



## **CALL FOR PROPOSALS AND GUIDE**

**for being awarded the title of “Accredited Technological Incubator” (ATI)**

Code: ATI-2013

## **A. BASIC INFORMATION**

### **A.1. OBJECTIVE OF THE CALL FOR PROPOSALS**

Technological incubators and accelerators have become an integral and essential component among economic policy instruments in a number of developed and emerging countries around the world (including practically all EU countries). Start-up small enterprises may be in need of all-round support in the starting phase of their existence. Given their complex services and special environment, technological incubators are ideal for providing this kind of support.

Technological incubation means providing start-up enterprises founded on innovative technological ideas with a complex system of services, on a temporary basis, in a specially designed environment. It is aimed at supplying start-up enterprises with the resources and services they need (mentoring & consulting, education & training, business management, seed & social capital, etc.) to increase the chances of these enterprises surviving the start-up phase, and simultaneously provides a basis for additional (risk) capital investment and, consequently, intensive growth, resulting in their eventual entry on the international market. The objective of incubation is to create a corporate structure and management that fosters the know-how, start-up network, business progress and (even in the short run) risk capital investment that underlie this entry on the international market.

The objective of this call for proposals is to select and accredit technological incubators that are competitive on international markets, promote the build-up of start-up enterprises founded on R&D results achieved in Hungary or even in neighbouring countries, contribute to the successful completion of their R&D projects and undertake to provide capital investment.

The **Accreditation Data Sheet** and the **Completion Instructions** constitute inseparable parts of this **Call for Proposals**. The above two documents jointly provide all the information and conditions concerning accreditation.

### **A.2. AVAILABLE FUNDS; ANTICIPATED NUMBER OF PROPOSALS TO BE AWARDED THE TITLE OF ACCREDITED TECHNOLOGICAL INCUBATOR**

**Incubators do not receive direct financial support** when the title of Accredited Technological Incubator is awarded to them.

The anticipated number of proposals to be awarded the title of Accredited Technological Incubator in 2013: 3-4.

### **A.3. PROPOSALS AWARDED THE TITLE OF ACCREDITED TECHNOLOGICAL INCUBATOR AND THE POSSIBILITIES INHERENT IN THIS TITLE**

The parties awarded the title of Accredited Technological Incubator will have the option to enter Sub-program I in the call for proposals *“Technological start-up ecosystem development”* (Start-up\_13) announced to the debit of the Research and Technological Innovation Fund.

The title of Accredited Technological Incubator (ATI) shall, at the recommendation of the Selection Committee, be awarded to Applicants that meet the requirements at the topmost level.

When the title of ATI is awarded, the successful incubator is issued with a Certificate of Accreditation, which stipulates the rights and obligations vested in the accreditation title.

The right to use the title of ATI is granted for a period of ten complete calendar years, after which the right to bear the title will automatically lapse. The title of ATI may be renewed after eight years have elapsed.

#### **A.4. METHOD, PLACE AND DEADLINE FOR SUBMITTING PROPOSALS**

The proposals will be assessed by the National Innovation Office (NIO) (as the accreditation organization). The accreditation proposal package includes the completed accreditation data sheet and the annexes itemized in the call for proposals. The proposal package must be submitted in electronic form and hard copy alike. NIO has an on-line completion site for submitting the electronic package: the Accreditation Data Sheet can be completed and the scanned Annexes attached there. When the completed Data Sheet and the uploaded copies of the Annexes are approved, the proposal is electronically submitted. The on-line interface of the Data Sheet is accessible at [www.nih.gov.hu](http://www.nih.gov.hu). Please keep in mind that the Data Sheet cannot be modified after electronic submission and there is no option for submitting missing information.

The paper-based application consists of the printed and officially signed pdf file generated from the electronically submitted Data Sheet, with the necessary hard copy Annexes and the Declaration of Consistency are attached to it. The documents must be sent in sealed packaging, as a registered consignment or by express post/courier service (domestic mailing service with guaranteed delivery time), to the below address:

**Nemzeti Innovációs Hivatal (National Innovation Office)**  
**H-1061 Budapest, Andrássy út 12, Hungary.**  
**Code: ATI-2013**

The code of the call for proposals (ATI-2013) and the applicant's name and address must be clearly visible on the packaging. Please check the completed data and verify that completion was effectively performed and the proposal package is intact.

