

**Foundation Charter of**  
**Nadační fond Praha ve filmu Prague Film Fund**

**Article I**  
**Name of the Endowment Fund**

The name of the Endowment Fund is: **Praha ve filmu Prague Film Fund** (hereinafter referred to only as the “Endowment Fund”).

**Article II**  
**Registered office of the Endowment Fund**

The registered office of the Endowment Fund is in: Prague

**Article III**  
**Founder and legal circumstances of the Endowment Fund**

1. The Endowment Fund was founded by the City of Prague, with registered office at Mariánské nám. 2, Prague 1, Company ID no.: 000 64 581 (hereinafter referred to only as the “Founder”).
2. The Endowment Fund is a legal entity established for an indefinite period.

**Article IV**  
**Purpose of the Endowment Fund**

1. The Endowment Fund is established to promote international awareness of the city of Prague on the basis of the creation of feature films and TV films and series intended for distribution in cinemas abroad and on foreign television stations, in which the City of Prague will be portrayed as the city of Prague.
2. The purpose of the Endowment Fund under paragraph 1 is:
  - a) Promoting positive presentation of the city of Prague abroad through film and television.
  - b) Attracting projects with marketing potential and using them to promote the city of Prague.
  - c) Profiling the city of Prague as a “film-friendly” destination aware of the benefits and overlapping of audio-visual production.

**Article V**  
**Founder’s investment contribution**

1. The Founder’s investment contribution to the Endowment Fund is CZK 10,000,000.00 (ten million Czech crowns).
2. Until the Endowment Fund is established, the contribution will be administered by the Founder of the Endowment Fund.

**Article VI**  
**Bodies of the Endowment Fund**

1. The Endowment Fund has the following bodies:
  - a) Administrative Board
  - b) Supervisory Board

**Article VII**  
**Administrative Board**

1. The Administrative Board is the statutory body of the Endowment Fund.
2. The Administrative Board has 9 members. The Administrative Board elects a Chair from among its members. The Administrative Board has a quorum provided that its meeting is attended by a majority of its members. Resolutions of the Administrative Board must be approved by a majority of all its members. Each member of the Administrative Board has one vote. The Chair of the Administrative Board has the decisive vote in the case of a tie. The Administrative Board may adopt resolutions outside its meetings using electronic means, by means of so-called distance voting. Such voting may only be requested by the Chair of the Administrative Board, and the adoption of resolutions through such voting requires the approval of a majority of members of the Administrative Board.
3. A member of the Administrative Board must be a person who is legally qualified to act, has no criminal record in relation to the purpose of the Endowment Fund, has no employment relationship with the Endowment Fund and is not a member of the Supervisory Board of the Endowment Fund.
4. The term of office of the members of the Administrative Board is 5 years, and re-election as a member of the Administrative Board is possible.
5. All members of the Administrative Board are elected and removed by the Founder.
6. The initial members of the Administrative Board appointed by the Founder are:  
Helena Bezděk Fraňková  
Ludmila Claussová  
Aleš Danielis  
Nora Dolanská  
Petr Erben  
Karel Grabein Procházka  
Eliška Kaplicky Fuchsová  
Rick Mc Callum  
Tomas Schollaert.
7. The Founder may remove a member of the Administrative Board if the member concerned demonstrably harms the interests or reputation of the Endowment Fund or is in a repeated or gross breach of the obligations of a member arising from the law, the Foundation Charter or internal regulations of the Endowment Fund or an agreement concluded with the Endowment Fund.
8. Membership in the Administrative Board terminates upon:
  - a) expiry of the term of office,
  - b) death;
  - c) removal for reasons set forth in the Foundation Charter;
  - d) loss of qualification to perform the position;
  - e) resignation as a member of the Administrative Board; in this case, the membership expires upon delivery of the resignation to the Administrative Board.
9. The Chair of the Administrative Board is authorised to act and sign for the Endowment Fund on his own. If a Chair of the Administrative Board is not elected, three members of the Administrative Board act and sign jointly for the Endowment Fund.

## Article VIII Supervisory Board

1. The Supervisory Board is a supervisory and review body of the Endowment Fund that, within its competence:
  - a) supervises the fulfilment of the conditions stipulated for the provision of endowment grants by the Endowment Fund and the accuracy of the Endowment Fund's bookkeeping,
  - b) supervises the keeping of the Endowment Fund's accounting books and reviews the annual, extraordinary and consolidated financial statements,
  - c) notifies the Administrative Board of the identified deficiencies and submits proposals for their elimination,
  - d) submits a report in writing, at least once a year, to the Administrative Board on the results of its supervision activities,
  - e) inspects the accounting books and other documents relating to the Endowment Fund,
  - f) ensures that the Endowment Fund's bodies operate in accordance with the law, the Foundation Charter and the internal regulations of the Endowment Fund,
  - g) convenes extraordinary meetings of the Administrative Board if required by the interests of the Endowment Fund.
  
2. The Supervisory Board of the Endowment Fund has three members. The Supervisory Board elects a Chair from among its members. The Supervisory Board has a quorum provided that its meeting is attended by a majority of its members. Resolutions of the Supervisory Board must be approved by a majority of all its members. Each member of the Supervisory Board has one vote. The Supervisory Board may adopt resolutions outside its meetings using electronic means by correspondence. Such voting may only be requested by the Chair of the Supervisory Board, and the adoption of resolutions through such voting requires the consent of all members of the Supervisory Board. The term of office of the members of the Supervisory Board is 5 years, and re-election as a member of the Supervisory Board is possible.
  
3. A member of the Supervisory Board must be a person who is legally qualified to act, has no criminal record in relation to the purpose of the Endowment Fund, is not in an employment or other similar relationship with the Endowment Fund and has no relatives in an employment or other similar relationship with the Endowment Fund.
  
