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HIGH LEVEL ADVISORY ASSISTANCE ON BUSINESS INCUBATORS
AT TECHNOLOGY INNOVATION CENTRE

SI/CZE/92/803

CZECH REPUBLIC

Technical report: Advisory assistance on the design and
start-up of the technology oriented business incubator,
second progress report*

Prepared for the
Institute of Chemical Process Fundamentals
of the Academy of Sciences of the Czech Republic
by the United Nations Industrial Development Organization

Based on the work of C. Varotto, consultant on
technology oriented business incubators

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* This document has not been edited.

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EXPLANATORY NOTES

Local Currency: Czech Crowns: US 1 equivalent to 28.7 Czech Crowns. (UN operational rate of exchange in December 1993)

LIST OF ABBREVIATIONS

ASC	Academy of Sciences of the Czech Republic
ATE	Academy Technology Enterprise
ATF	Academy Technical Foundation
BI	Business Incubator
BIC	Business Incubator Centre
CEO	Chief Executive Officer
FPR	First Progress Report
ICPF	Institute of Chemical Process Fundamentals
Ip	Institutes of the ASC
NPO	Non Profit Organization
NWS	New Working Scheme for ATE Implementation
PO	Profit Organization
PSTP	Prague Science Technology Park.
RC	Reference Company.
SPR	Second Progress Report
SWT	Special Working Team, designated by ASC for the implementation of a TTS at ASC.
TIC/BI	Technology Oriented Business Incubator/Technology Innovation Centre or Business Incubator at Technology Innovation Centre
TIP	Technology Investment Program
TTS	Technology Transfer System at the ASC.

ABSTRACT

The government of the Czech Republic indicated its interest to have the body of knowledge from the Academy of Sciences of the Czech Republic utilized by the economy of the country.

This report contains a proposal for the implementation of a Technology Transfer System at the Academy of Sciences of the Czech Republic.

It is based on two pillars, which should be seen as extension arms of the Academy:

i) A Foundation (Non Profit Organization) , called Academy Technology Foundation (ATF), which will be involved in technology related activities of social interest or of precompetitive character, and

ii) An Integral Technology Enterprise, (Profit Organization), called Academy Technology Enterprise (ATE), dealing with technology related activities of market (business) interest.

The proposed Technology Transfer System was elaborated as the result of an UNIDO Assistance Project and the work developed by the Institute of Chemical Process Fundamentals of the Academy.

Attention was paid to the experience of successful Business Incubators/Technology Innovation Centers and Technology Parks of selected industrialized European countries.

EXECUTIVE SUMMARY

1. Introduction

A methodology is proposed for the implementation of a Technology Transfer System (TTS) at the Academy of Sciences of the Czech Republic (ASC), which may be extended to include other Czech research organizations.

It is the result of activities undertaken by the Institute of Chemical Process Fundamentals (ICPF) of the Academy, UNIDO with the advise of experienced experts from some developed European countries.

For a detailed description of the TTS at the ASC we refer to the main text of this Progress Report and the previous one, (IO/R.277).

2. Main Aspects Related to the TTS at the ASC

1) The Government of the Czech Republic has indicated its interest in having the knowledge available at the Academy of Sciences utilized by the economy of the country.

2) The problem of relating the World of Knowledge to the Market is difficult to solve even in countries with a well developed market economy.

This situation may be more serious in countries with previous central planned economy where the said connection under present circumstances is almost non existent. There is an empty space.

One approach to solve this problem, is to study the so called Technology Transfer Systems.

In many cases this is done through mechanisms which try:

- i) To satisfy technology requirements from the market with already available knowledge, or
- ii) Looking for those people who might be interested in applying already available knowledge, or
- iii) To help newly born technology based Companies in their first stages of life through the incubator mechanism. The help is materialized by facilitating building space and equipment available at the research organizations, at subsidized rates. On the other hand those companies should also take advantage of the scientific environment where they are located.

This was the original approach adopted by the authorities of the Institute of Chemical Process Fundamentals (ICPF) of the ASC.

3. The above approach, which is passive, presents two important limitations:

a) Only one thin zone of the spectrum of knowledge is related to one thin zone of the spectrum of market. Multizonal connections are very difficult, almost impossible to achieve.

b) The possibility of generating new knowledge for market applications, either requested by or induced to the market is almost limited to personal attitudes.

4. The approach taken by this Report is active It is based on the fact that Technology is an adjustable parameter of any production or service process. And as such, it is on the heart of any economic/productive activity.

The consequence is that any technology activity which is market oriented should be considered as a business activity.

5. It is proposed to have the TTS at the ASC based upon two pillars. considered as extension arms of the Academy, with different but complimentary activities:

- i) A Foundation (Non Profit Organization), called Academy Technology Foundation (ATF), which will be involved in technology related activities of social interest or of preinvestment nature, and
- ii) An Integral Technology Enterprise, (Profit Organization), called Academy Technology Enterprise (ATE), dealing with technology related activities of market (business) interest.

ATE is the organization designed to fill the empty space between the world of knowledge and the market.

6. A geometrical description of the TTS at the ASC

A better way to understand why it is necessary to introduce a NPO in the TTS at the ASC is through a geometrical description, assuming there are three planes:

Plane A

- i) There is the world of knowledge (spectrum of knowledge).
- ii) There is the world of business (market spectrum).

The world of knowledge is managed by scientists and is developed at research organizations.

The world of business is managed by businessmen and it is developed for the market of clients.

The connection between both worlds is made by the technology, which should be managed by technologists. Its development, which includes all types of technology related activities) should ideally take place in a technology enterprise. This is the function of ATE.

Plane B

- i) There is the world of knowledge.
- ii) There is the world of social interest, including preinvestment technology developments.

The world of knowledge is managed by scientists and it is developed at research organizations.

The world of social interest is managed by non profit minded people, even when they can apply business techniques, and is developed for the society as a whole.

The connection between both worlds is made by a special kind of technology. Lets call it np-technology. It has to be managed by people not looking for profits. Lets call them np-technologists. And the development of np-technology should take place, ideally, in a NPO. This is the ATF.

Plane C

- i) There is the world of social interest, including preinvestment technology developments.
- ii) There is the world of business (market spectrum).

The connection between both worlds should be made directly from the NPO (ATF) towards the Enterprise (ATE). There is no need for a new organization.

This situation arises when a preinvestment np-technology became of interest to business.

From the above scheme it emerges the need for both organizations: ATE and ATF.

7. Special agreements The formal links between the different organizations involved in the TTS will be ruled by special agreements such as:

- a) ASC(Ip)/ATF agreement.
- b) ASC(Ip)/ATE agreement.
- c) ATF/ATE agreement.

8. ATF will have as main formal objectives:

- . To support and promote Technology Transfer (TT) in general.
- . To promote and support innovator entrepreneurship.
- . To support technically oriented, non basic research and development, (R&D), at the Academy's Institutes (Ip).
- . To support technological oriented education.
- . To spread all over the concept of technology impact in the economy of the Czech Republic.
- . To promote preinvestment technology developments in the Czech Republic.

It will have as a hidden objective to allow the ASC to be involved in ATE creation and management.

9. Sources of Income for the ATF Activities. Besides the founders's (Initial) Capital, it is expected that sources o. income for the Foundation will be:

- . Contributions from commercial companies, ATE included. (For purpose of public interest commercial companies are already allowed to make contributions to NPO up to 2% of their gross profits.
- . Grants for/ or from projects to be developed by ATF.
- . ATF share of profits from ATE.
- . Grants from Czech governmental bodies.
- . Grants and contributions from individuals.
- . Contributions from other Governmental Organizations from abroad.
- . Contributions from other NPO from abroad.
- . Contributions from International Organizations.

10. It is Proposed as Possible Members of ATF:

- . Czech governmental bodies, to be specified.
- . ASC.

- . Academy individuals.
- . Individuals from technology based enterprises.
- . Commercial and Technology Enterprises.
- . Municipal district of Prague 6 and the Municipality of Prague.
- . ATE.
- . Foreign Foundations.
- . Management of ATE.

The founders members of ATF will have special rights with respect to newcomers, as it is usual in this kind of NPO.

11. ATE's Objective and its Main Field of Activity ATE is a Profit making Organization. Its objective is to make money, that is, to make profits.

In order to be more precise on how a company can make a profit, it is necessary to look at the following questions and answers.

i) Which is the Company's Main Activity

ATE will have as its main activity pursuing Technology Transfer from the ASC and other Research Organizations, ATE included, to other commercial companies, ATE included, applying the state of the art in business development and marketing.

ii) Where the Activity will be Developed

ATE activity may be developed anywhere, without any limitations other than those arising from legal regulations.

iii) How the Company's Activity will be Developed

The Company's activity will be developed through:

- . Serving as incubator of high tech companies.
- . Generating high tech companies on its own.
- . Generating high tech companies with any other Czech or foreign partner.
- . Directing knowledge originated at the ASC and other Research Organizations towards the solution of technological problems, either requested by or induced to the market.
- . Searching for business opportunities in the high tech field with no other limitations than those arising from the law and sound business practices.
- . To have a relevant role in the establishment and management of the "Prague Technology Park".

12. Available Resources for the Development of the Company Activities. In order to be able to develop its activity the company:

- . will receive capital investment from its shareholders.
- . will get income from its own activities.

- . will be allowed to be involved in any financial activity, such as:
- . To receive loans and to offer guarantees.
- . To enter in venture capital business.
- . To be involved in real estate ventures related to the installation of the so called Science-Technological Parks, (STP).
- . will be allowed to be involved in the installation and management of STP, on its own or on behalf of third parties.