Notice: the proposals may under no circumstances be submitted in person.

**The completed Accreditation Data Sheet must be submitted in Hungarian and English alike.** The on-line Accreditation Data Sheet simultaneously comprises Hungarian and English questions and the Applicant is expected to give answers both in Hungarian and English. **As regards the Annexes stipulated in the call for proposals, those specifically identified in Section D (List of Annexes Attached by Applicant) must also be submitted in English. The documents that are required to be submitted in English may be translated by the Applicant; no certified translation is required. If any deviation in content is found between the Hungarian and English documents, the Hungarian document shall prevail, except for official/authority-issued documents, where the original English document will be taken into consideration upon any discrepancy.**

For all the conditions and further information concerning the proposals, please visit [www.nih.gov.hu](http://www.nih.gov.hu); alternatively, questions may be addressed to the staff of the National Innovation Office by phone or email, as follows:

By phone:  
+36 1 484 2525; and  
by email:  
[inkubator@nih.gov.hu](mailto:inkubator@nih.gov.hu)

Call centre working hours:

From 1 July to 31 August 2013: from 9.00 a.m. to 12.00 a.m. each Monday, Wednesday and Friday; between 2-16 September: from 9.00 a.m. to 12.00 a.m. on weekdays.

NIO will publish the essential elements of the questions received by email, and the answers to these questions (supplying information potentially relevant to every applicant) by the 5th day preceding the deadline for submission, on the NIO website.

NIO will hold at least one public meeting for consultation with the applicants. NIO will publish the date and venue of the consultation(s) on its website, 15 days before the consultation at the latest.

**Proposals may be submitted from 1 July 2013.**

**Proposals may be submitted and printed on the online interface by midnight (12.00 p.m.), 15 September 2013. For proposal packages in hard copy, the deadline for submission (date of posting) is similarly 15 September 2013.**

The proposals will be assessed between 16 September and 14 October 2013.

Applicants are hereby informed that being awarded the title of Accredited Technological Incubator will entitle them to enter Sub-program I in the call for tenders "Technological start-up ecosystem development" (code: Start-up\_13), announced to the debit of the Research and Technological Innovation Fund. **Proposals in Sub-program I in the call for tenders for "Technological start-up ecosystem development"** (code: Start-up\_13) **may be submitted to MAG (Magyar Gazdaságfejlesztési Központ Zrt.; in English: Hungarian Economic Development Centre) from 1 July 2013 to 31 October 2013 at the latest.**

#### **A.5. DATA REQUIREMENTS**

Any incubator granted the title of ATI is obliged to inform the National Innovation Office within 10 days of any of the following events (date of amendment of the relevant document) in writing:

- proceedings of the tax authority;
- liquidity problems;
- amendment of documents determining the operation of the incubator (deed of foundation, share book, organizational and operational rules, regulations).

The accreditation process must be performed again in order to be re-granted the title of Accredited Technological Incubator. Moreover, the right to use the accreditation title terminates:

- with the lapse of the validity period for using the title;
- if the incubator ceases to operate;
- if the right to use the title is revoked.

NIO will conduct an audit of the criteria stipulated in Sect. C.2. (Selection criteria) after one year and be authorized to make annual controls subsequently, whereby the right to use the title of Accredited Technological Incubator shall be revoked and terminated if any of the support criteria is not met. Additionally, upon notice from the NIO, the Incubator is obliged to send a report on the performance of the business plan of the incubator, up to a maximum of once a year, within 30 days of the notice. Failure to meet the data requirements may result in losing the right to use the title of Accredited Technological Incubator.

## **B. RANGE OF ENTITIES APPLYING FOR THE TITLE OF ACCREDITED TECHNOLOGICAL INCUBATOR**

### **B.1. LEGAL FORM, SIZE, REGISTERED SEAT**

Business associations with a registered seat in Hungary and double-entry accounting, or branch sites of a business association with a registered seat in the territory of the European Economic Area, a branch site in Hungary and double-entry accounting, may submit a proposal to the Call for Proposals, provided they have the below KSH (Hungarian Statistical Office) classification (based on KSH Communication 8/2010 (Aug. 25) on the Elements and Nomenclatures of the Statistical Code):

- joint share company (KSH 114);
- European joint stock company (KSH 115).

