



THE SCIENTIFIC AND TECHNOLOGICAL RESEARCH COUNCIL OF TURKEY

THE DIRECTORATE OF TECHNOLOGY AND INNOVATION FUNDING PROGRAMS

1514- VENTURE CAPITAL (PRIVATE EQUITY) FUNDING PROGRAM

2013 CALL FOR FUND MANAGERS and PROSPECTIVE FUND MANAGERS

This program aims to provide grants to venture capital funds focusing on early (seed and start-up) stage equity investments in innovative small and medium sized enterprises ("SME") which have the potential to develop innovative products, services and/or production processes.

This Call presents the general outline of the funding program corresponding to "TÜBİTAK Venture Capital Funding Program Application Guidelines" ("the Application Guidelines"), "1514 Venture Capital Funding Program Project Application Preparation Guidelines" ("the Application Preparation Guidelines"), and the related documents which are posted on www.tubitak.gov.tr under the "1514 - Venture Capital Funding Program" tab.

THE CALL

1. Call Code

- 1514-GİSDEP-2013/01-C

2. Call Title

- 1514- Venture Capital (Private Equity) Funding Program Call for the Year 2013

3. Aim and Scope

- To provide grants to venture capital funds which invest, or intend to invest, in start-ups (or potential start-ups in need of seed capital) to assist them with their technology-intensive research and development, production and commercialization activities.

4. Call Schedule

- Grant Application Dates: 5 September 2013- 31 December 2013
- Application form and its annexes should reach TÜBİTAK not later than close of business on 31 December 2013.

THE APPLICATION

5. Eligibility and Requirements

Applicants can be Fund Managers or prospective Fund Managers that have

- Proven track record in managing venture capital funds, or
- Extensive experience in the fields of banking, finance, entrepreneurship, business administration, law, industry and/or commerce.

Other essential requirements:

- The Prospective Fund Manager must establish (or commit to establish) a fund management company ("Fund Manager") before the signing of a Fund Support Agreement with TÜBİTAK,
- Both Fund Managers and Prospective Fund Managers must commit to manage the Venture Capital Fund defined below.

6. Application Documents

All documents related to the application can be reached on the internet site www.tubitak.gov.tr under the title "1514 - Venture Capital Funding Program."

The "**1514 Venture Capital Funding Program Project Application Form**" and its annexes must be prepared in **Turkish** and should be delivered not later than 31.12.2013 in print and on CD to the following address:

TÜBİTAK
TEYDEB
Girişim Sermayesi Destekleme Grubu (GİSDEG)
Atatürk Bulvarı
No:221
06100 Kavaklıdere/ANKARA

7. Application Evaluation Criteria

7.1. Eligibility of Project

1. The Fund's geographical and sector targets and its investment strategy,
2. The size of the Fund and its viability,
3. Investment exit strategies,
4. The profile and experience of the Investment Committee,
5. Fund Managers or prospective Fund Managers , in particular;
 - 5.1 The management team profile,
 - 5.2 Corporate financial and managerial experience,
 - 5.3 Experience in venture capital investment and strategy (operational and financial).

7.2. Fundraising, deal flow identification and investment capacity

1. Ability to raise capital within a targeted period,
2. Ability to identify target companies for investment,
3. Ability to close investments.

7.3. Institutional capacity and sustainability

1. Corporate governance, legal structure and sustainability,
2. Fund management cost and general policy on developing an exit strategy,
3. Procedures for reporting, monitoring, auditing and risk management,
4. Organizational structure and independence.

8. Application Evaluation Process

Applications will be evaluated according to the "TÜBİTAK Venture Capital Funding Program Application Guidelines" in the following stages:

1. A preliminary evaluation will be undertaken by the TÜBİTAK Venture Capital Funding Group (GİSDEG).
2. The applicants passing the preliminary evaluation stage will be further evaluated by GİSDEG Executive Committee ("The Committee"). Fund Managers / Prospective Fund Managers will be invited for a presentation if needed.
3. The Committee's selection decisions will be announced on the TÜBİTAK internet site.
4. A Letter of Intent will be signed with selected Fund Managers/Prospective Fund Managers.
5. After fulfilling the commitments and obligations specified in the Letter of Intent within the prescribed period, a Fund Support Agreement will be signed between TÜBİTAK and the Fund Manager.

In the event of an insufficient number of qualified applications, the Call may be terminated with no grants accorded.

VENTURE CAPITAL FUND REQUIREMENTS

9. Requirements for Venture Capital Funds

Location a. The Fund Manager and the Fund must be resident in Turkey or
b. Headquartered abroad but with a liaison office/branch in Turkey

Type: a. A Venture Capital Mutual Fund subject to Capital Markets regulations in Turkey, or
b. A Venture Capital Investment Company subject to Capital Markets regulations in Turkey, or
c. Other legal entities or investment funds ultimately intending to invest in Turkey except for funds established in the countries on the OECD's published blacklist.

Capital Structure: Variable capital and close ended

Duration: Investment period: maximum 5 years
Exit period: maximum 7 years

10. Fund Size

- Minimum twenty (20) million TL.

11. Fund Participants Capital Contribution Rates

- TÜBİTAK grants will not be higher than 20 percent of the fund's total size.
- Private Investors will provide at least 79 percent of the fund's total size.
- Fund Manager will provide at least 1 percent of the fund's total size.

FUND INVESTMENTS

12. Fund's Investment Priorities

- The Fund may invest in venture firms which are in need of financial support during their early (seed and start-up) stage.

TÜBİTAK GRANT PROVISION AMOUNT AND TERMS OF USE

13. Grant Ceiling

- TÜBİTAK grants will be a maximum of fifteen (15) million TL in each fund.

14. Terms of Use of TÜBİTAK Grants

1. TÜBİTAK's grants shall not be provided before all other investors have transferred their committed capital to the fund.
2. No more than 20 percent of the fund shall be allocated to any single venture firm.
3. No more than one TÜBİTAK supported fund shall be invested in the same venture firm.

15. Grant and Profit Distribution

- After the divestment of the fund, TÜBİTAK grants in the fund will be distributed according to the Application Guidelines.

OTHER INFORMATION

16. TÜBİTAK reserves the right to make any changes in the terms and conditions of this Call, the Application Guidelines, and/or any other documents and terms related to the program.

ATTENTION: Prior to submitting an application, the applicant should thoroughly examine the Application Guidelines and the Application Preparation Guidelines.

For More Information:

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