4. All members of the Supervisory Board are elected and removed by the Founder.
  
5. The Founder may remove a member of the Supervisory Board if the member concerned demonstrably harms the interests or reputation of the Endowment Fund or is in a repeated or gross breach of the obligations of a member arising from the law, the Foundation Charter or internal regulations of the Endowment Fund or an agreement concluded with the Endowment Fund.
  
6. Membership in the Supervisory Board terminates upon:
  - a) expiry of the term of office,
  - b) death;
  - c) removal for reasons set forth in the Foundation Charter;
  - d) of qualification to perform the position;
  - e) resignation as a member of the Supervisory Board; in this case, the membership expires upon delivery of the resignation to the Administrative Board.

The initial members of the Supervisory Board appointed by the Founder are:  
Richard Bureš  
Ing. Zdena Javornická  
Jan Wolf

**Article IX**  
**Assets of the Endowment Fund**

1. The assets of the Endowment Fund comprise investment contributions, donations, revenue, grants and other income of the Endowment Fund. The assets of the Endowment Fund need not generate permanent revenue.
2. None of the assets of the Endowment Fund may be pledged or otherwise used to secure a debt.
3. The assets of the Endowment Fund may only be liquidated if this is consistent with the purpose of the Endowment Fund. The assets may also be used for prudent investments.
4. The Endowment Fund does not create principal or capital.
5. The Administrative Board may spend a maximum of 5% of the Endowment Fund's assets on the annual operating expenses of the Endowment Fund, based on the financial statements as at 31 December of the respective year.

**Article X**  
**Conditions for provision of grants from the Endowment Fund's assets**

1. In order to fulfil its purpose as expressed in Article IV hereof, the Endowment Fund provides endowment grants from its funds.
2. Endowment grants are provided on the basis of the resolutions adopted by the Administrative Board following an evaluation of the applications submitted.
3. There is no legal entitlement to an endowment grant.
4. Applications for an endowment grant from the Endowment Fund may be filed by foreign producers through an authorised entity with a registered office in the Czech Republic, or by a Czech producer with demonstrated participation in the co-production of an international project seeking assistance. The applicant must prove a history of at least three years of activity in the field of film production. The Endowment Fund's endowment grants are intended for projects of feature films and TV films and series to be distributed abroad, either within film distribution or on foreign TV channels. The Endowment Fund may only provide endowment grants to audio-visual projects, the shooting of which began in the year in which the application was filed or in the year preceding that year, and in which the city of Prague does not represent a location other than the city of Prague. The content of the audio-visual work (hereinafter "Work"), the implementation of which is the subject of the project, must not be pornographic in nature, approve violence or openly offend human dignity, and its content must not be in breach of the law in force in the Czech Republic. Also disregarded will be applications made by applicants to whom an endowment grant was previously allocated but only 50% of the endowment grant was paid or the applicant was requested to return the endowment grant as a result of its failure to meet the criteria based on which the applicant was selected with a view toward the conditions stipulated in the contract on provision of an endowment grant entered into between the successful applicant and the Endowment Fund.
5. When assessing an application for an endowment grant, the Administrative Board takes into account, in particular, the following criteria:
  - 5.1. The importance of the city Prague in the project;
  - 5.2. The depiction of the city of Prague in the project - based on the script;
  - 5.3. The number of scheduled shooting days at different locations in Prague;
  - 5.4. The value of the Prague motifs - specific locations (tourist, marketing, cultural, historical, architectural);
  - 5.5. The marketing potential of the project (in terms of tourism);

- 5.6. The usability of the presentation of the City of Prague in media-related activities related to the project;
  - 5.7. The positive contribution to the presentation of Prague bearing in mind the theme and the role of Prague in the project.
6. Within three months of the filling of the application for an endowment grant and of the submission of the necessary documents, the Endowment Fund will either provide the endowment grant or will inform the applicant of the reasons for which the endowment grant cannot be provided. The Administrative Board of the Endowment Fund may, for serious reasons, extend the deadline for the award of its resolution as per the first sentence by another three months.
  7. The endowment grant is paid to the selected applicant as follows: 50% of the amount allocated by the Administrative Board within 15 days of signature of the contract on provision of an endowment grant concluded between the successful applicant and the Endowment Fund, and 50% of the amount after verifying that the criteria under which the applicant was selected based on the rules and conditions further detailed in the contract on provision of an endowment grant entered into between the successful applicant and the Endowment Fund, and on the basis of a review screening of the Work by the members of the Administrative Board, including the final credits containing acknowledgement of the Endowment Fund's Founder in pre-approved content and visual form, which the successful applicant is obliged to incorporate in the form of the Work intended for distribution.
  8. In the event of a breach of the contract on provision of an endowment grant by the applicant, the Endowment Fund is not obliged to pay to the applicant the remaining 50% of the endowment grant. On the contrary, the applicant is obliged in this case to return the part of the endowment grant already provided by the Endowment Fund.
  9. The person to whom the Endowment Fund provided the endowment grant is obliged, upon the Endowment Fund's request, to demonstrate the manner and purpose of use of the endowment grant.
  10. No endowment grant may be granted to the Founder or the members of the bodies of the Endowment Fund and/or their relatives.
  11. The documents regarding the endowment grants provided by the Endowment Fund are kept for a period of 10 years from the date on which the endowment grant was provided.

#### **Article XI Amendment of Foundation Charter**

The Foundation Charter may be amended by the Founder to any extent by means of a written amendment. The amendment must take the form of a public document.

#### **Article XII Statutes of the Endowment Fund**

The Administrative Board is authorised to regulate the internal relations of the Endowment Fund in the Statutes of the Endowment Fund.