

PUBLIC NOTICE

TO IDENTIFY BUSINESS INITIATIVES AIMED AT EXPLOITING “SCNB2”, A RESULT OF THE “SAFECROP” RESEARCH PROJECT .

Whereas:

- a) the SafeCrop project (Centre for research and development of systems for plant protection having low impact on the environment and on consumer health) of the Istituto Agrario di San Michele all’ Adige, known today as the Fondazione Edmund Mach (hereinafter referred to as “the Foundation”), launched in mid-June 2003 and completed on 31st December 2007, funded entirely by the Autonomous Province of Trento (through Provincial Council Resolution no. 664 dated 21/3/2003) produced a number of different research findings, including “SCNB2”, a preparation based on hydrolyzed natural proteins which acts against some foliar pathogens in a number of different crops (hereinafter referred to as “the Invention”);
- b) ownership of the Invention is shared between Trentino Sviluppo S.p.A., which holds 45%, the Fondazione Edmund Mach, with a 10% share, and Volcani Center – ARO (Israel Ministry of Agriculture), which has a 45% share;
- c) Trentino Sviluppo S.p.A., a company in which the majority shareholder is the Autonomous Province of Trento, and which is managed and coordinated by the Province in accordance with article 2497b. of the Civil Code (hereinafter referred to as “Trentino Sviluppo”), has received from the Autonomous Province of Trento a mandate to manage the “Patent Fund”, in accordance with the provisions of Provincial Council Resolution no. 1877 dated 8/9/2006 pursuant to article 25 of Provincial Law 14/2005;
- d) the Invention was assigned to said Patent Fund by the Autonomous Province of Trento under Provincial Council Resolution no. 1949 dated 7/9/2007;

- e) on 6th August 2009, Trentino Sviluppo, the Fondazione Edmund Mach and Volcani Center signed an agreement regarding the Invention, establishing rules and conditions for exploitation of the Invention;
- f) the Fondazione Edmund Mach, by signing a public deed, namely a specific representation contract before Notary Mr. Guglielmo Reina on 1st December 2008, agreed to confer a mandate on Trentino Sviluppo to proceed to issue and manage this public notice for the exploitation of the Invention;
- g) in accordance with Section IV of the Agreement dated 14th October 2009, file no. 039022, document no. 5556 CONV, signed by the Autonomous Province of Trento and by Trentino Sviluppo to define the procedures for managing said “Patent Fund”, and pursuant specifically to article 34 of said Agreement, Trentino Sviluppo is obliged to exploit the Invention “preferably in order to encourage business initiatives on the territory of the Province” and in any case by means of special procedures designed to ensure adequate advance publicity;
- h) Trentino Sviluppo, the Fondazione Edmund Mach and Volcani Center have taken steps to safeguard the Invention by filing an Italian patent application (application no. VR2009A000123 dated 10/8/2009);
- i) in order to provide interested parties with a reference parameter for estimating the value of the Invention, Trentino Sviluppo, in accordance with article 33 of the Agreement referred to in the previous paragraph, has made an internal estimate of the value of the Invention and reserves the right to divulge it only to those who have expressed their interest;

the following public notice is hereby issued:

Article 1

Subject

1.1 The subject of this public notice is the granting either of the right to use the Invention under exclusive licence or of the right to own it. For the purposes of this public procedure, the

expression “**exclusive licence**” is understood to mean a licensing agreement which grants the licensee the right to use the Invention in exchange for payment of a fee and prohibits the owners from granting a licence to any other parties or from using the Invention on their own account.

