First Section of this Basis in percentage terms – up to 49% of the total target fund size –. In no case they will have a higher commitment than Fond-ICO Next Tech.
 - 4) Funds may not commit themselves to investing in a majority way in autonomous or local scopes. These limits apply to the overall structure of the fund regardless of the different vehicles included in the structure.
 - 5) Beyond compliance with other requirements that had been previously established in order to be incorporated into a certain investment vehicle, the possible presence of these government-backed institutions, organizations or companies with local scope in the fund's decision-making bodies, should not condition any investment or divestment decision..
14. In the event that the fund has completed an investment, it will have a maximum age of 24 months since its registration or authorization with the CNMV or, when required by the applicable legislation, under the corresponding local regulatory authority of an OECD member country. In addition to that, any previous investment made by the Fund will have a maximum age of 18 months.
15. The Management Company and the Fund, if incorporated, should comply with the solvency capital requirements demanded by the CNMV (or by any other OECD regulatory body, when required by the corresponding applicable legislation) and by the applicable regulations, in addition to the absence of any outstanding sanction proceedings.

In all the funds in which the Fund invests, a **reference investor** must be found, or agreed directly with the Management Company:

- ✓ Validation of capital calls
- ✓ Quarterly valuation reports
- ✓ Periodic reports on the fund situation and Audited Annual Accounts

The requirements described above will apply to **newly created management companies** as long as:

- ✓ Management company team must prove that **they have worked in other management companies**, in investment / divestment functions (not only advice) and providing information on the private equity funds managed
- ✓ They have a **strategy that generates the deal-flow** necessary to carry out the investments

Once the investment period is over, the funds will be required to **prepare a report to verify compliance with the necessary requirements for the Fund's investment:** Spanish companies, scale-ups and target sectors. Failure to comply could result in a modification of **future management fees or the exclusion to apply for any initiative managed by AXIS.**