### **B.2. ADMINISTRATIVE CONDITIONS IMPOSED ON APPLICANTS**

The applicant will not be accredited if, on the date of submission for accreditation,

- a) the applicant enterprise is under bankruptcy or liquidation proceedings or voluntary dissolution;
- b) the applicant is credibly proven to be subject to an effective decision of the European Commission obliging it to repay some support, and if any of the enterprises failed, prior to submitting the proposal to this Call for proposals and at their own fault, to meet their obligations undertaken in the Assistance Agreement in connection with any support granted from the subsystems of the state budget, the pre-accession funds of the European Union or from the structural funds;
- c) the applicant's activity fails to meet the effective environment protection regulations;
- d) the applicant does not have the final official permits required for operation;
- e) the applicant is credibly proven to have provided untrue and false data that can factually influence the technical and financial content of the proposal;
- f) <deleted>

### **B.3. ACCREDITATION CONDITIONS IMPOSED ON APPLICANTS**

The technological incubator is expected to meet specific conditions related to experts, operations and investors, to earn the title of ATI.

#### **Conditions concerning experts**

The number of experts employed full-time in the staff of the incubator or involved in the work of the incubator; and the expected professional competences:

- The management of the technological incubator should include some persons with, among others, several years of (international and/or Hungarian) experience in the commercial use, sale and selection of new technologies.
- The incubator is expected to set up a board of directors where the owners are represented by, among others, technical and/or financial experts adept in new technologies and experienced (at an international scale) in the generation of transactions for capital investment in technological businesses.
- The members of the management or the board of directors should also have international experience in the generation of transactions for capital investment in technological businesses. Managerial experience in venture and risk capital and in corporate technologies is preferred.
- The management and/or board of directors of the incubator should also include a person with international relations in the financing and distribution of new technology.
- The incubator should have a developed methodology for operating, start-up selection and

filtering.

#### **Operating conditions**

- The management of the incubator includes a full-time manager responsible for business development, and an office manager. The incubator is led by a board of directors / chief executive officer.
- The physical (location) and human (employed and external experts) infrastructure, whether existing or certified with a binding pre-agreement, is able to facilitate the placement of at least 6 start-up companies in a single location.
- The incubator can offer a wide assortment of technological and business development services.

#### **Investor-related conditions**

- The investors guarantee the capital stock of the technological incubator.
- The incubator or the owners of the incubator guarantee to finance the amount above the state-financed ratio to the credit of the companies accommodated in the incubator. In order for state subsidies to be granted, the majority of the business share in the technological incubator company should be held by private investors.
- As regards ownership, non-profit organization(s) shall not have supervisory competence over the entities incubated.
- The incubator is expected to submit a high quality business plan.

### **C. PROPOSAL MANAGEMENT**

#### **C.1. PROCEDURE**

Attention is drawn to the following:

- **Due care is to be paid to accurately observing the content and pagination-related requirements stipulated on the individual pages of the Accreditation Data Sheet, and of this Call for Proposals and Guide, when the Accreditation Data Sheet is being completed.**
- **The proposal will not be processed if the format of the Accreditation Data Sheet is changed.**
- The proposal will be accepted only if the electronic and hard copy proposal packages are both received.

The proposals will be evaluated and assessed in a one-round procedure.

Schedule of individual steps in the accreditation process, after submission of the proposal:

- inspection of acceptance criteria, notification of acceptance/rejection by 18 September 2013;
- verbal presentations (date based on appointment, expected to be between 3-11 October 2013);
- notification of the decision, issuance of the ATI certificate: by 15 October 2013.

Method of compiling and submitting the proposal packages (electronic and hard copy):

1. The Accreditation Data Sheet can be completed electronically on the website published for the specific Call for proposals.
2. The Annexes are to be attached to the Data Sheet, in electronic version.
3. If the Data Sheet and the Annexes are completely available on the on-line interface, the electronic proposal package can be submitted. Please bear in mind that the Data Sheet cannot be modified after electronic submission.

4. After submission, the pdf file generated from the Accreditation Data Sheet should be printed and signed, the necessary hard copy Annexes attached (hard copy proposal package) and be sent in sealed packaging as registered consignment or by express post/courier service (domestic mailing service with guaranteed delivery time).

