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TENDER FOR THE TRUST - ADMINISTRATION OF ASSETS ACCUMULATED FROM THE FUNDS OF NOT-FOR-PROFIT ORGANISATIONS

1. INVITATION TO THE TENDER

The invitation to the tender will come jointly from the Open Society Foundation, seated in Baštová 5, 811 03 Bratislava, The Foundation for the Children of Slovakia, seated in Heydukova 2, 811 02 Bratislava and the Jan Hus Educational Foundation, seated in Palisády 39, 810 00 Bratislava.

2. BIDDERS

The tender will be open for the financial institutions, which not later than 31 May 2002 submitted their preliminary applications to:

**Jan Hus Educational Foundation
Economic Board of the "Joint Investment" Project
Palisády 39, P. O. B. 313
810 00 Bratislava**

3. ESTIMATED AMOUNT OF ASSETS ACCUMULATED FROM THE FUNDS OF THE NOT-FOR-PROFIT ORGANISATIONS

The winner shall administer and hold in trust the assets of three organisers in the aggregate amount of at least USD 240,000.00. These assets shall be deemed and understood to be the guaranteed and "start-up" assets. The organisers have launched intensive information campaign aimed at not-for-profit organisations with a view to accumulate more assets for the joint investment project. Up to now some other bidders have made a promise of support.

4. NOT-FOR-PROFIT ORGANISATIONS

Not-for-profit organisations, which represent a target group of the organisers, have been established pursuant to the following Acts:

- foundations established pursuant to Parliamentary Act No. 32/2002 Coll. on Foundations,
- non-investment fund pursuant to Art. 2, Sec. 2, items a) – f) of Act No. 147/1997 Coll. on Non-Investment Funds and on amending Act No. 207/1996 Coll.,
- not-for-profit organisation established as a public benefit organisation pursuing benevolent purposes pursuant to Act No. 213/1997 Coll. on Public Benefit Not-for-Profit Organisations Pursuing Benevolent Purposes,
- special-purpose church institutions and religious communities pursuant to Art. 6, Sec. 1, items h) – k) of Act No. 308/1991 Coll. on Freedom of Religion and the Status of Churches and Religious Communities,
- civic association pursuant to Act. No. 83/1990 Coll. on Association of Citizens as amended.

Nowadays there are 15 984 civic associations, 479 foundations, 281 non-investment funds, 105 public benefit organisations pursuing benevolent purposes (there is no information available about the special-purpose church institutions). Assets management in these organisations is governed and regulated by the aforesaid Acts and is practically unlimited.

Not-for-profit organisations are included among the taxpayers, which were not set up for for-profit commercial purposes and therefore may receive tax benefits in accordance with Act on Income Tax.

Not-for-profit organisations do have their own property, which may be in case of administration and trust invested on a long-term basis, as well as the operational property, which may be invested and re-valued on a short-term basis.

5. TERMS AND CONDITIONS OF THE TENDER

The individual bidders (see above) may put forward their written bids from 15 June 2002 to 31 August 2002 (included). The bids shall be submitted in nine counterparts to:

Vzdelávacia nadácia Jana Husa (Jan Hus Educational Foundation)

Tender – “Joint Investment” Project

Palisády 39, P. O. B. 313

810 00 B r a t i s l a v a

The bids may either be delivered in person or by mail. No account will be taken of bids delivered in person or by mail after 31 August 2002. The bids accepted for the tender will be considered and reviewed in accordance with the general criteria communicated to the bidders beforehand.

The bids will be considered and reviewed by the Tender Committee consisting of:

- Janka Balážová – Expert Committee representative, Trust for Civil Society in Central and Eastern Europe,
- Magda Feniková – member of the Economic Board for the “Joint Investment” Project on behalf of the Open Society Foundation,
- Róbert Kopál – Director – Association of Securities Brokers,
- Peter Kubík – member of the Economic Board for the “Joint Investment” Project on behalf of the Foundation for the Children of Slovakia,
- Jiří Müller - member of the Economic Board for the “Joint Investment” Project on behalf of the Jan Hus Educational Foundation,
- Boris Procik – Chairman of the Executive Board of the Trust Companies Association,
- Ján Šipoš –Expert Committee representative, Trust for Civil Society in Central and Eastern Europe,
- Slavomír Šťastný – Chairman of the Council of the Financial Market Office,
- Katarína Vajdová - Expert Committee representative, Trust for Civil Society in Central and Eastern Europe.

The bidders who place first, second and third will be invited to present their bids in person.

The results of the tender will be officially announced and published within one month after closing the tender.

6. CRITERIA

The financial institution itself has to meet the following criteria:

- rating by international agencies (or in case of investment companies rating by its parent bank),
- shareholders’ structure,
- amount of assets administered and held in trust on the clients’ bank accounts,

- nominal (share) capital,
- a list of any and all the sanctions imposed on the company in the past,
- use of the international analysis network for the assets management and trust, know-how,
- local branches in the Slovak Republic,
- results achieved in the past,
- Client's protection system.

Criteria relating to the proposed product and services:

- proposed description of the product,
- willingness and flexibility to modify the product,
- fees and taxes charged for and levied on the services and product,
- possibility to engage other defined parties and make the product available to them,
- direct participation of the non-governmental not-for-profit organisations (clients) in the control and supervision of the assets investments (an investment committee with supervision and communication roles),
- communication and reporting,
- use of tax benefits for the tax payers nor established for commercial for-profit purposes.

Criteria relating to the partnership “financial institution – not-for-profit sector”

- willingness and flexibility to co-operate beyond the limits of the standard commercial relationship,
- support of the philanthropy enhancement in the Slovak Republic,
- advisory and consulting support in drafting non-governmental not-for-profit organisations' requirements, especially in the field of tax legislation,
- media presentation of the product, the possibility to use the product for the fundraising purposes.

7. CONSULTATIONS AND CONTACTS

The project shall be co-ordinated by the Jan Hus Educational Foundation. You are most welcome to make your written comments or raise questions to the e-mail address: vnjh@vnjh.sk. Otherwise, please, contact in person the Chairman of the Economic Council of the “Joint Investments Project.

Bratislava, this day 15 June 2002

Jana Malovičová, Executive Director, Jan Hus Educational Foundation

Jiří Müller, Chairman of the Economic Council of the “Joint Investment” Project.

Alena Pániková, Executive Director, Open Society Foundation

Lucia Stasselová – Executive Director, Foundation for the Children of Slovakia