13. ATE Shareholders

This is an important issue. Under present circumstances it would be convenient to have as shareholders of ATE the following individuals and organizations.

- . Academy Technology Foundation (ATF).
- . Private individuals.
- . Municipal District Prague 6 and possibly City Council of Prague.
- . An investment fund created for this purpose.
- . The ASC and its Institutes (Ip) through the TIP mechanism. (See Annex V, FPR).
- . The National Property Fund.
- . The Management of ATE.
- . Companies already established or to be admitted at today's ICPF TIC/BI or to others TIC/BI at the Ip.
- . Companies interested in the TT business, either for their own activities or for third parties activities.
- . Venture Capital Investors.

14. ATE and ATF will function as extension arms of the ASC, directed to different directions.

Their activities should not be restricted to the ASC or to the Czech Republic.

They should have connections to other Czech and foreign sources of support and knowledge in the case of ATF and sources of investment and business (markets) in the case of ATE.

15. The ASC should encourage its Institutes (Ip) to enter the ATF/ATE working scheme on a voluntary basis.

First of all it should encourage the Ip to sign contracts with ATE in order to have their incubator capacity managed by the company. On the other hand, this will allow ATE to detect market demands or to induce market demand by making use of the full spectra of available knowledge and capacities.

16. It is proposed that the ASC, on its own or through its authorities, be a founder member of ATF.

The President of the ASC should be the President of ATF.

17. The formal proceedings for the ATE incorporation should start immediately. A methodology for the selection of the founders shareholders is formulated in the SPR. The founder capital should be as a minimum US\$ 33,000 as indicated in the Commercial Code for the incorporation of a Joint Stock Company.

18. The Chairman of the Special Working Team in charge of establishing the Technology Transfer System at the ASC, (which already should report to the top Academy authorities) should be the CEO of the Foundation.

19. The CEO of ATE should also be the same as the Chairman of the Special Working Team (SWT).

20. The coincidence of the three positions, that is Chairman of the SWT and CEO of ATF and ATE is considered essential for the initial success of the TTS. With time some of this positions should be split.

in order to comply with legal procedures and regulations, this Multifunction Manager should refrain from giving his signature to any contract or agreement involving two or more of the three organizations when acting in conflicting interests.

21. It has to be kept in mind that the CEO is the maximum executive officer of ATE and ATF but he is not the only authority of the said Organizations. Whenever possible the Multifunction Manager, together with at least one more officer, should be involved in any negotiation regarding the ASC (Ip), ATF or ATE.

22. As it has been clearly indicated at the Prague's Workshop (Annex D), technology related business is a risky business. Any newborn high tech company needs some support in its early stages under any circumstances.

On the other hand it is important to promote the spin off of very qualified people and high tech business from the ASC and the country's world of knowledge in general. This is not a task that can be achieved easily.

A methodology to solve this and other related problems is presented in the First Progress Report. It is called Technology Investment Program (TIP).

The said methodology allows for the implementation of the TTS at the ASC without any additional financial support by the Czech government. It helps the start up of new companies and it promotes spin off from the ASC.

The main features of the TIP methodology are related to the transformation of expenses into assets and to have real estate property either at the ASC or at the National Property Fund applied as guarantees for loans.

23. Finally specific suggestions for important points of the ATF Chart and ATE Articles of Incorporation and ATE Shareholders Agreement are made in this report.

1. INTRODUCTION

1.1 The Terms of Reference

This is a Second (Technical) Progress Report (SPR) on the mission undertaken under project SI/CZE/92/803. The terms of reference of the mission are included as Annex I of the first Report (IO/R.277).

This Second Progress Report is also intended as a Final Report of the Mission. However it should be considered, even when it may duplicate some paragraphs, as continuation of the first one.

In consequence we recommend to read the FPR document before reading this SPR.

1.2 A Short Story on the Mission

In april 1992, after a short meeting in Vienna the author was asked by UNIDO and the director of ICPF to come to Prague for consultations on the concept that ICPF had to establish on business incubators, technology centers and technology parks.

There is a lot of discussions going on surrounding these concepts. And as usual, there are theoreticians, that have a lot to say on how to have Business Incubator/ Technology Innovation Centers started and managed, but have little to say, on that what is going on in already developed or new industrialized countries.

UNIDO approved a limited support to ICPF in the establishment of a BIC/TIC. The author was proposed as a consultant with the following duties:

- i) To advise on the establishment of a technology oriented business incubator at Technology Innovation Centre. The back up of the said centre (TIC/BI) would be the Institute of Chemical Process Fundamentals, of the Czech Federal Republic. (ICPF)
- ii) To advise on how to plan the formal organization and structure of the TIC/BI as well as its capability to interact with the industry, to auto generate business and to help to the establishment of new high-tech enterprises. It should include a mechanism to help on the financing of this activities.

It was agreed with UNIDO and ICPF people to split the mission into two parts:

- a) Two and half weeks will take place in March/April 1993.

At the end of this period a Progress Report would be delivered with recommendations and, of course, some home work will have to be done later on by the ICPF.

- b) A series of visits to well known, and successful European centers would be made by ICPF staff between the two parts of consultant's mission.

- c) With the new experience and information gathered through those visits, a second two and half weeks mission would take place, culminating in a workshop (seminar) to discuss the results. A Final Report would be written after.

In the said Workshop, experts from developed European countries, from UNIDO, from the Czech Republic, from Slovakia and from other former East block countries were to meet for:

- . To present current European experiences in the field of business incubators, innovation centers and technology parks.
- . To give their advise and opinions on the proposals advanced for the formulation of a Technology Transfer System at the ASC and ATE implementation.
- . To present today status of Technology Transfer from the Academies of Sciences and/or the Universities to the production and services sectors in other former East European countries. To comment on the applicability of the ATE scheme to those countries.
- . To analyze the possibility and convenience of a TIC network with the participation of centers from different countries.

1.3 Suggestions made by First Mission

The suggestions made at the end of the first mission were:

- i) As a result of the activities of both the ICPF staff and this mission, it is suggested that in the near future. (6 to 12 months), TIC / B! be transformed into a integral Technology Company. Such an organization will be able to take advantage of the available facilities and know-how at the Academy of Sciences.*
- ii) The incubator activity should take place as the initial activity of the technology enterprise ATE (Academy Technology Enterprise).*

It is emphasized the approach or direct to originate at the Academy because ICPF should be considered as the nucleus or seed of the new ATE organization. It should grow with the gradual incorporation of other Academy Institutes to the said organization, the incorporation of enterprises to the incubator and the detection of new business.

The proposed ATE should be a spin off of the Academy. It should act as the bridge between the market and the world of knowledge, that is the Academy and possibly other related research organizations. This bridge should be a two way road: coming from the market with requests of knowledge (external actions) and feeding the market with new ideas from the world of knowledge, (internal actions).

The external and internal actions may be developed with different methods and organizations, in the lines of the capacities indicated above.

ATE will certainly be a technology transfer center.

2. ESSENTIAL ELEMENTS TO A NEW WORKING SCHEME FOR THE IMPLEMENTATION OF ATE

2.1 What does the "New Working Scheme" stand for?:

The NWS is a the methodology proposed in this report for the practical implementation of ATE. And, as a consequence of the Company implementation, a Technology Transfer System (TTS) at the ASC should be established.

It is emphasized that the NWS is a "methodology". It maintains the main concepts, considerations and recommendations of the FPR.

2.2 Considerations for the preparation of the New Working Scheme (NWS)

The elaboration of the NWS was made taking into account the suggestions made in the FPR, together with other experts suggestions and our present perception on the opportunities and constraints in the Czech Republic, arising from: i) the applicable body of laws, ii) the conditions in the Academy, iii) the government and iv) the country's emerging market economy and its entrepreneurs.

Particularly the following aspects were considered:

- a) The suggestions made by experts that ICPF/TIC people met at various European Centers. (At the time of the second Mission, the visit to Italy was still pending).
- b) The suggestions made by some members of the "Special Working Team" implemented by the ASC. We will comment on this team later on.
- c) The discussions held in Prague by the UNIDO expert .
- d) The pertinent body of legislation of the Czech Republic, in a transition period. This situation presents some strong constraints and limitations but it offers simultaneously fantastic opportunities. However, nobody knows for sure what the final legal framework will be like.

In consequence, the NWS to be proposed was planned in a way to keep it as free as possible from uncertainties arising from this transition period.

2.3 One important consequence resulting from the application of the NWS methodology

As a consequence of ATE's implementation through the NWS, a Technology Transfer System (TTS) at the ASC will be established. It will be made without the need of any additional financing support from the Czech government.

This is an outstanding consequence, which will allow the ASC to fulfill the government's requirement of having the body of knowledge reflected into the economy activity of the country.

2.4 Organizations and Individuals Involved in the NWS.

The NWS have different types of institutions and persons involved:

- . The Academy of Sciences of the Czech Republic (ASC).
- . A Non Profit Organization named Academy Technology Foundation, (ATF).

- . A Technology Enterprise, (ATE).
- . Other NPOs, either from the Czech Republic or from abroad.
- . A Special Working Team at the ASC.
- . The National Property Fund.
- . The Institutes of the Academy. (Ip). Even when they are part of the Academy, for the sake of clarity, they will be considered separately in the NWS.
- . Venture Capital Investors, or a specially created Investment Fund, for venture investments in high tech business.
- . The Management of ATE
- . Municipal District Prague 6 and or City of Prague.
- . Commercial/industrial/investing companies, with interest in taking advantage of the ASC available knowledge and capacities, for their own or related business.
- . Enterprises at the TIC/BI and companies of the future Prague Science and Technology Park. (PSTP).
- . Czech individuals from the ASC staff.
- . Czech and foreign individuals.

