

**Bylaws  
of  
Stiftung Childaid Network**

**STIFTUNG CHILDAID NETWORK**

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## **BYLAWS**

### **Stiftung Childaid Network**

**(hereinafter “Childaid Network” or “Foundation”)**

#### **Preamble**

Children make up the majority of the world's poor. Despite all progress achieved, their development is still threatened by disease, poor nutrition, corruption, wars and environmental disasters. To secure their future it is required to provide these children with better livelihoods, access to good education and vocational training in order to enable them to support themselves and their families.

In recent years, modern information technology has contributed to facilitating cross-border cooperation, stimulating growth particularly for countries with lower wage levels and accelerating the process of global networking. Information technology could thus also potentially be an effective catalyst to overcome poverty and developmental disadvantages . However, so far the traditional aid organizations have used these tools only to a very limited degree. On the contrary, a "digital divide" is increasingly emerging and the gap between rich and poor is widening.

Childaid Network strives to initiate, develop, support and implement model projects that alleviate child poverty and improve their education and career opportunities. In doing so, it seeks to find ways to make the best possible use of technology in general and information technology in particular in order to facilitate development cooperation, to accelerate the process of overcoming development needs and to build a better future for children. Initially, the Foundation will focus on poor regions in Asia, particularly in India.

The Foundation initially relies on the starting capital provided by the founding couple Dr. Brigitta Cladders and Dr. Martin Kasper (hereinafter “the Founders”) which will be increased gradually in order to pursue these goals. However, it is also planned to collect donations, monetary and in kind, as well as solicit volunteer engagements from companies and experts to gradually put the activities on a broader basis. In order to achieve this Childaid Network will collaborate with other foundations and non-profit organizations.

## **§ 1 Name, seat and financial year**

1. The name of the Foundation is "Childaid Network".
2. The Foundation is a registered and independent foundation pursuant to German civil law.
3. The seat of the Foundation is Königstein im Taunus, Germany.
4. The Foundation has been established for an indefinite period of time.
5. The financial year is the calendar year. In the year of establishment the financial year is the remaining trunk year.

## **§ 2 Goal and purpose**

1. The purpose of the Foundation is to promote development aid by raising funds to be passed on to tax-exempt domestic or foreign organizations for the realization of tax-privileged purposes, primarily for children and young people and in accordance with § 58 No. 1 AO. In addition, the Foundation collects funds in accordance with § 58 No. 1 AO to promote education and training, science and research at home and abroad.
2. In addition, the Foundation directly supports development aid activities such as educational support for deprived children and young people and it pursues charitable purposes within the meaning of § 53 AO.
3. The purpose of the Foundation is realized in particular through the promotion of school education and vocational training and the support of street children and other marginalized young people primarily at home and abroad, primarily in the countries of Asia.
4. In particular, the Foundation's purpose shall be achieved by the following means:
  - a. Initiation, development and promotion of projects to combat poverty for children where they live, mainly by promoting education and training, in cooperation with other tax-privileged organizations. The Foundation may implement the measures directly or authorize other persons to execute them in accordance with § 57, No. 1, sentence 2 AO.
  - b. Advisory support and assistance in the development and implementation of exemplary projects for poor children, especially with the targeted use of modern pedagogical concepts, bridge courses supplementing the educational mandate of the state, micro credits and (information) technology in cooperation with other tax-privileged organizations.

- c. Initiation and support of project sponsorships by individuals, schools, corporations, groups and parishes directly or in cooperation with other non-profit organizations
- d. Public relations activities to highlight the needs and requirements of poor children in cooperation with other organizations
- e. Placement of volunteers in projects with the particular goal of knowledge transfer
- f. Organization of events and seminars on these subjects with the objective of educating parts of the population.
- g. Development of concepts and project proposals on how to make the development of children in developing countries most effective
- h. Promotion of education and training through research and studies on the vocational training of children in developing countries, with special emphasis on modern information technology
- i. In order to generate project funds the Foundation is seeking to cooperate with other non-profit organizations, foundations and public institutions in Germany and abroad.