1.2 “SCNB2” is a preparation based on hydrolyzed natural proteins which acts principally as a resistance inductor (local and systemic) against some foliar pathogens in a number of different crops. Plants on which its efficacy has been tested represent some of the most important fruit and vegetable crops and the principal plant families. For example, the product has proved particularly effective against powdery mildew in strawberries (*Podosphaera aphanii*), grapes (*Erysiphe necator*), cucumber and zucchini (*Podosphaera xanthii*), as well as against grape downy mildew (*Plasmopora viticola*). Since it is based on compounds of natural origin (proteins, derived either from meat or from vegetables), the product can be considered safe for human health and for the consumer. Moreover it is easy to prepare (hence low cost) and comes in the form of a lyophilized powder, which remains stable at ambient temperature for a number of years. “SCNB2” can be used in organic farming and helps to reduce the use of synthetic agropharmaceuticals in both integrated and conventional pest management. The product can be of interest to companies working in the manufacture and marketing of agropharmaceuticals and foliar fertilizers (since it contains nitrogen).

1.3 Interested parties may submit to Trentino Sviluppo an expression of their interest in acquiring the right to use the Invention under exclusive licence in accordance with the procedures set out in detail below.

Article 2

Requisites for expression of interest

Expressions of interest may be submitted, in accordance with the criteria and procedures described in this public notice, by individuals who intend to conduct business activities, companies conducting business activities, joint-stock companies, consortia of companies and other consortium type bodies, cooperative societies, free-lance professionals, public and private research organizations, foundations, public participation companies and public corporations. Expressions of

interest may also be submitted by intermediation and brokering organizations working in the technology transfer field, on condition that they undertake to submit to Trentino Sviluppo a list of potentially interested parties on whose behalf the expression of interest is submitted, specifying whether or not such parties are willing to undertake to operate on the territory of the Autonomous Province of Trento, and/or whether they are prepared to undertake to operate in the biological, biotechnological, agricultural or pharmacological sectors.

This public notice is **not** intended for those parties who are interested in obtaining the licence to use the Invention or the right to own it because they intend to transfer the Invention to so-called patent funds or portfolios designed to create dominant positions, or to other similar organizations. This public notice is not intended for those parties who are interested in obtaining the licence to use the Invention or the right to own it because they intend to use it in areas of technology involving organisms that are genetically modified for food purposes or in the production of illegal substances of whatever nature.

Article 3

Expression of interest and letters of invitation to bid

3.1 Interested parties should submit to Trentino Sviluppo S.p.A. an “expression of interest”, **which must, under pain of exclusion, be received no later than 6.00 p.m. on 12th February 2010.** This “expression of interest” must be delivered to Trentino Sviluppo either by registered recorded delivery mail or by special courier, and must be addressed to:

Trentino Sviluppo S.p.A. – via F. Zeni, 8 – 38068 Rovereto (Trento).

It may also be delivered by hand to the above address on working days from 8.00 a.m. to 1.00 p.m. and from 2.00p.m. to 7.00 p.m.

Under pain of exclusion, the expression of interest must include the following information, and it is to be considered as a declaration in lieu of a sworn affidavit if delivered together with a photocopy of an identification document of the signatory, in accordance with articles 38, 46 and 47 of Presidential Decree no. 445/2000):

1) In the case of individuals:

- applicant's personal details;
- tax code number;
- declarations stating that:
 - the applicant is fully entitled to exercise civil and political rights;
 - the applicant is not subject to any impediments under current anti-mafia legislation;
 - the applicant has not been convicted of any criminal offence such as to disqualify him/her from negotiating with the public administration, in accordance with current legislation on the matter;

2) In the case of companies, organizations and legal persons:

- a. business name, registered office, tax code number, VAT code number and date, personal details of the person empowered to represent the company (and of the partners, in the case of a partnership of persons) and the powers concerned;
- b. a declaration stating that the company, its legal representatives (and the partners, in the case of a partnership, or the owner in the case of a sole proprietorship) are not subject to any impediments as contemplated by current Italian anti-mafia legislation;
- c. a declaration by the applicant that he/she is the owner of the firm or the legal representative of the company, firm or organization and is empowered to enter into undertakings on its behalf;
- d. a declaration stating that the applicant is not in one of the situations referred to in Article 38, sub-paragraph I of Italian Legislative Decree no. 163/2006, and is not the subject of winding-up proceedings, bankruptcy or arrangement with creditors.