In the NWS the TIP concept is maintained. During the discussions held at Prague workshop it was found that the TIP concept is an appropriate mechanism for solving financial limitations as well as for facilitating the formation of new enterprises as spin off from the Academy activities.

Besides, the TIP concept is suitable in order to avoid the need for additional budget support from the government to the ASC for the implementation of the TTS.

Lets make some comments on the constraints, conditioning, limitations and capabilities of some of these NWS players.

2.5 The Special Working Team (SWT)

On September the 8th, 1993, the author was informed that the Academy of Sciences of the Czech Republic accepted the idea of ATE establishment. A Special Working Team (SWT) was created by the Academy Council, (where the President of the Academy is the Chairman). The head of TIC at ICPF was named Chairman of the SWT.

The Special Working Team has as its main target the preparation of a proposal for the implementation of a "Technology Transfer System" (TTS) at the Academy of Sciences.

The said main target is something short of our expectations, that is, to have the SWT working on the implementation of ATE itself. Anyway it may be considered as a good starting point.

The working team is composed of:

- . The Chairman.
- . The Director of ICPF.

- . The Scientific Secretary of the Academy.
- . The Head of the Department of Economy of the Academy.
- . The Secretary of the Czech Society of Science Parks.
- . A member of the Czech Parliament Committee for Science.
- . A Financial Advisor of the Czech Government.
- . A President of an Investor Company.

The ICPF/TIC people and the ad hoc working team co-operates with three external lawyers.

We would recommend that this group bear the responsibility for ATE implementation.

2.6 Need for a NPO (Foundation) - The situation in the ASC

In the First Progress Report (FPR) it was emphasized that the future TIC/BI should be organized as a company. It was unadvisable to organize it as a NPO.

In the FPR it was also suggested that ASC should be one of the main partners of ATE, under conditions to be agreed upon on a special shareholders agreement.

The author was informed that Czech law does not allow for ASC to be partner in a commercial venture.

Even if there is not a specific law in the Czech Republic on NPO, the author was assured that today's Czech Civil Code allows the Academy to be a member of a NPO, and through it it can be a partner on a commercial enterprise.

From the above considerations it implied that the only way to have ASC involved in the formation of ATE is through an intermediary organization, for example a Foundation.

Besides, the author has been informed that the idea of having the ASC itself transformed into a NPO is under serious consideration at the Academy, at the Government and at the Parliament.

Anyway, a decision on the said transformation is pending the final output of a specific law on NPO, whose approval is delayed due to different opinions at the Czech Parliament on taxation rates to be applied to NPOs.

In consequence, for the time being it will be accepted that ASC will maintain its present status as a State Budget Organization. Should it be transformed into a NPO it will make things easier for the NWS.

It has also to be kept in mind that ATF is originally introduced into the NWS to overcome a serious organizational obstacle. However, this introduction results in additional degrees of freedom for the whole NWS methodology.

In effect, in the creation of ATE scheme two very important subjects were missed:

- i) Promotional activities on technology development and technology transfer of social but not of direct commercial interest.
- ii) Preinvestment technology related activities.

The introduction of ATF will allow for the development of those activities.

Besides, the TTS at the Academy will benefit from the existence of the ATF since assistance from a Technology related NPO, governmental and international organizations, can in many cases be

channeled through ATF.

At this time it is convenient to clarify between the Foundation's objectives and the one of an enterprise.

2.7 Some remarks on the objectives and activities of a Foundation and an Enterprise

The author found that in some cases there was a lack of clear understanding of this subject which made exchange of opinions difficult.

A Foundation is a non profit organization. In consequence it may have, and should have, as the objective the support and promotion of activities of social interest.

An enterprise is a Profit Organization. Its objective is to make profits.

Consequently, a company will have, (and the law asks for it), to specify which will be its main activity through which the Company expects to make profits.

2.8 A geometrical description of the TTS at the ASC

A better way to understand why it is necessary to introduce a NPO in the TTS at the ASC is through a geometrical description, assuming there are three planes:

Plane A

i) There is the world of knowledge (spectrum of knowledge).

ii) There is the world of business (market spectrum).

The world of knowledge is managed by scientists and is developed at research organizations.

The world of business is managed by businessmen and it is developed for the market of clients.

The connection between both worlds is made by the technology, which should be managed by technologists. Its development, which includes all types of technology related activities) should ideally take place in a technology enterprise. This is the function of ATE.

Plane B

i) There is the world of knowledge.

ii) There is the world of social interest, including preinvestment technology developments.

The world of knowledge is managed by scientists and it is developed at research organizations.

The world of social interest is managed by non profit minded people, even when they can apply business techniques, and is developed for the society as a whole.

The connection between both worlds is made by a special kind of technology. Lets call it np-technology. It has to be managed by people not looking for profits. Lets call them np-technologists. And the development of np-technology should take place, ideally, in a NPO. This is the ATF.

Plane C

- i) There is the world of social interest, including preinvestment technology developments.
- ii) There is the world of business (market spectrum).

The connection between both worlds should be made directly from the NPO (ATF) towards the Enterprise (ATE). There is no need for a new organization.

This situation arises when a preinvestment np-technology became of interest to business.

From the above scheme it emerges the need for both organizations: ATE and ATF.

2.9 Details on ATFa) The ATF will have as main formal objectives:

- . To support and promote Technology Transfer (TT) in general.
- . To promote and support innovator entrepreneurship.
- . To support technically oriented, non basic research and development, (R&D), at the Academy's Institutes (Ip) of the ASC.
- . To support technically oriented education.
- . To spread all over the concept of technology impact in the economy of the Czech Republic.
- . To promote preinvestment technology developments in the Czech Republic.

It will have as a separate objective to allow ASC to be involved into ATE formation and management.

b) Proposed founder members of ATF:

- . Czech governmental bodies, to be specified.
- . ASC
- . Academy individuals.
- . Individuals from technology based enterprises.
- . Commercial and Technology Enterprises
- . Municipal district Prague 6 and the Municipality of Prague.
- . ATE
- . Eventual Foreign Foundation
- . Management of ATE

As usual in this kind of NPO, the founders members of ATF will have special rights with respect to newcomers. Of all the possible ATF founders ASC remains as the big incognito. We don't know yet how it may be included in the foundation. Due to this situation a special treatment will be proposed for the ASC in Annex .

c) Founder's (initial) Capital of ATF

Every founder member will have to supply ATF with some capital, as agreed in each case. It can be in cash, bonds, shares, buildings, goods, lands, and also, know how, patents rights or equivalent non tangible goods. The founders members should also be allowed to the commit man/hours to be supplied to the Foundation, for the development of its activities, for a preestablished period of time.

d) Future members of ATF

As usual in this class of NPO, new members are expected to be incorporated to the Foundation.

They should be allowed to increase the Foundation's Capital with voluntary contributions in cash or kind.

e) Sources of income for the ATF activities

Besides the Initial Capital, it is expected that sources of income for the Foundation will be:

- . Contributions from commercial companies, ATE included. (For purpose of public interest commercial companies are already allowed to make contributions to NPO up to 2% of there gross profits, that is before taxes).
- . Grants for/ or from projects to be developed by ATF.
- . ATF share of profits from ATE.
- . Grants from the Czech governmental bodies.
- . Individuals grants and contributions.
- . Contributions from other Governmental Organizations from abroad.
- . Contributions from NPOs from abroad.
- . Contributions from International Organizations.

f) Chart of the ATF

In Annex A to this SPR are suggested some features that should be included in the articles of the chart of the ATF. The complete and final text should be written once the law on NPOs is passed by the Czech Parliament.

g) Special agreement

In Annex B to this SPR are suggested some features of a special agreement between ATF and the ASC. Again the final text should be prepared once the law on NPOs is approved.

2.10 Technology Enterprise (ATE)

In the NWS, ATE will have many of the characteristics originally proposed in the First Progress Report and also some relevant differences: ASC will not be a shareholder.

a) ATE's main field of activity

In order to be more precise on how a company can make a profit it is necessary to look at the following questions and answers.

i) Which is the Company's main activity

ATE will have as its main activity pursuing Technology Transfer from the Academy of Sciences of the Czech Republic and other Research Organizations, ATE included, to other commercial companies, ATE included, applying the state of the art in business development and marketing.

ii) Where will the activity be developed

ATE activity will be developed anywhere, without any limitations other than those arising from legal regulations.

iii) How the Company's activity will be developed

The Company's activity will be developed through:

- . Serving as incubator of high tech companies.
- . Generating high tech companies on its own.
- . Generating high tech companies with any other Czech or foreign partner.
- . Directing knowledge originated at the ASC and other Research Organizations towards the solution of technological problems, either requested by or induced to the market.
- . Searching for business opportunities in the high tech field with no other limitations than those arising from the law and sound business practice.
- . To have a relevant role in the establishment and management of the "Technology Park Prague".

iv) Which will be the available resources in order to develop the company activities.

In order to be able to develop its activity, the company:

- . will receive capital investment from its shareholders.
- . will get income from its own activities.
- . will be allowed to be involved in any market financial activity, such as:
- . To receive loans and to deliver guarantees.
- . To enter in venture capital business.
- . To be involved in real estate ventures related to the installation of the so called Science-Technological Parks, (STP).
- . will be allowed to be involved in the installation and management of STP, on its own or on behalf of third parties.

b) ATE Shareholders

This is a main issue to be addressed. As per today it would be convenient to have as shareholders of ATE the following individuals and organizations.

- . Academy Technology Foundation
- . Private individuals
- . Municipal District Prague 6 and possibly City of Prague.
- . One on purpose created investment fund.

