

## Clarification Document to the Call for Expression of Interest launched by Eesti Arengufond and AS SmartCap

The aforementioned Call for Expression of Interest (hereinafter the "Call") provides that: "Requests for clarifications from Candidates shall not receive individual replies. Instead, answers to all requests for clarifications which are received before the above-referred deadline and which are relevant to the Call and to all Candidates will be published in one or several clarification document(s) to be posted on the website [www.smartcap.ee/reorganisation](http://www.smartcap.ee/reorganisation) no later than 19 September 2016".

In accordance with this provision, we hereby present such a clarification document. Questions may appear as they have been received without any editing; they also appear in a random order.

Questions related to the Call	
Q1	Why Wise Guys Investment OÜ has been left out from Annex 1: Investment Assets Part I: Investment Assets to be transferred from EF I*? What is the plan for the shareholding currently held by EDF in Wise Guys Investment OÜ?
A1	<b>In line with EDF's new investment strategy which focuses, inter alia, on accelerators, Wise Guys Investment OÜ will continue to be directly managed by EDF and/or SmartCap.</b>
Q2	Running EstFund in parallel, would it be considered as "conflict of interest"? Is there any limitation of running both SmartCap follow-on investments along with one of EstFund funds?
A2	<b>The Call does not require full commitment of future's Private Fund Manager's Key Executives nor forbids to manage more than just the Investment Assets.</b>  <b>On the other hand, Annex 2: Indicative Main Terms, section "Key executive provisions" stipulates: "The Key Executives shall devote substantial part of their aggregate business time and efforts to the Fund." Annex 2: Indicative Main Terms, section "Cross-over investments" sets certain limitations: "In order to avoid potential conflicts of interest, the Fund shall not co-invest with, acquire from or sell to another investment fund or collective investment scheme managed or advised by the Private Fund Manager, its Key Executives or any of their Affiliates, unless for duly justifiable reasons with prior written approval of the Investors' Representative".</b>
Q3	Do we understand correctly that the notification about being "Qualified Candidate" will be done by 17.10.2016? If not, when between 3.10.2016 and 28.10.2016 the candidates will be notified if they are qualified or not?
A3	<b>The aim is to provide Candidates with a notification by 17.10.2016, at the latest. Any modification of the indicative timetable will be communicated on the website <a href="http://www.smartcap.ee/reorganisation/">www.smartcap.ee/reorganisation/</a>.</b>
Q4	During "Second stage: provision of access to information", would it be possible to communicate interactively with Portfolio Companies' managements?
A4	<b>The Call does not forbid the Candidates to communicate with Portfolio Companies' managements. However, any such communications will be outside the scope of the Call and the Prospective Investors are not in the position to arrange or facilitate any such communications or be liable for the incorrectness or incompleteness of any information provided during such communications.</b>
Questions related to the Expression of Interest	
Q5	Does initial EoI has to be encrypted with DigiDoc or not?
A5	<b>Yes, the initial EoI has to be encrypted with DigiDoc as stipulated in the Call: "The initial EoI and all attached documents shall be written in English, converted to .PDF format (as scanned copy of documents with handwritten signatures in at least 300 dpi resolution), encrypted with DigiDoc 3 Crypto for decryption only by an independent third party whose details will be provided by SmartCap upon request by the Candidate and submitted via e-mail to the address <a href="mailto:reorganisation@smartcap.ee">reorganisation@smartcap.ee</a>."</b>
Q6	"Describe direct or indirect restrictions on the Key Executives to exercise their rights as shareholders in proportion to their holdings (if any)." Please provide examples of possible restrictions other than conflict of interest issues.

A6	<b>Above all, such restrictions refer to situations where any shareholder of the Private Fund Manager, other than the Key Executives, has the ability, through voting rights or otherwise, to block or materially influence the resolutions and/or other actions of the Private Fund Manager.</b>
<b>Questions related to the Eligibility Criteria</b>	
Q7	Would it be sufficient not to appoint separate pool of sector experts (technology, biotech, energy & industry) in case some of Key Executives are themselves experts in specific sectors? How this can impact assessment of corresponding Qualification Criterion?
A7	<b>The Call document does not require to appoint separate pool of sector experts if some of the Key Executives are themselves experts in specific sectors. The Selection Committee will assess the Expression of Interest as a whole taking into account both Key Executives and the proposed pool of sector experts.</b>
Q8	What data is to be provided about sector experts? Can experts' CVs be attached to EoI?
A8	<b>The Candidate may use either the template provided in Annex 6 Schedule 4 by defining the role of the expert or provide the information in free format. Experts' CVs can be attached to the EoI.</b>
<b>Questions related to the Fund terms</b>	
Q9	Is that obligatory that the Fund and Fund Manager must be incorporated in different geographies?
A9	<b>No, the Call does not set forth such requirement. Annex 2, Indicative Main Terms, section "Legal structure" stipulates: "<i>The Fund must be incorporated in an EEA member state acceptable to the Investors (other than the Private Fund Manager)</i>". This means that the respective EEA members state in which the Fund is incorporated must be acceptable to EDF and SmartCap as Investors. The purpose of the section in parenthesis ("other than the Private Fund Manager") is to clarify that the term "Investors" does not include the Private Fund Manager.</b>
Q10	Regarding the functions of the Investor's Representative, could you please provide a definitive list of review and approval items? Could you also describe the review process?
A10	<b>The definitive list of Investor's Representative's functions shall be defined in the Fund documentation.</b>  <b>The indicative list of key items is provided in Annex 2 and includes, inter alia, (i) deciding on reporting requirements, valuation policy, auditors and the Private Fund Manager's actual or potential conflicts of interest, granting approvals described in Annex 2 sections "Portfolio diversification", "Cross-over investments", "Co-investment rights of the management team", "Fund expenses", "Key executive provisions" and "Transfers" (ii) review of Fund's performance and activity and Private Fund Manager's annual budget.</b>  <b>The term "review" refers to the process of assessment and analysis which does not entail approval.</b>
Q11	Could you clarify the basis for deciding to establish and advisory committee as well as the principles for creating the composition and voting mechanism of this committee?
A11	<b>The decision whether or not to establish an advisory committee, including the principles for its composition and voting rights mechanisms, has been intentionally left at the discretion of the Investors (EDF and SmartCap).</b>  <b>In exercising such discretion, Investors may, at any time, take into account, among others, their internal organisational and management structure, the need to take an independent view on matters that might require Investors' decisions and the requisite to ensure a reasonable balance between the Investors and the Private Fund Manager.</b>