For details on how to complete the Data Sheet, please refer to the Completion Instructions.

The entire accreditation process is presented hereunder. As regards this Call for proposals, the accreditation proposals are received and subjected to an eligibility test, and the administrative tasks of the Selection Committee are performed by NIO as the accreditation organization.

#### **C.1.1. Inspection of acceptance criteria**

The proposal is received and filed by the accreditation organization, which will also check compliance with the following acceptance criteria within 3 days of the deadline for evaluation, and notify the applicant:

1. the proposal is submitted within the deadline for submission;
2. the applicant for the title of ATI belongs to the group of potential applicants determined in the call for proposals;
3. the attached Accreditation Data Sheet is not blank and is submitted both in Hungarian and English.
4. the hard copy and the electronic form of the proposal package need to be consistent in content: the time code on the printed and electronic package must be the same, and the applicant has signed a statement about the total consistency in content. If Annexes are missing from any of the packages, they may be submitted as missing information.

**If a specific proposal does not meet any of the conditions above, it is excluded automatically from the process of assessment – without further substantive examination of the application submitted. Applicants satisfying the conditions are notified about the acceptance.**

**Notice: Acknowledgement of acceptance does not constitute an award of the title of ATI!**

#### **C.1.2. Eligibility test**

The eligibility test of the accepted proposals is intended to ascertain if the information in the proposal includes the details and content required for decision-making. If any missing information, further details or clarification needs to be supplied as an outcome of the eligibility test, the accreditation organization may on one occasion call the applicant to submit the missing information, with a deadline of 5 business days. If the applicant does not submit the missing information until the deadline, or does not meet the requirements, its proposal will be rejected.

Notice: In a call for submission of missing information, the accreditation organization may ask for the underlying documents and check them in a consultation, to check the accuracy of the data on the project Data Sheet, so the entire documentation (originals or duplicates) must be available at the technological incubator.

The selection criteria underlying the eligibility test are provided in Chapters B, C.2 and D.

All applicants that meet the conditions in Chapters B, C.2 and D of this call for proposals may be awarded the title of ATI.

A proposal will be deemed ineligible if the Applicant or the project fails to meet any of the requirements in the above eligibility criteria.

### C.1.3. Assessment of the documents submitted

When the deadline for submitting missing information has lapsed, the proposal documentation is delivered to the assessors, who use pre-set criteria to evaluate and score the individual components of the proposal.

### C.1.4. Verbal presentation

All applicants whose proposal is accepted and passed the eligibility test are expected to hold a 30-minute presentation in English about their plans to set up, operate and achieve efficiency in the incubator to the Selection Committee, at the date and time set by the Committee. The applicant is expected to answer the questions raised by the members of the Selection Committee.

The Selection Committee evaluates the presentations and answers as follows (total score: 25 points):

- content of presentation (technical content, feasibility, expected efficiency, etc.): 0-17 points
- presentation techniques, formal criteria: 0-3 points
- answers to questions: 0-5 points.

### C.1.5. Decision to award the accreditation title

The President of the National Innovation Office convenes a Selection Committee to assess the submitted proposals. The Selection Committee reviews the proposal documentation and the documents subject to assessment, listens to the applicant's presentation and, based on the above, makes a proposal to the President of the Accreditation Organization to award the title of Accredited Technological Incubator for a ten-year period. The starting date of the ten-year accreditation period is the date on which the Certificate of Accreditation is issued.

The **Selection Committee** may make either of the following proposals:

- accept the accreditation proposal;
- reject the accreditation proposal.

When the decision is communicated, the applicant is entitled to obtain information about the summary sheet and the memorandum relevant to the proposal.

The Certificate on the award of the title of ATI is signed by <deleted> the President of the Accreditation Organization. The accreditation organization informs the applicant about the award of the title of ATI within 1 day of the decision, in writing.

**You are kindly informed that, after awarding the title of Accredited Technological Incubator, NIO may publish the name of the incubator and the date of the decision on its website ([www.nih.gov.hu](http://www.nih.gov.hu)) without any separate consent from the applicant.**

If the Selection Committee rejects the proposal, the accreditation organization informs the applicant about the rejection of their proposal to be awarded the title of ATI, within 1 day of the decision, in writing. The notification will include the reasons for the rejection.

