

Foreign VC Investment Fund 2024 Request for Proposal

Korea Venture Investment Corporation(the "KVIC") hereby announces the Investment Plan of **Foreign VC Investment Fund(the "FVCIF")** for the year of 2024

I . Investment Size and Detailed Information for Applicants

Items	Details
Total Investment Size	Approx. KRW 150Bil (Approx. USD 111Mil)
Fund Domicile	FVCIF only invests in venture funds that are established under relevant foreign laws
Investment Category	<ul style="list-style-type: none"> ○ Track : ① Foreign-KOR Co-GP¹⁾ ② General²⁾ * Budget allocation may vary depending on applying status and Inter-Country Cooperation Fund Track 1) Korean VC firm is only allowed to apply for Foreign-KOR Co-GP Track 2) Commitment will be allocated in consideration of regions (①Americas ② Europe/MENA ③Asia), capability of applicants and decision from Investment Committee. ○ Applying funds shall employ investment strategies that would support Korean government's initiatives and policies in place for the global expansion of Korean Companies and venture ecosystem in Korea
GP Entity	<p>GP of the applying fund should be either a Foreign VC firm or a foreign VC firm partnered with a Korean VC firm as a Co-GP</p> <ul style="list-style-type: none"> * Co-GP structure must follow (i) both VC firms should commit certain portion into the GP entity or the applying fund, and (ii) both VC firms should participate in Investment Committee of the applying fund (e.g. Investment Committee shall consist of fund managers from both parties) * Korean VC firm alone is not eligible for this program * Foreign VC firm whose major shareholder is a Korean VC firm is considered as Korean VC firm and can apply as Co-GP with a foreign VC firm 1) Korean VC firm refers to the entity established under relevant Korean laws, such as 'Venture Investment Company', 'LLC' under Commercial Act, and 'New Technology Venture Capital Business', that can manage a partnership or company in accordance with Act on Venture Investment Promotion Act (or equivalent)

Evaluation	Comprehensive assessment will be carried out on submitted materials (PPM, track records, Korean Company Investment strategy, etc.) * Evaluation processes such as due diligence and manager presentations can be conducted online.
Deadline for application	April 11 th (Thursday) - April 18 th (Thursday) 14:00(KST), 2024
Deadline for fund closing	6 months from the date of approval for commitment by the Investment Committee of FVCIF * In case of unavoidable circumstances, the initial expiry can be extended up to 3 months with a written consent by KVIC

II . Terms and Conditions

Items	Details
Basic Conditions (Should be Stipulated in PPM)	<p>① Invest in Korean Companies at least 1.0x of the FVCIF's commitment*</p> <p>* The collaboration plan with KVIC, Korean investment mandate, and failure of investment mandate must be explicitly stipulated in any applicable legally-binding documents (e.g. LPA, Side letter)</p> <p>② The total commitment size of Non-Korean limited partners in the applying fund must be equal to or greater than the commitment size of FVCIF at the time of FVCIF's subscription into the fund</p> <p>③ At least two key investment members* with minimum two years of investment experience at venture capital firms, accelerators or equivalent firms must engage in applying fund's overall management. At least one of them should be deemed to be able to effectively contribute to the growth of Korean Companies</p> <p>* Key investment members are either ① Key Persons on LPA or ② IC members who are responsible for the investments of applying funds</p> <p>* If applying Co-GP, each GP must include at least two individuals who meet the above conditions</p> <p>④ Reporting obligation¹⁾ to KVIC should be stipulated in LPA or equivalent documents</p> <p>1) Quarterly(LP capital account, portfolio information, etc.), Monthly (Korean Company Investment etc.)</p> <p>※ KVIC determines whether the applicants meet above conditions</p> <p>※ For Inter-Country Cooperation Fund track, Korean Company Investment mandate, non-Korean LP commitment requirement, and the other fund terms need to be discussed with KVIC in advance</p>

Commitment Limit	Should not exceed 40% of applying fund ($\leq 40\%$)
Capital Commitment	Approx. USD 10 Million (Maximum USD 15 Million) * The amount is subject to change depending on exchange rate fluctuations
Contribution Method	Draw-down, Capital call
Duration of Applying Fund	About 10 years (Investment period : About 5 years from either the initial closing date or final closing date) * If the duration of the applying fund or the investment period is different from the above, GP should consult with KVIC in advance.
Fee Structure (Management Fee / Hurdle Rate (IRR) / Carried Interest)	<ul style="list-style-type: none"> ○ Negotiable considering the venture capital market standards of the GP countries ○ Identical Terms and conditions should be applied to FVCIF as other Limited Partners
MISC.	<ul style="list-style-type: none"> ○ Any application that has terms that conflict with any of the terms or conditions stated herein needs prior consultation/discussion with KVIC ○ Further detailed terms and conditions are to be negotiated with approved funds ○ All proposals must include estimated minimum target closing fund size and final closing target size(hard-cap), including the commitment from FVCIF ○ If there are no suitable applicants, commitment will not be approved. Also, if any significant issue(s) arises, approval can be withdrawn at sole discretion of KVIC ○ Korean VC firm can only apply for Foreign-KOR Co-GP Track with Foreign VC firm ○ If there is a direct / indirect equity relationship between Co-GP applicants(or subsidiaries), application is not allowed ○ The investment size in the general track will be finally determined according to Inter-Country Cooperation Fund Track¹⁾. To apply for Inter-Country Cooperation Fund Track, applicants must consult with KVIC in advance about terms and conditions of the fund. * Funds designed to promote collaboration between countries / government entities / international organization with a purpose of supporting mutual investments, market expansion of local businesses, etc. Applying funds should have government(national institutions or equivalent) or international organizations as limited partners