- . The Academy of Sciences of the Czech Republic (ASC) and its Institutes (Ip) through the TIP mechanism. (See Annex V, FPR).
- . The National Property Fund.
- . The Management of ATE.
- . Companies already established or to be admitted at today's ICPF TIC/BI or to others TIC/BI at the Ip.
- . Companies interested in the TT business, either for their own activities or for third parties activities.
- . Venture capital investors.

c) Main documents related to ATE

The list of the Basic documents related to ATE is indicated in Chapter 5 of the FPR. In Annex C to this SPR the main features to be included in three of those documents are suggested. They are presented trying to have ATE as independent as possible from the Final output of the NPO law.

3. CONSTRAINTS TO, AND DEGREES OF FREEDOM OF THE NEW WORKING SCHEME

3.1 Home work done by ICPF and TIC/BI in between the two missions

As indicated in the FPR the ICPF and TIC/IB authorities committed themselves to carry on some activities and to obtain some information before this consultant's second mission.

The list of activities and the information to be obtained were:

- 1) Law on non profit organizations, English version.
- 2) Consultation with district authorities of Prague 6 to analyze the possibility of participating with land for the future STP.
- 3) Consultation with Academy authorities to obtain approval to the privatization concept of some of the Academy facilities, and acceptance of the TIP concept as an investment mechanism.
- 4) Consultation with the ministry of privatization to verify about possible privatization of Academy facilities.
- 5) Consultation with National Property Fund authorities about their possible participation as shareholder.
- 6) Consultation with a private Investment Fund company to work on the parameters that should be applied for the creation of an investment fund related to the TIC/BI activities (and companies).
- 7) List of Academy institutes that may be interested in participating in TIC/IB, with indications of the possible areas of activities that may have market impact.

This work was developed only partially because of lack of available information and the many difficulties the ICPF and TIC/BI authorities have had to face.

3.2 Additional constraints, limitations and opportunities to be taken in account for the formulation of the NWS

Since the time of the first mission, new constraints, new limitations and new opportunities have arisen.

Let's comment on some of them.

a) The government's general attitude:

The government insists in having the country's capacity to produce knowledge reflected in the production and services capacity of the Czech country.

At the same time it seems to have accepted that the Academy will mostly be involved in basic research. This is reflected by the fact that a minimum budget for the ASC is assured for the coming years.

There has been a formidable change in the government attitude from the time of our first mission.

b) The Academy

i) The consequence of the government attitude is that there are many people at the ASC, who are willing to produce, stimulate or encourage technology transfer activities if this will result in an additional source of money for their basic research.

ii) The ASC has already decided on properties that will be privatized.

iii) The authorities of the ASC have accepted to have the main concepts of this SPR implemented as soon as possible.

c) The rules governing income by state budget organizations

As it is in almost every country, any earning obtained by a state budget organization, unless there is a special law that says otherwise, has to be refunded to the government budget.

ASC is not an exception. This is a limitation that does not give the incentive for search for extra income by the Institutes of the Academy, through the supply of services to third parties. There is no advantage in doing so.

At the same time the people involved in those activities will be in disadvantage in comparison with those who have dedicated all their time in the basic research work.

d) The ethic aspects

It is considered to be ethical to use public funds, as grants for basic research, where it is intended that it will not be used for commercial purposes.

In some cases it is accepted that public funds can be used to carry out preinvestment research, but only under certain conditions.

When discussing the utilization of public facilities, equipment, people and know how with the purpose of establishing high tech companies, a number of ethical problems are voiced.

The above is a subject that has to be considered carefully. Actually it is one of the main points to be clarified to ensure the success of the NWS.

TIP concept helps in solving this matter.

e) The management aspects

Despite the fact that the Academy accepted the ATE concept and a working team was formed, its Chairman, and presently head of TIC/BI, has little authority to organize meetings.

Still we are convinced that the head of TIC at the ICPF has the appropriate qualities.

From the organizational aspects, it is necessary, to have the position of the Chairman of the SWT established within the Academy structure, reporting to the top authorities and to be served by an appropriate staff. The Academy authorities promised to implement this recommendation immediately.

The Chairman of the SWT should receive as his main responsibility to implement the TTS at the Academy through the New Working System, proposed in this Report.

f) The coincidences and the differences of SWT chairman and TIC/BI head positions

It is necessary to make a clear distinction between the positions of head (chairman) of the SWT and head of TIC/BI at ICPF. Today they coincide. But this coincidence should be kept at least until the position of chairman of the SWT is formally established at the Academy.

In the FPR point 4.5, it was emphasized that TIC/BI should be considered as the initial activity of ATE.

Until the relationship between the Ip and ATE are well established, it is our suggestion to have the position of head of TIC/BI at the ICPF absorbed by the position of Chairman of the SWT for a as long as possible period of time.

4. MAIN CHARACTERISTICS OF THE NEW WORKING SCHEME

4.1 General

In this chapter the basic elements needed for the NWS formulation are presented in the following steps:

The first step is to have the SWT installed immediately as a body of the ASC reporting to the TOP authorities of the organization.

The second step is to arrange for the possibility of having as many participants as possible in the SWT.

The third step will be to show how they can work together, with changing roles as new participants are integrated.

The *fourth step* will arrive when the NPO law is passed.

The *fifth step* will arrive once the legal status of the ATE is definitely established.

The *sixth step* will arrive once it is known to which extent can the TIP programme be implemented.

4.2 ATE as central focus of the NWS

The way to have as many participants involved in the ATE is of utmost importance.

It is proposed the creation of ATE as a joint stock Company, with its main activity as formulated in point 2.5.

The formal incorporation ATE should take place as soon as possible. We suggest that the proceeding towards this end should start no later than the first week of February 1994.

ATE formation is possible with the participation of those people and organizations who are legally allowed to do so and are willing to participate as founder shareholders of ATE.

We envisage that the following people and organizations should be invited to be ATE's shareholders founders:

- . Private individuals.
- . Companies interested in the TT business, either for their own activities, for third parties activities or as a venture capital business.
- . The Management of ATE
- . Companies already established or that have applied for admittance at today's ICPF TIC/BI.

Once ATE is established it will be in a position to become a founder member of ATF by the time the NPO law is passed. And consequently ATF will have the possibility of being a shareholder of ATE.

According to the Czech law the minimum capital stock shall not be lower than one million czech crowns. (approx. US\$ 33.000).

may even have a voice in the ATE board.

Phase No.2

iii) The Academy has invited its Institutes to enter the TIC/BI scheme. Lets assume that some of them have accepted. This is shown in fig. 3.

li(TIC/BIi)



In(TIC/BIi)

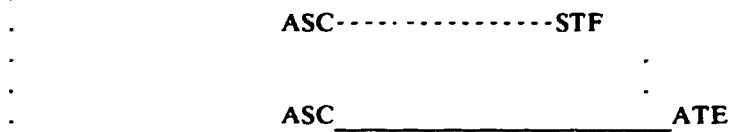
In the meantime new shareholders may have been incorporated to ATE and new companies may have been incorporated to the TIC/BI at the Ip.

Also at this time it may be convenient to separate the positions of head of the SWT and head of TIC/BI at ICPF.

Phase No.3

iv) The NPO law is approved. The ATF is formed, with ATE as one of its founders members. And immediately ATF will be allowed to become an ATE shareholder. The relationship is shown in Fig.4.

li(TIC/BIi)



In(TIC/BIi)

Phase No.4

v) If the legal status of the Academy allows it to be transformed into a NPO, in accordance with the NWS it may be considered as equivalent to ATF. In this case most of the features proposed in the TIP programme will be possible.

Phase No.5

At this time it can be expected that all possible ATE's shareholders will be active. Should this be the case ATE and ATF will have a fantastic degree of freedom to develop their activities.

It may also be expected that at this stage many high tech new companies have been formed, mostly with people from the Academy and/or ATE, in a classical spin off effect.

5. ADDITIONAL CONSIDERATIONS ON SOME OF THE NWS PARTICIPANTS

5.1 ATE's business

a) ATE should have the freedom to do business, without other constraints and limitations than those arising from Czech law, ATE's Articles of Incorporation and sound practice business.

b) The TIC/BI management is very impressed with what is going on in the European Centers they visited.

As a consequence, the idea of having TIC/BI organized as a commercial company was confirmed.

c) TIC/BI authorities are particularly impressed with the data base used in those Centers in order to know the offer and demand in the European Union.

TIC/BI has been offered to have the Czech Republic Technology offer and demand incorporated to the European data base, and vice versa, to have full access to it.

As a consequence, TIC/BI authorities are stressing this information activity and the institutes/ATE relationship is being focused on this possibility.

The said activity looks as a very simple task, which can be carried out almost immediately. In effect every Institute has a person, (Technical Secretary, Deputy Director for Technology Transfer), who is in charge of supplying yearly information to the Academy's data base on Technology developments at the ASC.

d) We found TIC/BI authorities worrying too much on possible future situations that may arise at the Academy Institutes.

They are expecting that people in these institutes will not be willing to get involved in the TTS unless they can see a clear increase in their research funds.

e) Actually ATE will have as one of its duties to look for ways to have the Academy Institutes interested in TT business. ATE should lobby at the Academy, the Government and the Parliament to have a body of legislation passed, which will facilitate the different aspects involved in high tech business.

f) ATE should look for society's acceptance to the concept that funds spent in high tech business is as effective as money spent in basic research.

g) And essentially ATE should be a fully Integrated Technology Company, according to the guidelines formulated in the FPR.

In Annex D, some suggestions are made on how the relationship between ATE, the ASC, Ip and ATF should be developed.

