

In accordance with Section 36 (2) of Act No. 111/1998 Coll., on Higher Education Institutions and on Amendments and Supplements to some other Acts (the Higher Education Act), the Ministry of Education, Youth and Sports registered Regulations for Financial and Non-Financial Investments Made by the University of Pardubice in Other Legal Entities on October 29, 2014, under Ref. No. MSMT-39007/2014.

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Mgr. Karolína Gondková
Higher Education Office Director

**REGULATIONS FOR FINANCIAL AND NON-FINANCIAL
INVESTMENTS MADE BY THE UNIVERSITY OF PARDUBICE
IN OTHER LEGAL ENTITIES
Effective as of 29 October 2014**

**Section 1
Introductory Provisions**

- (1) Regulations for Financial and Non-Financial Investments Made by the University of Pardubice in Other Legal Entities (hereinafter referred to as "Regulations") shall govern the principles for negotiating proposals for the establishment of a legal entity, or making financial and non-financial investments in these legal entities or other legal entities by the bodies of the University of Pardubice (hereinafter referred to as "University"), in accordance with special regulations, internal regulations and norms of the University.
- (2) The Regulations are adopted in accordance with Section 20 (3) of Act No. 111/1998 Coll., on Higher Education Institutions and on Amendments and Supplements to some other Acts (the Higher Education Act), as subsequently amended (hereinafter referred to as "Act").
- (3) The Regulations are applicable to faculties, institutes and other bodies of the University.
- (4) The University shall not take legal negotiations leading to the establishment of legal entities, or make financial or non-financial investments in these legal entities or other legal entities provided that the economic activities of the University were burdened with a loss from the economic activities of these legal entities or from the participation of the University in these legal entities.

**Section 2
Proposal for the Establishment of a Legal Entity or Participation in a Legal Entity**

- (1) The University is empowered to become a partner or member of a legal entity constituted and established in accordance with another Act, provided that the business activity of the legal entity is related to the educational, scientific, research, development and innovation, artistic or other creative activities of the University. In specific justifiable cases, the business activity of the legal entity may be related to increasing the efficiency of the management of the human resources and property of the University.
- (2) The University is empowered to establish, participate in the establishment as one of multiple founders, or enter the following legal entities:
 - a) a business enterprise (in Czech "obchodní společnost") or cooperative (in Czech "družstvo")¹⁾,

¹⁾Act No. 90/2012 Coll., on Commercial Companies and Cooperatives (Act on Commercial Corporations).

- b) a public beneficiary corporation (in Czech "obecně prospěšná společnost")²⁾,
- c) a society (in Czech "spolek")³⁾.

(3) The University is not empowered to become a partner in a public business enterprise (in Czech "veřejná obchodní společnost") or a general partner (in Czech "komplementář") in a limited partnership (in Czech "komanditní společnost").

(4) The proposal for the establishment of a legal entity shall be submitted to the Rector by vice-rectors, the Bursar, deans, directors of University institutes, or shall be initiated by the Rector.

(5) The proposal for the establishment of a legal entity must include in particular the following:

- a) the specification of the reason, purpose and objective of the establishment,
- b) the business concept and principal business activity,
- c) the suggestion of the members of the statutory and other bodies who guarantee that the interests of the University be pursued,
- d) the specification of material and financial conditions for existence and their expected realization,
- e) the definition of further benefits for the University,
- f) the specification of financial and non-financial investments,
- g) the draft of Articles of Agreement (in Czech "zakládací smlouva") or Memorandum of Association (in Czech "zakládací listina"), or Statutes (in Czech "stanovy").

(7) The Rector shall submit the proposal for the establishment of a legal entity to the Academic Senate of the University (hereinafter referred to as the "Academic Senate") so that the Academic Senate can provide an opinion statement.

(8) The Rector shall submit the following documents to the Board of Directors of the University: the proposal, the opinion statement of the Academic Senate and an application for a prior written consent to legal actions which the University intends to take in order to establish another legal entity.

(9) The decision about the establishment of a legal entity and financial and non-financial investments in this legal entity shall be made by the Rector after a prior written consent of the Board of Directors has been issued, and the Ministry of Education, Youth and Sports has been notified of this fact.

(10) The Regulations set out in Sections 5 to 9 shall be applied likewise if the University intends to become a partner or member of an existing legal entity.

Section 3 Investments in Legal Entities

(1) An investment constitutes the summary of financial and non-financial investments which the University undertakes to invest upon the establishment of a legal entity, or upon entering an existing legal entity.

²⁾ Act No. 248/1995 Coll., on Public Beneficiary Corporations and on Amendment and Supplements to some other Acts, as subsequently amended.

³⁾ Section 214 *et seq.* of Act No. 89/2012 Coll., the Civil Code.

- (2) A non-financial investment constitutes the summary of assets whose value can be expressed in money in the legal sense⁴⁾ which the University undertakes to invest in a legal entity in order to establish this legal entity.
- (3) Investments in legal entities are subject to special regulations.
- (4) A financial investment must not constitute financial resources which the University received as a block grant provided in accordance with Section 18 (3) of the Act and a subsidy provided in accordance with Section 18 (5) of the Act.
- (5) A non-financial investment in business enterprises or cooperatives must not constitute the real estates which the University acquired from the state.

Section 4 Representation of the University in Other Legal Entities' Bodies

- (1) When exercising the rights and duties which arise from the participation of the University in another legal entity, the University shall be represented by an appointed University employee within the scope determined by the Rector.
- (2) Prior to appointing an employee who shall represent the University in the bodies of a legal entity, the Rector shall take into consideration the specialization of the employee with respect to the principal business activity of the legal entity, the bodies of which the employee is appointed to.
- (3) The participation and membership of the University in other legal entities shall be published annually in the annual report on activities.
- (4) The activity and financial management of a legal entity where the University participates shall be reported to the Rector by the appointed employee.
- (5) The employees representing the University in other legal entities shall notify the Rector without delay, if a legal entity where the University participates submits a proposal for the transformation of the legal entity via a merger; transfer of property to a partner; division; the change of the legal form; increase or decrease of registered capital, or other decisions which may affect the position of the University.
- (6) No less than once a year, the Rector submits a summary report on the activity and financial management of legal entities where the University participates to the Academic Senate.

Section 5 Final Provisions

- (1) Regulations for Financial and Non-Financial Investments Made by the University of Pardubice in Other Legal Entities registered by the Ministry of Education, Youth and Sports on April 25, 2006 under Ref. No. 11 274/2006-30 are made void.
- (2) These Regulations have been approved in accordance with Section 9 (1b) of the Act by the Academic Senate on October 14, 2014.
- (3) These Regulations enter into force in accordance with Section 36 (4) of the Act on the day of registration with the Ministry of Education, Youth and Sports.

⁴⁾ Section 489 *et seq.* of Act No. 89/2012 Coll., the Civil Code.

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Rector