## C.2. SELECTION CRITERIA

Concerning content, proposals **submitted to be awarded the title of ATI** are evaluated according to the following criteria:



## Evaluation criteria

Max. score

### I PROFESSIONAL EXPERIENCE

26

#### A) In the Board of Directors

1	<b>International experience of the Board of Directors in investments</b>	7
	<i>Number of experts in the Board of Directors appointed by and acting on behalf of the owners, with at least 2 years' international experience in capital investment in technological enterprises. (based on attached CV and reference letter)</i>	
	1 person	
	2 persons	
	3 or more persons	7

#### B) In the Management

2	<b>Time period of the experience of the CEO of the Incubator as &lt;deleted&gt; a manager responsible for the international management of start-up companies or a manager in capital investments:</b>	8
	<i>Any experience gained in various fields, due to non-concurrent work, will be added up. (CV, reference letter)</i>	
	2-4 years	
	4-6 years	
	more than 6 years	8

3	<b>Time period of the experience of the Business Development Manager of the Incubator as &lt;deleted&gt; a manager responsible for the international management of start-up companies or a manager in capital investments:</b>	6
	<i>Any experience gained in various fields, due to non-concurrent work, will be added up. (CV, reference letter)</i>	
	1-2 years	
	2-4 years	
	more than 4 years	6

4	<b>Time period of the experience of the Technological Manager of the Incubator as &lt;deleted&gt; a technological/innovation/R&amp;D manager of a company:</b>	5
	<i>Any experience gained in various fields, due to non-concurrent work, will be added up. (CV, reference letter)</i>	
	less than 2 years	
	2-4 years	
	more than 4 years	5

### II BUSINESS PLAN

30

5	<b>Assessor's comprehensive judgement of the quality and foundations of the business plan</b>	6
	<i>Criteria: due foundations, feasibility, sustainability, consistency, size of sectoral focus, sectoral risk factor.</i>	

6	<b>Financing stability and security, to achieve the pre-set targets.</b>	6
	<i>Criteria: continuous financing capacity, stability, reliability, expedience.</i>	

7	<b>Business model</b>	4
	<i>Vision, strategic objective, start-up culture, economic and organizational model. Criteria: due foundations, sustainability, conformance with objectives</i>	
8	<b>Market knowledge</b>	4
	<i>Market analyses regarding the incubator and related to incubation (market analysis, stakeholder analysis); incubation-related technical and market analysis of preference sectors identified in the business plan. Criteria: due methodological foundations, reality</i>	
9	<b>Procedures relevant to the personnel, market, technological and methodological conditions of selecting incubated entities</b>	4
	<i>The incubator is expected to have complex procedures and regulations duly documented for selecting the applicants for incubation and duly founded in terms of methodology, and the resources necessary for selection</i>	
10	<b>Exit strategy</b>	3
	<i>Strategy for selling the property share acquired by the incubator in the incubated companies (with regard to effectively and ineffectively incubated entities alike) Criteria: financial and investment criteria</i>	
11	<b>Concept of founding the market presence of the entities subject to incubation and their long-term financing, in the process of incubation</b>	3
	<i>The incubator is expected to draw up a pre-concept on putting the potentially incubated entities on the market, which must include at least the following: concept of subsequent financing relevant to the incubated entities and activities planned for financing.</i>	

### III INVESTOR-RELATED CONDITIONS

20

12	<b>Ratio of for-profit organizations in the ownership structure</b>	3
	<i>Ratio of for-profit organizations in the ownership structure</i>	
	51-64%	1
	65-75%	2
	>75%	3
13	<b>Provision of own resources to expand the group of incubated entities</b>	8
	<i>With an aim to promoting the process of incubation, but without recourse to financing from Sub-programs III or IV of the Call for proposals, the incubator agrees to receive additional incubated entities in the first 2 years and provide their financial background. The incubated entities are expected to pass the selection process detailed in the business plan. Number of incubated entities supported and financed from own resources (not financed in Sub-programs III or IV):</i>	
	+1	2
	+2	5
	+3 or more	8
14	<b>Size of available initial capital</b>	9
	<i>The scores proportionally increase with the size of available initial capital.</i>	
	HUF 10-20 million	2
	HUF 20-40 million	6
	HUF 40 million or above	9