5.2 ATF Objective

There are very good reasons for ATF existence, not only for the TTS at the ASC but for many other Research organizations in the Czech republic.

Some of these features are:

. ATF will be the organization in charge of most of TTS activities of social interest.

- . ATF may apply for support from others NPO into the country and from abroad to get funds for applied and preinvestment research. This applies specifically to support from European Community and other international organizations.
- . ATF may be the depository of ASC data base as well as the European Technology data base.
- . ATF may hire people from the Academy, as a second job or on secondment.
- . ATF may give prizes to outstanding or to very dedicated research people at the Academy.
- . ATF may organize courses on technology management. We have not detected such courses in Czech schools. This kind of management will become more and more important as high tech business develops.
- . ATF may have contracts with ATE.

5.3 The Academy Institutes

The Academy should invite them to offer incubator services to ATE.

Our point of view is that is not easy, neither is it convenient, to have an independent incubator organization at each Ip.

The mechanism should be to have an agreement (contract) with ATE, where some basic facilities, its cost and ways of repayment, (cash, services, consumables goods or equipment), should be specified.

The institute's authorities should be invited to endorse and to get involved in the TIP program, encouraging researchers to get involved in the high tech business. Spin off can be spontaneous but, when induced, it is more efficient.

5.4 The Academy

We commented many times on the Academy role to have knowledge developed in the Czech Republic helping to develop Czech high tech activities.

In spite of its present status, the ASC should give serious considerations on the possibility of having some of its facilities and internal services privatized. We have been informed by the ASC authorities that this process is already taking place with some of its buildings.

This privatization process will be one way to lower costs, to assure good services, and to get funds or to be able to become a partner of future business.

It would be important, if the privatization is done through ATF and if possible through ATE, according to the special mechanisms that czech privatization law have included for those cases of national interest.

One of these mechanisms may be the selling of the buildings at the ATF at low prices, which in turn will allow the ATF to use them as guarantees for Bank loans.

FEATURES TO BE INCLUDED IN THE ARTICLES OF ATF's CHART

NOTE: The features indicated in this Annex should be considered as suggestions. They do not cover all the aspects that should be included into the ATF chart, but only those which we feel are most relevant.

1) Name: Academy Technology Foundation.

2) Founders: Personal names for individuals. Social denomination for organizations.

3) Address: It is suggested it be located at the ASC headquarters.

4) Affiliates: The Foundation will have Affiliated Centers in the Czech Republic and abroad.

5) Foundation Objectives: The ATF will have as main declared (formal) objectives:

- . To support and promote Technology Transfer (TT) in general.
- . To promote and support innovator entrepreneurship.
- . To support technically oriented, non basic research and development, (R&D), at the Academy's Institutes (Ip) of the ASC.
- . To support technology oriented education.
- . To spread all over the concept of technology impact in the economy of the Czech Republic.
- . To promote preinvestment technology developments in the Czech Republic.

6) Foundation Capacities: In order to be able to achieve its objective the Foundation will be entitled, on its own or on behalf of third parties:

- a) To create, to manage and to administrate any kind of research and teaching facilities, in agreement with the applicable body of legislation.
- b) To celebrate agreements with any kind of public or private organizations with the aim of helping in the fulfillment of the Foundation's objectives.
- c) To hire any person which is considered necessary to the scope of the Foundation.
- d) To establish fellowships related to the scope of the Foundation, either for Czech nationals or for foreigners.
- e) To administrate fellowships on behalf of third parties.
- f) To deliver grants either to individuals or to organizations.
- g) To give prizes either to individuals or to organizations.
- h) To develop any other class of activity which would help the Foundation to achieve its objectives with no other limitations than those arising from the law and the Foundation's Chart.
- j) The Foundation will have the right:
 - i) To purchase, to rent, to lease, to sell and to administrate any kind of buildings, equipments and goods and to contract any kind of services which are considered necessary for the fulfillment of its objectives.

ii) To celebrate any class of contracts with persons and organizations which are, according to the Foundation authorities, directly or indirectly related to the Foundation's objectives.

7) Foundation administration: The Foundation shall be directed and administrated by a board of a maximum of four (4) permanent members and up to a maximum of five (5) non- permanent members designated in accordance with the mechanism indicated in this Chart. The members of the Board can be individuals on its own capacity or as representatives of an entity organized in agreement with the Czech law.

8) Permanent members of the Foundation Board will be:

- . The President of the Academy of Sciences of the Czech Republic.
- . The President of ATE's board.
- . One person which is willing to make a voluntary personal contribution higher than any other individual contribution to the initial capital of the Foundation. This person will have the right to nominate a person which will replace him at the age of 75, or in case of removal (dismissal), illness, long term absence or death. The right to nominate a successor will last for 99 years.
- . The representative of an entity which is willing to make a voluntary contribution higher than any other founder entity to the initial capital of the Foundation.

The President of the Foundation will be the President of the ASC. The vice-President will be the Chairman of ATE's Board.

9) Non-permanent Members of the Board: the Foundation will be the last Foundation's former President and four Foundation members elected at the time of the Foundation annual meeting. The non-permanent members will last in their positions for four (4) years. The renewal mechanism for the first Board will be decided by the Board in its first meeting.

10) Suspension and Dismissal of non Permanent Board Members: Temporary suspension until the next ordinary annual meeting of any non-permanent Board member will require two third of the vote of the Board. Dismissal of a non-permanent Board member will be decided at the Foundation Annual Meeting by simple majority.

11) Suspension and Dismissal of Permanent Members of the Board: Temporary suspension until the next ordinary annual meeting of permanent Board member will require the vote of all the other members of the board. Dismissal of a permanent board member will be decided at the Foundation Annual Meeting by two third of the votes at the meeting.

12) Services Compensation of the Board Members: All members of the board will develop their activities at ATF ad-honorem. They will not be entitled to compensation by the Foundation. They will be entitled only to reimbursement of expenses.

13) Chief Executive Officer (CEO): For the management of the Foundation the Board will designate a CEO. The first choice should be the head of the SWT of the ASC unless he declines the position. It will have those managerial and administration powers that have been explicitly delegated by the Board, in accordance with the applicable law. The CEO will remain in this, unless he dies, resigns or it is removed by the Board.

14) Liquidation: In case of liquidation, after payment of debts, all remaining ATF property (buildings, lands, goods and funds) will be donated to the ASC.

**FEATURES TO BE INCLUDED IN THE ARTICLES OF THE SPECIAL AGREEMENT
BETWEEN THE ASC AND THE ATF**

NOTE: The features indicated in this Annex should be considered as suggestions. They do not cover all the aspects that should be included into the ASC and ATF Agreement but only those which we do consider as the most relevant.

- 1) The ASC considers ATF as an extension arm of its own activities of social interest, related to technology development and technology transfer.
- 2) The ASC invites the ATF to have its headquarters at the ASC headquarters premises free of charge.
- 3) Because of the social interest of the ATF objectives, the ASC will second, whenever necessary a staff member to become ATF member.
- 4) ASC will promote and facilitate the activities of its Institutes and its individuals staff member related to the precompetitive technology developments of the ATF.
- 5) The ASC evaluation system will be redesigned in order to take into account the activities developed by its staff in reinvestment technology developments at the ATF. This change should promote the interest of the ASC in technology development and transfer and should promote individual spin off towards high tech activities.
- 6) The ASC and the ATF will form a joint coordination Committee which will have the responsibility of accepting the research and development precompetitive projects, proposed by the ATF. The Coordination team will be formed by a ASC Vice-president, the CEO of ATF, two members from the Board of the ATF and two members from the Academy Council.
- 7) The ASC (or its Institutes) and ATF will sign special agreements for each joint preinvestment technology development to be carried on. In these special agreements the individuals, facilities, equipment, services and funds to be supplied by each party will be identified. In those agreements it will also be indicated how any ATF support to the Ip will be channeled.
- 8) The ASC accepts that members of its staff may develop activities at the ATF as second job, in agreement with the applicable law.
- 9) The ASC accepts that the Head (Chairman) of the SWT be designed as CEO of ATF.

MAIN FEATRUES TO BE INCLUDED IN THREE OF ATE'S MAIN DOCUMENTS

- a) Articles of Incorporation.
- b) Shareholders agreement.
- c) ATE/ASC special agreement.

Note 1:

Only some relevant features to ATE creation and capabilities are suggested in the three documents.

The correct and complete texts should be written by commercial lawyers in accordance with the applicable Czech Law.

The names of the documents may be different in the Czech Code from those adopted by us.

Note 2:

When references to the Czech law are made, we refer to the documents:

- . Czechoslovakia : The Commercial Code, l.no. 513/1991 Coll.
- . Czechoslovakia: Conditions of Employment, December 1992.
- . Czech Republic: The Securities Act and related legislation, february 1992.

These were published by:

TRADE LINKS,
POB 131,
110 01 Prague 1.

We are conscious that some amendments and substitutions may have occurred in the Czech body of legislation since the date those books were published. However we have been informed that the most relevant articles are still in force.

Note 3:

The suggestions are written without following any of the formalities, (f.e. language) actually employed by lawyers for the incorporation of a company. Neither are we following exactly a preestablished order for the treatment of the many articles.

ATE ARTICLES OF INCORPORATION

A.C.1.1 General

According to applicable Czech Law, a Joint Stock Company may be established by one founder, provided that founder is a legal entity, (otherwise by two or more persons).

It is our proposal to have ATE established with as many founder shareholders as possible.

The Czech Law specifies that the value of the company's capital stock may not be less than one million Crowns, (US\$ 33,300).