Under pain of exclusion, the expression of interest, whether submitted by an individual or by a legal person, must also be accompanied by:

- 1) **(MANDATORY)**: a description of the field of activity and the reasons for the interest in using the Invention;
- 2) **(OPTIONAL)**: if not already resident or having a registered office within the Autonomous Province of Trento, a declaration undertaking to establish within the Autonomous Province of Trento an operating base from which to exploit the Invention, within 120 consecutive calendar days of the date of notification of the granting of use. **This declaration is optional and not essential, although it may constitute a preferential factor for the person expressing interest, in accordance with Article 4 below.**
- 3) **(OPTIONAL)**: a declaration undertaking to operate in the biological, biotechnological, agricultural or pharmacological sectors. **This declaration is optional and not essential, although it may constitute a preferential factor for the person expressing interest, in accordance with Article 4 below.**

3.2 Trentino Sviluppo S.p.A. will advise applicants as to the admissibility of their expressions of interest by approximately **26th February 2010**. In the same communication, **Trentino Sviluppo will invite those expressing their interest to submit a bid together with a business plan for exploitation of the Invention, this plan to be drafted in accordance with the model enclosed with the communication.**

3.3 From **1st March 2010** to **30th July 2010**, those who have expressed interest, and whose expressions of interest have been considered admissible by Trentino Sviluppo, may evaluate the Invention, in conjunction with the Fondazione Edmund Mach if they so wish, subject to prior signature of a confidentiality undertaking to be drawn up in accordance with the facsimile attached to the communication referred to in sub-para 3.2 above.

3.4 **No later than 15th September 2010**, those invited to bid under sub-para 3.2 above must submit their bids in accordance with the procedures which will be provided in the communication referred to in sub-para 3.2 above. Trentino Sviluppo reserves the right to define, in the letter of invitation to bid referred to in sub-para 3.2 above, evaluation criteria on which, in the event of a

number of expressions of interest, to base the definition in comparative terms of the most economically advantageous bid, awarding qualifying points to the credibility and the economic and financial sustainability of the business plan submitted together with the bid.

The bid may envisage the assumption of a right of pre-emption in favour of the potential licensee. Furthermore, the bid must in any case stipulate that the potential licensee will be responsible for all charges involved in extending and maintaining patent rights.

3.5 In addition to this public notice, the technical documentation relating to the Invention, which can be found on website www.trentinosviluppo.it, will also constitute official tender documentation.

Article 4

Preferential factors

4.1 In Trentino Sviluppo's assessment of admissibility for the purpose of determining to which parties to send the communication referred to in sub-para 3.2 above, **the following factors will be considered as preferential, in the order shown:**

- ✓ the fact that the party expressing interest operates or intends to operate on the territory of the Autonomous Province of Trento in order to exploit the Invention, "exploitation" being taken to mean any activity of research, development and/or industrialization required in order to arrive at a product suitable for the market. The undertaking to operate on the territory of the Autonomous Province of Trento in the event of being awarded use of the Invention means the obligation to actually establish an operating base within 120 consecutive calendar days of the date of notification of the granting of use.
- ✓ the fact that the party expressing interest operates in the biological, biotechnological, agricultural or pharmacological sectors.

The above preferential factors will be used in the sense that among a number of different expressions of interest received, Trentino Sviluppo will give first priority to parties operating or

intending to operate on the territory of the Autonomous Province of Trento, and second priority to those operating in the biological, biotechnological, agricultural or pharmacological sectors for the purpose of exploiting the Invention, and will then select accordingly those parties who are to receive the communication referred to in sub-para 3.2 above.

Rovereto, 1st December 2009

TRENTINO SVILUPPO S.p.A.

The Chief Executive Officer

Alessandro Garofalo