15	<b>The technical conditions for providing services in the incubator are met.</b>	<b>9</b>
	<i>The following services of the incubator can be provided by the company's own full-time or part-time employees and/or with third party contracts, in the capacity and quality satisfying the demands of the incubated enterprises. Criteria: quality, experience, references.</i>	
	Consulting in legal affairs and industrial property law required for and related to the protection of intellectual property; patent attorney's services	1
	legal consulting (beyond the above paragraph), covering legal issues arising during incubation (both in national and international relations)	1
	project management	1
	business services, PR, HR, IT, marketing, design, quality assurance	1
	business management, interim management, senior services (coaching, mentoring)	1
	accounting, auditing, payroll accounting, tax experts' services	1
	strategic, planning, analysis-related (feasibility, business plan, market analysis, economic analyses, etc.) services	1
	investment and financial consulting (preparing enterprises for receiving capital)	1
	administrative, supplementary services.	1
16	<b>Quality of infrastructure (location and operation) meeting, in physical terms, the operating conditions of potentially incubated entities.</b>	<b>7</b>
	<i>Criteria: location, area, modernity of equipment</i>	
17	<b>Quality of infrastructure-dependent conditions required for the management of the incubator to perform their work (tangible assets, office capacity)</b>	<b>3</b>
	<i>Criteria: location, area, modernity of equipment</i>	
18	<b>Regularity and efficiency of the QA system covering procured services</b>	<b>3</b>
	<i>Criteria: quality control, risk management, measures</i>	
19	<b>Training/educational plan for the incubated entities, covering the entire period of incubation</b>	<b>2</b>
	<i>Criteria: regular, adequate, demands-adjusted, feedback</i>	
<b>Total possible scores</b>		<b>100</b>

## V OPINION OF THE COMMITTEE

20	<b>The Committee evaluates performance based on the applicants' presentations (in English)</b>	<b>25</b>
	Technical and content-related criteria: coherence, feasibility, quality, business stability	17
	Formal criteria	3
	Answers to questions	5
<b>Grand total</b>		<b>125</b>

The title of ATI shall not be awarded to the applicants if

- their total scores in criteria I & II & III & IV fail to reach 50, out of max. 100; or
- their total scores in criterion V fail to reach 15, out of max. 25; or
- any of the administrative conditions imposed on applicants (B.2) is not met; or
- any of the accreditation conditions imposed on applicants (B.3) is not met.

**You are kindly informed that meeting the above conditions and reaching the score limits does not automatically imply being granted the title of ATI. After the performance assessment, the President of the Accreditation Organisation decides on awarding the title based on the recommendation of the Selection Committee.**

### **C.3. COMPLAINTS MANAGEMENT**

The applicant may lodge a complaint to the accreditation organization against the decision of the accreditation organization, from the date of submission of the proposal. The complaint, with the reasons included, may be lodged within 10 days of obtaining information about the measure that is objected to.

### **D. LIST OF ANNEXES ATTACHED BY APPLICANT**

The maximum pagination is indicated in certain cases, but with acceptable content and quality, individual documents may be significantly shorter than the indicated maximum.

1. Specimen signature of the applicant's official representative or a sample signature certified by an attorney (duplicate or original, **in Hungarian**)
2. Applicant's deed of foundation (duplicate, **in Hungarian**)
3. Original of the excerpt of the company register issued by the court of registry and dated no more than 30 days earlier (or the original of the excerpt of the company register issued by the Company Information and Electronic Company Registration Service of the Ministry of Public Administration and Justice)
4. Organizational and operational rules (Rules)/draft (duplicate, **in Hungarian**) which shall provide for the following at the least:
  - objective of the Rules
  - basic data of the incubator (owners, field of operation, mode of foundation, objective)
  - organizational structure of the incubator (Board of Directors, management etc.)
  - fulfilment of management responsibilities
  - non-disclosure obligations
  - document management
5. Quality assurance system for external services, max. 10 pages (duplicate, **in Hungarian and English**)
6. Regulation on intellectual property management, max. 10 pages (duplicate, **in Hungarian and English**)
7. Business plan (duplicate, **in Hungarian and English**) Max. 50 pages In addition to the content freely determined by the applicant, the business plan is required to include chapters with the following content:

- Business model (minimum content: vision, strategic objective, economic and organizational model)
- Sector preference (if relevant), market analysis and stakeholder analysis
- System for selecting the entities to be incubated (personnel, methodological and procedural conditions for selecting the incubated entities. The incubator is expected to have complex procedures and regulations duly documented for selecting the applicants for incubation and duly founded in terms of methodology, as well as the resources necessary for selection.)
- Go-to-market ideas, exit strategies (possibilities for capital investment; strategic plans on ownership shares acquired in the incubated companies; value added by investors, owners and the Board of Directors)
- Review and control plan of the projects
- Medium-term sustainability (3-5 years): concept of the subsequent financing scheme (plans and resources for group 2 of enterprises and incubation activities funded from Start-up\_13 program)
- Acceptance of self-financed incubated entities. (If, in the absence of any funding from sub-programs III or IV of the Call for proposals, the incubator agrees to receive additional incubated entities in the incubation process, the method of providing the necessary financing background is to be presented here. These incubated entities are also expected to pass the selection process.)
- Security of and resources for financing the business plan

**8.** Signed CVs supporting the professional competences identified in the Board of Directors and the management (duplicate, **in Hungarian and English**) and reference letters (duplicate, **in Hungarian and English**)

**9.** Concerning the provision of planned services: CV for the employee(s) of the incubator; contract or cooperation agreement or binding pre-agreement (with list of references) for external service provider(s) (duplicate, **in Hungarian and English**)

**10.** Infrastructure meeting, in physical terms, the operating conditions of the entities to be incubated: relevant declaration, if based on corporate capacity; contract or binding pre-agreement, for external infrastructure (original or duplicate, **in Hungarian and English**)

**11.** Infrastructure-related conditions supporting the performance of the management in the incubator: relevant declaration, if based on corporate capacity; contract or binding pre-agreement, for external conditions (original or duplicate, **in Hungarian and English**)

**12.** For business associations already in operation: premises licence for the specific premises, operating licence, title deed dated no more than 30 days earlier (for own premises), title deed and tenancy contract dated no more than 30 days earlier (for rented premises) (original or duplicate, **in Hungarian**)

**13.** Approved (by the general assembly, the members' meeting or the owners) annual report of the applying enterprise already in operation: balance sheet, profit and loss statement, supplement (if relevant) (duplicate, **in Hungarian**)

**14.** Declaration of Consistency, with which the applicant may certify that the hard copy and the electronic form of the application proposal package is completely consistent in content (**only in hard copy, in Hungarian**)

Annexes in hard copy: For ease of identification, the applicant's code, specified by the applicant on the Accreditation Data Sheet, should be clearly indicated on the first page of each hard copy Annex.

<deleted>

Identification of electronic Annexes: Each Annex should also be electronically uploaded. For simple identification, each attached file should be named according to the scheme below: **Applicant's code\_name of Annex\_language code**. Applicant's code: max. 10-character abbreviation as specified on the Data Sheet. Name of Annex: name of the Annex supporting its identification. Language code:

refers to the language, i.e. hun or eng. Please use small characters without accents only. For instance:

**inkubatkft\_oneletrajszaboj\_eng.doc, or  
bioinkub\_uzletiterv\_hun.pdf**

Electronic files should, as far as possible, be uploaded in .doc format, except the scanned version of original documents. **Maximum upload size of individual files: 2 megabytes.** For any questions concerning the upload and size of files, please contact the customer service of the National Innovation Office.