We suggest to start the Company with a capital as high as possible in accordance with the possibility of investment of its founders.

It would be convenient to have the company founded on the basis of an open call to bid for the subscription of shares.

However, in order to have the Company registered as soon as possible we suggest that provisions should be made in the Articles of Incorporation in order to allow for such a call in the future.

The following legally possible shareholders may be considered:

a) Founder Shareholders of the company:

i) Private individuals. Registered shares class A.

It is strongly suggested that individuals from the ASC should be offered to be founder shareholders, even if they are willing to invest in a single share.

Besides we suggest that those individuals that are envisaged as the future management of ATE be also founder shareholders of the company.

The letter promising the subscription of shares should simultaneously designate a shareholder representative (the same for all the class A shareholders) for the signature of the company's Articles of Incorporation and whatsoever is legally required for the incorporation of the company.

ii) Companies already established or that have applied for admittance at today's ICPF TIC/BI. Registered shares Class B

We strongly suggest that all companies should be offered to be founder shareholders, (at least to accept to invest in a single share).

iii) Companies interested in the TT business, either for their own activities, for third parties activities or as a venture capital business. Registered shares Class C.

Some companies have already indicated their interest in investing heavily in ATE for TT business. We strongly recommend the application of a mechanism like that suggested in Annex E for the selection of the class C founder shareholders.

b) Non founder shareholders**i) Employees Shareholders. Registered shares Class D.**

Note: Czech law regulates this class of shares.

ii) Shareholders from an open call to bid for the subscription of shares. Bearer shares, Class E.**iii) Registered shares, Class F.**

. Academy Technology Foundation.

. The Academy of Sciences of the Czech Republic (ASC) and its Institutes (Ip) through the TIP mechanism. (See Annex V, FPR).

iv) *Other possible shareholders such as:*

. *Municipal District Prague 6.*

. *One (on purpose created) Investment Fund*

. *The National Property Fund*

. *Other Companies already established or to be admitted at today's ICPF TIC / BI or to others TIC / BI at the Ip..*

. *Other Venture capital investors.*

shall be considered in further increasing capital stock of the company. However provisions for this matter will be shown in the founding shareholder's agreement. They will be entitled to subscribe the Class of shares that will correspond the their Type of Shareholder, according to the classification that will be made by the Board of ATE.

A.C.1.2 Suggestions to be considered for the company's Articles of Incorporation.**1) Company's name and seat:**

a) The company will bear the name of ATE "a.s".

b) The legal (Statutory) seat of the company will be at:

Here we suggest it should be located, whenever possible, at the Academy main headquarters. It will leave no doubt that it is an enterprise related to the ASC.

c) They company will be entitled to develop business without geographic limitations. In consequence, It will be free to install secondary seats, industrial and commercial facilities, agencies, representations and subsidiaries anywhere.

2) Company's Business Activities

a) ATE will have as its main activity to pursue Technology Transfer from the Academy of Sciences and other Organizations of the Czech Republic and abroad, ATE included, to other commercial companies, ATE included, applying the state of the art in business development and marketing.

b) The Company's activity will be developed through:

. Serving as incubator for high tech companies.

. Generating high tech companies on its own.

- . Generating high tech companies with any other Czech or foreign partner.
- . Directing knowledge originated at the ASC and other Research Organizations towards the solution of technological problems, either requested by or induced to the market.
- . Searching for business opportunities in the high tech field with no other limitations than those arising from the law and sound business practice.

c) In order to be able to develop its activity the company will be allowed to become involved in any industrial, commercial, financial and scientific and technological activity related to its main activity, on its own, for third parties or as partner on other companies or creating new companies.

d) The company will be allowed to: receive loans and to deliver guarantees and to enter in venture capital business and to be involved in real estate ventures, related to the installation and management of the so called Science Technological Parks, on its own or on behalf of third parties.

e) In consequence the company will be allowed, to take obligations and to hold all acts, which in relation to its activity are not prohibited by the law.

3) Amount of Capital Stock

a) The stock capital shall be X1 crowns. It can be paid in cash or in kind and it can be increased, all according to this Articles of Incorporation.

4) Debentures

The General Meeting of the Company may approve issuing debentures, in accordance with paragraph # 160 of the Commercial Code, and the Articles of Incorporation.

5) Classes of shares

The stock capital of the company will be represented by the following classes of shares.

- 10% of the capital value by shares class A.
- 10% of the capital value by shares class B
- 35% of the capital value by shares class C.
- 5% of the capital value by shares class D.
- 20% of the capital value by shares class E
- 20% of the capital value by shares class F

a) Class A shares will be registered shares, of 1000 crowns nominal value each. Its holder will be entitled to one vote per each share at the Company General Meeting.

b) Class B shares will be registered shares, of 1000 crowns nominal value each. Its holder will be entitled to one vote per each share at the Company General Meeting.

c) Class C shares will be registered shares, of 1000 crowns nominal value each. Its holder will be entitled to one vote per each share at the Company General Meeting.

d) Class D shares will be employees shares, of 1000 crowns nominal value each. Its holder will be entitled to one vote per each share at the Company General Meeting.

e) Class E shares will be bearer shares, of 1000 crowns nominal value each. Its holder will be entitled to one vote per each share at the Company General Meeting.

f) Class F shares will be registered shares, of 1000 crowns nominal value each. Its holder will be entitled to one vote per each share at the Company General Meeting.

6) Founder Shareholders, Share Preferential Subscribers and Subscription at Incorporation (Registration) of the Company.

Note: This article gives the possibility of proceeding with ATE incorporation even when there are only a few individuals and companies that may become or are interested in becoming involved in ATE creation.

The presence of shareholders of Type C as subscribers in almost all classes of shares is in order to assure that all shares are subscribed at the time the company applies for registration. Provisions on the Articles of Incorporation and the founder Shareholders Agreement will take care of this situation for future shareholders.

In the case of employee shares, it is though they should be shares with no special rights as with respect to the other classes of shares, and having the only limitations on transference of shares, their rescue by the company and price to be paid as indicated in Paragraph # 158 of the Commercial Code.

The company's Class A shares will be subscribed according to the attached list by the Type A individuals and Type C companies.

The company shares class B will be subscribed according to the attached list by the Type B companies and type C companies.

Shares of Class C will be subscribed according to the attached list by the Type C companies.

Shares of class D will be subscribed according to the attached list by Type C companies. This shares will be distributed among the Company's employees during the fifth year from the Company's incorporation, according to the Articles of Incorporation and the Czech Law.

Shares class E and F will be subscribed according to the attached list by the Type B and C companies.

The subscription by Type C shareholders of shares from classes other than Class C and the subscription by type B shareholders of shares from classes other than class B, will be subject to the limitations indicated in the Articles of Incorporation.

7) Transference of Registered Shares Registered shares can be subscribed, purchased and transferred only to the Type of shareholders entitled to hold such class of shares. The Board of Directors will decide for the correct classification of a Shareholder Type for shareholders not already classified in the Articles of Incorporation.

8) Company Relationship with the Academy of Sciences of the Czech Republic

The ASC is entitled to the purchase of class F shares directly or by a third party of its own and only choice. The payment may be in cash or in kind according to the conditions to be agreed upon between the ASC and the Company. The agreement will be negotiated with the ASC by the Board of Directors at the time the ASC is willing to proceed with. The special agreement will require the approval of the General Meeting of the Company before entering into force. Once the agreement is approved, existing shareholders of shares class F will surrender their shares under the conditions agreed upon.

9) ASC Special Voting Rights

Class F shares holders will resign their voting rights in favor of the ASC at all General Meetings of the Company. In consequence representatives of the ASC will be allowed to attend such a meetings and make use of the said voting rights.

10) Board election and composition

The Board will be formed by 5 members. Each class of shares will have the right to choose the following numbers of Board members.

Class A and B, one Director

Class C, two Directors

Class D, one Director

Class E, one Director

Class F, one Director

11) Supervisory Board

The Supervisory Board shall consist of three members, two will be elected by the General Meeting and one by the employees of the company, provided that there are more than 50 (fifty) full time employees at the time of the election. Should it not be the case the three will be elected by the General Meeting.

12) Chief Executive Officer (CEO)

For the daily administration of the company the Board will designate a CEO. It will have those administration powers that have been explicitly delegated by the Board, in accordance with the applicable law. The CEO will last in its position until removed by the Board. All persons in management positions reporting directly to the CEO of the Company will be nominated by the CEO and approved by the Board.

13) Matters not Specifically Settled in the Articles of Incorporation

As mentioned before, we are not suggesting a complete text for the Articles of Incorporation of ATE. Most of the missing articles can be written using the texts of the Czech Commercial Code.

All other matters not specifically settled in the Articles of Incorporation shall be ruled by the applicable Czech law.

SHAREHOLDERS AGREEMENT

Note:

The objective of this document is to define some commitments that founder shareholders agree should be honored for the good health of the company and to prevent future problems between them.

However it has as main objective to leave it clear that ATE is a technology company, interested in having the ASC as one of its main partners, and willing to have ASC capacity involved in ATE's own business and profits.

Only the main features are indicated.

Text of the Document

This agreement is entered between....., in Prague, on the month of...etc.

1) Establishment of the Company

The parties shall jointly establish a Joint Stock Company, as set forth in the Articles of Incorporation, annexed and made an integral part hereto, and in accordance with the laws of the Czech Republic.

2) Founder Shareholders, Share Preferential Subscribers and Subscription at Incorporation (Registration) of the Company

Note: This article gives the possibility of proceeding with ATE incorporation even when there are only a few individuals and companies that may become or are interested in becoming involved in ATE creation.