III. Suspension, Revocation, and Restrictions on Fund Selection

1. Special Benefits

- **Funds with a plan to invest in Korean Companies with an amount of capital greater than 1.0x of the commitment of FVCIF** will be given certain additional points (e.g. Korean Company Investment amount equal to 2.0x FVCIF's commitment in the fund)

2. Suspension

- KVIC has the right to determine to hold the investment decision process for re-evaluation at its sole discretion, if any significant changes to the applying fund emerge or are expected to emerge

3. Revocation

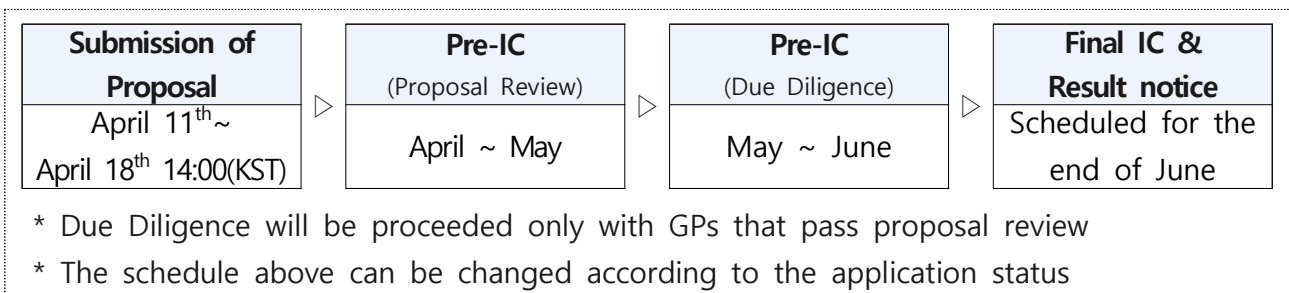
- KVIC may revoke investment decision under any of the following circumstances:
 - A. If the fund fails to raise capital to meet minimum fund size* set by KVIC's Investment Committee
 - * Minimum fund size for funds will be decided in the Investment Committee and it could be different from the submitted minimum fund size in application form
 - B. If the GP fails to comply with any term of this RFP or any condition set by the Investment Committee
 - C. If there is any significant false statement or concealment in the PPM (including related materials) or in the presentation at the Investment Committee
 - D. If terms and conditions of the applying fund are deemed to be changed significantly from those at the time of evaluation; Investment Committee will determine the revocation of approval when any of following circumstance break out between the approval date and the fund formation due date
 - More than half of key investment members are changed
 - ※ **If half or less of key investment members change($\leq 50\%$), GP must submit official letter regarding the status and reasons for the changes. The final decision on the FVCIF's commitment will be made afterwards**
 - Any event or change that would significantly affect the management of the Fund

4. Restrictions

- If the GP fails to complete the closing of the fund even after extended fund formation due date of FVCIF commitment, the GP may be restricted from receiving all KVIC funds within a year from the extended fund formation due date
- If the GP fails to complete the closing of the fund without extending the fund formation due date after FVCIF commitment, the GP may be restricted from receiving all KVIC funds within 6 months from the first fund formation due date
- If the GP fails to fulfill investment mandate in Korean Companies, the GP may be restricted from receiving all KVIC funds at least once within a year from the dissolution date of the fund

IV. Selection Process and Schedule

- **Process** : RFP announcement → Proposal Submission → Pre-IC(Proposal Review) → Pre-IC(Due-Diligence) → Final IC(Presentation) → Final Approval
- **Schedule**



V. Required Documents and Submission method

- **Application** : Application package should include all materials attached in this RFP via email by deadline.
- **Deadline** : April 11th, 2024 ~ April 18th, 2024 at 14:00(KST) based on the email(fvcif@kvic.or.kr) arrival time
 - ※ **Inter-Country Cooperation Fund Track** : ~ until target budget is exhausted
- **Submission(e-mail)** : fvcif@kvic.or.kr

VI. Point of Contact

- Address : Korea Venture Investment Corp.
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- Contact : Juheon Kim(02-2156-2040, juheon@kvicor.kr), Takhee Kang(02-2156-2227, thkang@kvicor.kr)

February 16th, 2024

Korea Venture Investment Corp.