## **E. ANNEXES TO THE CALL FOR PROPOSALS AND GUIDE**

I. Accreditation Project Data Sheet (linked on NIO website)

II. Completion Instructions

III. Declaration of Consistency

## **F. GLOSSARY**

- **Accreditation Data Sheet:** This document contains the applicant's data and a presentation on the operation of the incubator. The document must be completed by the applicant. The Accreditation Data Sheet can only be completed by using a program accessible on the website published by the National Innovation Office in connection with the Call for proposals. The program permits the electronic completion and printing of the Data Sheet.
- **Annex:** Document specified in the proposal, supporting certain fact(s) and, as such, founding the assessment of the proposal.
- **Beneficiary:** The organization receiving the title of "Accredited Technological Incubator".
- **Branch site:** Unincorporated organizational unit (of a foreign enterprise) vested with economic autonomy, registered (as an autonomous corporate form) in the national company register as the branch site of the foreign enterprise.
- **Call for proposals:** Documenting detailing the conditions for awarding the accreditation title.
- **Corporate signature:** Signature by the person(s) authorized to officially represent the company (in the manner regulated in the Articles of Association and/or the excerpt of the company register) on behalf of the company and conformant with the specimen signature, or signature based on the authorization of the person entitled to sign for the company, effected by signature(s) under the pre-written, pre-pressed or printed name of the company.
- **Exclusion from assessment:** Excluding a specific proposal from the process of assessment, due to some essential formal, content-based or procedural error or deficiency committed by the applicant.
- **For-profit organization:** An enterprise performing for-profit economic activities in order to make a profit while it assumes economic risks.
- **Partner and linked enterprises,** based on Appendix 1 to Commission Regulation (EC) No 800/2008:  
(2) "Partner enterprises" are all enterprises which are not classified as linked enterprises within the meaning of paragraph 3 and between which there is the following relationship: an enterprise (upstream enterprise) holds, either solely or jointly with one or more linked enterprises within the meaning of paragraph 3, 25 % or more of the capital or voting rights of another enterprise (downstream enterprise).  
However, an enterprise may be ranked as autonomous, and thus as not having any partner enterprises, even if this 25 % threshold is reached or exceeded by the following investors,

provided that those investors are not linked, within the meaning of paragraph 3, either individually or jointly to the enterprise in question:

- a) public investment corporations, venture capital companies, individuals or groups of individuals with a regular venture capital investment activity who invest equity capital in unquoted businesses (business angels), provided the total investment of those business angels in the same enterprise is less than EUR 1 250 000;
- b) universities or non-profit research centres;
- c) institutional investors, including regional development funds;
- d) autonomous local authorities with an annual budget of less than EUR 10 million and less than 5 000 inhabitants.

(3) "Linked enterprises" are enterprises which have any of the following relationships with each other:

- a) an enterprise has a majority of the shareholders' or members' voting rights in another enterprise;
- b) an enterprise has the right to appoint or remove a majority of the members of the administrative, management or supervisory body of another enterprise;
- c) an enterprise has the right to exercise a dominant influence over another enterprise pursuant to a contract entered into with that enterprise or to a provision in its memorandum or articles of association;
- d) an enterprise, which is a shareholder in or member of another enterprise, controls alone, pursuant to an agreement with other shareholders in or members of that enterprise, a majority of shareholders' or members' voting rights in that enterprise.

There is a presumption that no dominant influence exists if the investors listed in the second subparagraph of paragraph 2 are not involving themselves directly or indirectly in the management of the enterprise in question, without prejudice to their rights as shareholders.

Enterprises having any of the relationships described in the first subparagraph through one or more other enterprises, or any one of the investors mentioned in paragraph 2, are also considered to be linked.

Enterprises which have one or other of such relationships through a natural person or group of natural persons acting jointly are also considered linked enterprises if they engage in their activity or in part of their activity in the same relevant market or in adjacent markets.

An "adjacent market" is considered to be the market for a product or service situated directly upstream or downstream of the relevant market.

- **Premises:** The premises of a company in a location different from its registered seat is the place where it performs its activity. (Articles 7-7/B of Act V of 2006)
- **Procedure:** "Procedure", in this context, means the totality of the procedural rules of NIO related to the operation of the proposal system, i.e. the processing of the submitted proposals and decision-making.
- **Proposal:** Totality of documents submitted by the applicant electronically and in hard copy (Accreditation Data Sheet, Annexes), underlying the assessment of the applicant.
- **Selection Committee:** 7-member management body, consisting of five Hungarian and two foreign experts appointed by the President of NIO and experienced in capital investment in technological enterprises, in international technological incubator systems and in financing new technologies, etc., which decides on the award of the Certificate of Accreditation on the basis of the received and evaluated proposals. Of the 7 members in the Selection Committee, one member is a representative of the Research and Technological Innovation Fund manager, the National Development Agency, and 1 member acts in the representation of the portfolio for R&D and innovation.
- **Submission of missing information:** Any missing Annex may be submitted, but this may be done on one occasion only and the available deadline may not be extended.