The presence of shareholders of Type C as subscribers in almost all classes of shares is in order to assure that all shares are subscribed at the time of the company registration. Provisions on the Articles of Incorporation and in this document will take care of this situation for future shareholders.

In the case of employees shares, it is though they should be shares with no special rights as with respect to the others classes of shares. The only limitations should be those indicated in Paragraph # 158 of the Czech Commercial Code for transference of shares, their rescue by the Company and price.

2.1. The total shares of the Company shall be divided into A, B, C, D, E, and F Classes as indicated in the Company's Articles of Incorporation. All capital shall be subscribed by the signatories of this Agreement and shall be paid in accordance with the provisions of the laws of the Czech Republic.

The company's Class A shares will be subscribed according to the attached list by the Type A individuals and Type C companies.

The company shares class B will be subscribed according to the attached list by the Type B companies and type C companies.

Shares of Class C will be subscribed by according to the attached list by the Type C companies.

Shares of class D will be subscribed according to the attached list by Type C companies. This shares will be distributed among the company's employees during the fifth year from the company's incorporation.

Shares class E and F will be subscribed according to the attached list by the Type B and C companies.

The subscription by Type C shareholders of shares from classes other than Class C and the subscription by type B shareholders of shares from classes other than class B, will be subject to the limitations indicated in this Shareholders Agreement.

2.2. Transference of Registered Shares Registered shares can be subscribed, purchased and transferred only to the Type of shareholders entitled to hold such class of shares. The Board of Directors will decide the correct Type of those shareholders that have not been already classified in the Articles of Incorporation or in this Shareholders Agreement.

3. Company Relationship with the Academy of Sciences of the Czech Republic

3.1. The ASC is entitled to the purchase of class F shares directly or by a third party of its own and only choice. The payment may be in cash or in kind according to the conditions to be agreed upon between the ASC and the Company.

The agreement will be negotiated with the ASC by the Board of Directors at the time the ASC is willing to proceed with. The special agreement will require the approval of the General Meeting of the Company before entering into force. Once the agreement is approved, existing shareholders of shares class F will surrender their shares under the conditions agreed upon.

3.2. The parties agree that any one which may be shareholder of shares class F, will transfer the said shares, at a value not exceeding the face value, to the ASC or to any other party under written instruction of the Academy to the Board of ATE.

3.3. Until the ASC decides on the transfer of shares class F, the parties agrees to transfer their stock of shares class F only to those who will accept this agreement in full.

4) ASC Special Voting Rights

Class F shares holders will resign their voting rights in favor of the ASC at all General Meetings of the Company. In consequence representatives of the ASC will be allowed to attend such a meetings and make use of the said voting rights.

5) ATE's CEO designation:

The parties commit themselves to nominate as Chief Executive Officer (CEO) of the Company, a person agreed upon or resulting from the application of a procedure agreed upon between the Company's Board and the ASC. The said CEO will not be removed by the Board unless the Company does not make profits for two consecutive years, starting from the second year of its Incorporation, or for three non consecutive years in a period of six years.

6. Creation of ATF:

The parties commit themselves, once the law on Non Profit Organizations is passed, to support, as founder members, the creation of a Foundation under the name of Academy Technology Foundation (ATF), whose main declared (formal) objectives will be:

- . To support and promote Technology Transfer (TT) in general.
- . To promote and support innovator entrepreneurship.
- . To support technically oriented, non basic research and development, (R&D), at the Academy's Institutes (Ip) of the ASC.
- . To support technology oriented education.
- . To spread all over the concept of technology impact in the economy of the Czech Republic.
- . To promote preinvestment technology developments in the Czech Republic.

7) Capital Increase:

Note: This article should be completed with the information elaborated from Annex E.

7.1) The parties commit themselves to apply the following procedure for the selection of new shareholders and for the Capital Increase of the Company.

Immediately after the Incorporation of the Company there will be:

i) A call to bid for a subscription of class E shares, open to any individual.

Through this open bid an increase of XX... Czech Crowns in the Company's Stock Capital will take place.

ii) An open invitation to Private Investing companies or Investing Funds to apply for their qualification by the Company's Board as future Shareholders of ATE.

In the open invitation the following minimum conditions will have to be fulfilled for a an Investing Company or an Investing Fund in order to be eligible as future Shareholder of ATE.

- a) The minimum value of the ratio between stock capital of the Future Investing Company and minimum investment to be made in ATE should be higher than....*
- b) The maximum value of the ratio between investments already made by the investing company into other companies and the Company own Stock Capital should be lower than.....*
- c) The future investing company should provide for a minimum guarantee ofCzech Crowns in order to be invited to bid for the contest of Shares purchase.*
- d) The following personal qualifications will have to be fulfilled by the Board of the future Investing Company:*

(d1)

(d2)

(dn)

iii) The future investing companies that are selected according to the above procedure will be invited to subscribe ATE shares of class F. Their offer should be better than the following base offer:

Note: The base offer to be written down at this point is coincident with the minimum conditions already negotiated with the Reference Company (Rc), according to Annex E.

If Rc offer is improved, Rc and the two companies with the first and second best offer, will be invited to reach an agreement, on the basis of the first best offer, to split their class of shares percentages.

In case of no agreement in the percentages of shares to be splitted, the shares will be equally splitted between those company's that accepted to subscribe at the conditions of the best offer, up to a maximum number of three, Rc included.

The total number of Shares to be splitted will include those Class F shares already in possession of Rc, but in excess of the minimum assured quantity Rc is entitled according to Annex E.

Rc is granted the minimum percentage of its first investment of US\$ 33,000. -

iv) High tech companies, previously accepted at the TIC/IB

At any time the proportion of shares of each class should be maintained. In consequence high tech companies accepted at TIC/BI at any of the Ip should be offered to bid for shares of class F at the time of the approval, by the General Meeting, of an increase of the Company's capital.

8) Settlement of Disputes- Arbitration:

NOTE: It is suggested that an arbitration clause should be included in any agreement or contract involving ATE, ATF the ASC or its Institutes. An example of arbitration clause follows:

The parties shall make all necessary effort to settle any dispute arising out of, or in connection with this agreement amicably.

If all efforts to settle the dispute amicably fail, and any endeavour for a conciliation remains without any positive result, then the subject dispute, controversy, claim or difference between the parties arising out of, or in connection with this Agreement, whether before or after the termination, abandonment or breach of this agreement shall be referred to and finally settled by arbitration according the following procedure.

Each Party will choose one arbitrator. A third arbitrator will be chosen by the two first. All three will form the Arbitral Tribunal.

All parties will be binded (obliged) by the decisions of the Arbitral Tribunal.

Each party shall bear the burden of the arbitrator of their choice and will bear half of the burden of the third arbitrator.

The parties may agree in only one arbitrator. In this case they will bear half of the burden of this single arbitrator.

ATE/ASC SPECIAL AGREEMENT

NOTE: The purpose of this document is to establish a general framework under which the relationship between the ASC and ATE will be developed. Only the main features are indicated.

This document is entered in Prague between..., on the... month. of 1994.

1) Declaration:

Whereas the ASC on behalf of the Government of the Czech Republic has declared its interest to have the knowledge available at the Academy reflected into the economy of the country.

Whereas in order to comply with the objective of the above declaration, the ASC has decided to implement a Technology Transfer System at the ASC,

Whereas the ASC has declared that the TTS at the ASC is based on two pillar organizations, considered as the ASC arms in the Technology field:

i) A non profit organization , the Academy Technology Foundation (ATF), which will be involved in technology related activities either of precompetitive character or of social interest, and

ii) A Technology Company (Enterprise), (Profit organization) which will be related to the technology activities of commercial interest.

Whereas ATE is a Technology Company which has Technology Development and Technology Transfer as its main activity,

Whereas both parties have declared that a combination of ASC and ATE actions may have as result the transformation of knowledge from the ASC into Technology for the market,

Whereas for the process of selection of ATE shareholders a mechanism was applied that assures that the selected shareholders have an appropriate "affectio societatis",

Whereas the ASC and ATE have declared they consider the Business Incubator (BI) concept and related activities as an appropriated channel for Technology Transfer,

Whereas ASC has declared it recognizes that the promotion, implementation and management of Business Incubators is a very specialized activity, which will have a larger probability of success if multidisciplinary capacities are offered to companies to be incubated,

Whereas ATE has declared it will dedicate appropriate amount of resources for the development of the BI activities at the Institutes of the ASC,

Whereas the ASC accepts the main features of the TIP programme as a convenient methodology for the success of the TTS at the Academy,

Whereas the ASC considers the TIP (Technology Investment Program) methodology as appropriate to promote personnel spin off from the Academy to the high tech market,

Now therefore the parties have agreed to conclude this "Special Agreement" with the covenants and provisions as set forth hereinafter:

Article 1. Objective:

The objective of this agreement is to establish the general frame (rules) governing the relationship of the ASC, its Institutes and its personnel with ATE, related with the implementation of a TTS at the ASC.

Article 2. Communications:

All communications between the parties will be made through the following mechanism: Each party will designate a "Representative" and an "Acting Representative". Only written communications signed by these persons will be valid and will be honored by each party.

Notification of suspension or replacement of a Representative or Acting Representative should be made by the authorities signing this Special Agreement.

Article 3. Incubator Activities:

The ASC will invite the authorities of its institutes (Ip) to make, on a voluntary basis, special agreements with ATE for the promotion and implementation of Incubator activities at each Ip.

Article 4. ATE's Right of First Refusal

Should the authorities of any Ip decide to contract with a third party, other than ATF, the implementation of an IB at its premises, ATE will have the right of first refusal. For this purpose ATE should present its proposal no later than 15 calendar days from the date of notification by the ASC.

Article 5. Technology Investment program (TIP):

The ASC accepts the main features of the TIP programme as a convenient methodology for the success of the TTS at the Academy. Consequently, it will endorse the said methodology, applying those alternatives to which the ASC is legally entitled.

The Academy will make its best efforts, together with ATE and ATF, to overcome any difficulties in the TIP methodology implementation that may arise from present regulations. If necessary it will promote a special body of legislation.

Besides the ASC considers the TIP methodology as appropriate to promote personnel spin off from the Academy to the high tech market.

Article 6. CEO of ATE:

Both parties agree on the designation of the Chairman of the SWT for the implementation of the TTS at the ASC as CEO of ATE. This designation will last for a period of three years from the date of signature of this Special Agreement. At the end of the three years period, ATE will be free to choose the CEO of the company.

Article 7. Settlement of Disputes Arbitration:

NOTE: It is suggested that an article of arbitration be included in any agreement or contract involving ATE, ATF the ASC or its Institutes. An example of arbitration clause follows:

The parties shall make all necessary efforts to settle any dispute arising out of, or in connection with, this agreement amicably.

If all efforts to settle the dispute amicably fail, and any endeavour for a conciliation remain without any positive result, then the subject of dispute, controversy, claim or difference between the parties arising out of or in connection with this Agreement, whether before or after the termination, abandonment or breach of this Agreement shall be referred to and finally settled by arbitration according to the following procedure.

Each Party will choose one arbitrator. A third arbitrator will be chosen by the two first. All three will form the Arbitral Tribunal.

All parties will be bound (obliged) by the decisions of the Arbitral Tribunal.

Each party shall bear the burden of the arbitrator of their choice and will bear half of the burden of the third arbitrator.

The parties may agree in only one arbitrator. In this case they will bear half of the burden of this single arbitrator.

Article 8. The Search for Opportunities.

As per this Special Agreement, ATE will have the right to look for market technology opportunities for the knowledge available at the Ip of the ASC and to look for the development of new knowledge at the ASC which is needed by the market.

Article 9. Technology Development:

If the available knowledge at the ASC is not in the stage of "ready for application technology", ATE will make its best efforts to have the Ip personnel of the ASC involved in the necessary Technology development activities, either at the Ip, at ATE or at third parties premises.

Article 10. Payments in compensation to the Ip of the ASC:

The amounts and ways of payments to be made to the Ip for their services will be agreed upon by each Ip director with ATE. In every case preferences will be given to the TIP mechanism, all in accordance with applicable legal procedures.

Article 11. Training of ATE's and third Party's Personnel:

The Ip will be allowed to give technical training of ATE's or third party personnel involved in Technology Development or Technology Transfer activities, under conditions to be agreed upon with ATE.

Article 12. Proprietary Rights:

Should a given knowledge originated at the ASC or its Ip imply proprietary rights, the conditions for its use and compensation will be agreed upon between ATE and Ip supplying the said knowledge.

SUGGESTIONS FOR THE RELATIONSHIP BETWEEN ATE, ASC, IP AND ATF

It is important to realize that ASC knowledge is actually available at the Ip. The ASC, ATE and ATF will have to develop a body of doctrine and ways of action to enable the Ip to get involved in technology related activities.

The body of doctrine should be related to the relevance (impact) of technology activities to the society in general and to the economy of the country in particular.

A methodology to have a quantitative measure of such an impact should be specifically elaborated for the Czech country.

The ways of action should involve a methodology for having the Ip and their staff taking advantage, (discovering how good it may be for them), from their technology related activities.

Some ways of action may be derived from the TIP methodology. Others will have to be elaborated while ASC, Ips, ATE, and ATF are searching for the ground of joint activities. One of them may be the incubator activity.

As mentioned elsewhere an arbitration clause should be included in each agreement or contract involving the parties mentioned in this Annex.

MECHANISM FOR THE SELECTION OF ATE'S PRIVATE INVESTING SHAREHOLDERS, BOTH INDIVIDUALS AND COMPANIES

How to choose the private investors in ATE?

This is a problem directly related to the ethic aspect that has been mentioned elsewhere. We will consider first individuals and then private companies, either high tech or pure investing companies.

1) Individuals:

There are two kind of individuals:

i) From the Academy

In this case it is considered that to have Academy Staff members as Shareholders is a very appropriate approach to have the TTS implemented. These are key people for ATE, and in consequence, to the establishment of the TTS at the ASC.

The Czech Commercial Code has special provisions for employees shares. ASC employees are not ATE's employees. However the main justification for the convenience of having employees shares in ATE are applicable "pari passu" to ASC staff. We don't think it will be necessary to elaborate any further on this subject.

ii) General Public

These shares are allocated through an open bid mechanism.

2) Private companies

Again two different classes of Investing Companies are proposed:

i) High tech companies, previously accepted at the TIC / IB

There is no doubt that it will be in the ATE interest to have them as shareholders. A technology company such as ATE actually needs this class of shareholders. As clients they will be interested in the technology related services offered by ATE. As shareholders they will be interested in the business success of ATE.

ii) Private investing companies and investing funds

In the short time ATE will need a very important capital stock.

As we said, technology related business is very risky. Most of the available knowledge at the ASC is not in the stage of applicable technology.

Besides, if the development has to be done because of markets demands or ATE own perception, the need for funds will be even more important. Consequently, investing companies are very important for ATE's success.

It was a surprise for us to find out that there were some very strong investing companies interested in the ATE scheme in Czech Republic.

We were very careful in pointing out to them that Technology related business is very risky. That they should consider their investment in ATE as almost venture capital. They kept their interest.

Because of this interest the question arises: Why a given company ?

ATE certainly will have some privileges in its relationship with the ASC and maybe with other czech research organizations.

It is necessary to solve the problem taking into account three aspects:

- a) when new companies are formed, there must be "affectio societatis" between its founders.
- b) No corporation is willing to give any assurances in its participation into a new venture, unless they are granted their shares and rights from the beginning.
- c) The special privileges ATE will be entitled from its foundation.

The solution to the above situation is in our opinion the following:

i) An important investing company should be considered for reference. Lets call it the Reference Company (Rc).

This company will have to commit itself to a minimum investment of U\$S 33,000.-, which is the minimum stock capital required by the Czech Law in order to incorporate a Stock Company.

The quantity of shares, corresponding to this investment are the only assured shares for Rc in opportunity of ATE's first capital increase as indicated in the shareholder agreement of Annex C.2.

NOTE: This first Rc investment allows for ATE incorporation without any lose of time. The selection of the other non founder shareholders will take place in parallel.

ii) The head of the SWT should negotiate with Rc the minimum conditions under which the company will accept to increase its participation in the stock capital of ATE.

In the negotiated minimum conditions there should be clear provisions on the percentage of shares, commitments to future stock capital increase, rights to choose board members, special voting procedures both at the general meeting and at the board meeting, special classes of shares, and any other conditions which, in agreement with the Czech commercial code, Rc may be entitled to ask for.

NOTE: The minimum percentage of its class of shares is related to the fact that, after many discussions in Prague, it was concluded that it will be convenient to have more than one private investing company.

iii) An invitation to investing companies willing to participate as shareholders of ATE should be made immediately.

This invitation will make reference only to the minimum conditions a company will have to fulfill in order to be invited to contest as future ATE's shareholder.

One of the said conditions will be related to the stock capital of the company in relation with the minimum investment they will have to make in ATE. This is in order to comply with the Czech code, that puts very specific limitations on this subject.

A second condition may be related to the guarantees the company will have to deliver in order to be invited for the contest.

In countries with a very well established tradition in the market economy, many other conditions may be added related to the company business history. In our case this may be replaced by some personal qualities of the members of the board of the investing company.

iv) From the previous point future contesters will result.

Then they will be invited to improve the conditions negotiated with RcC.

v) If Rc offer is improved, Rc and the two companies with the first and second best offer, will be invited to reach an agreement, on the basis of the first best offer, to split their class of shares percentages.

In case of no agreement in the percentages of shares to be split, the shares will be equally split between those company's that accepted to subscribe at the conditions of the best offer, up to a maximum amount of three, Rc included.

The total number of Shares to be split will include those Class F shares already in possession of Rc, but in excess of the minimum assured quantity to which Rc is entitled.

RC is granted the minimum percentage of its first investment of U\$S 33,000.-

**PERSONS INTERVIEWED AT THE SEMINAR ON TECHNOLOGY CENTER
at the ASC, in Prague, 2-3 December 1993**

Mr. R. Zahradnik	President, ASC
Mrs. H. Illnerova	Vice-President, ASC
Mr. V. Paces	Vice-President, ASC
Mr. J. Princ	Vice-Chairman of Executive Committee, National Property fund of the Czech republic
Mrs. J. Nejedla	Commercial Lawyer
Mr. J. Kunasek	Commercial Lawyer
Mr. S. Plesak	President, Golden Lion, Investment Company, S.C.
Mr. S. Terzian	Manager, Zlaty Lev S.R.C.
Mr. B.G.Thomas	Aachener Gessellschaft fur Innovation und Technologietransfer, Germany
Mr. W.L. Lindtner	Technologie Zentrum Linz, Austria
Mr. K.R. O'Connor	Shannon development, Ireland
Mr. F. Deiff	Innovations-und Grunder Zentrum, Berlin-Adlershof
Mr. F. Kastanek	Director of the ICPF
Mr. K. Klusacek	Chairman of the SWT at the ASC and Head of TIC/BI at ICPF
Mr. O. Gonzalez-Hernandez	Head Evaluation Section, UNIDO