### **§ 3 Non-Profit Status**

1. The Foundation pursues exclusively and directly charitable purposes as described in section "tax-privileged purposes" of the German Tax Code (hereinafter "AO") (§§ 51-68 AO).
2. In its activities the Foundation acts without any self-interest and does not primarily pursue its own economic purposes.
3. The Foundation's funds may only be used for purposes set out in these Bylaws.
4. No person may be favored by expenditures that are not in accordance with the purpose of the Foundation or by disproportionately high remuneration.
5. The Foundation shall fulfill its tasks by itself or through auxiliary third parties. The Foundation may maintain special-purpose operations ("Zweckbetriebe") in order to achieve its statutory purposes.

#### **§ 4 Assets of the Foundation**

1. Initially, the Foundation's assets consist of cash in the amount of EUR 500,000 from cash contributions of the Founders.
2. The Foundation's assets must be preserved undiminished in their value and invested to generate a maximum of return. Asset reallocations are permitted.
3. The Foundation's assets can be increased with contributions of third parties intended for this purpose. Also permitted are supplementary endowments that do not increase the permanent capital stock but are intended to be expended over a period of 10 to 30 years. In each case a plan of expenditure must be drawn up which describes the principles of permitted expenditures and, if applicable, permitted purposes.
4. The income from the Foundation's assets and donations not meant for the capital stock are to be used to fulfill the Foundation's purpose. Excluded from this are the formation of reserves or additions to the capital stock in accordance with § 62 (1) No. 3 AO.
5. Expenses for the Foundation's administration must not exceed 25% of the total income (defined by the sum of investment income, donations, other income from operations).
6. A legal claim to receive funding from the Foundation's funds does not exist.

#### **§ 5 Governing Bodies of the Foundation**

Administrative bodies of the Foundation are

1. The Management Board ("Vorstand")
2. The Foundation Council ("Stiftungsrat")

#### **§ 6 Management Board**

1. The Management Board consists of at least two and a maximum of five persons.
2. The Foundation Council appoints the Chairman of the Management Board, the Deputy Chairman and, as a rule, a third member, each for a period of three years. Reappointment or re-election is permitted.
3. If a member leaves the Management Board, the remaining board members continue to direct the Foundation's operations.

4. The Management Board decides on the use and allocation of the Foundation's funds and the reallocation of assets.
5. The members of the Management Board work on a volunteer basis. They may not receive financial benefits from the Foundation. The members of the Management Board are entitled to reimbursement of expenses incurred by them.
6. The Management Board may use a third party to perform its tasks.

### **§ 7 Executive Management and Employees**

1. In the event of a significant expansion of the business operations, the Management Board may appoint a Managing Director who conducts the current business according to the guidelines laid down in the rules of procedure. These rules of procedure shall be agreed and issued by the Management Board. The Managing Director reports to the Management Board and is bound by its instructions. He or she has the legal status of a special representative within the meaning of § 30 BGB.
2. If no Managing Director has been appointed, the Chairman of the Management Board manages the business on a volunteer basis. He or she may, within the financial means of the Foundation, be assisted by employees. Members of the Management Board or members of the Foundation Council cannot become employees of the Foundation.

### **§ 8 Foundation Council**

1. The Foundation Council consists of up to 12 persons. The Founders jointly appoint the first Foundation Council within the first twelve months after the establishment of the Foundation.
2. The Foundation Council meets at least once a year. The meetings are recorded in minutes.
3. The Foundation Council elects a Chairman and his or her deputy from among its members. It may adopt its own rules of procedure and form one or more committees and assign them tasks and powers. Management Board members cannot be members of the Foundation Council.
4. The term of office of the members of the Foundation Council is five years. Reappointment or re-election is possible.

5. A voluntary resignation as a Foundation Council member is possible at any time. Upon receipt of the written resignation of the Foundation Council member by the Management Board, the membership expires with immediate effect.
6. During their lifetime, the Founders jointly appoint, or the surviving Founder appoints, additional members of the Foundation Council up to the maximum limit or as a replacement of resigning members.
7. After the death of both Founders the Foundation Council shall elect replacement members for resigning or departing members of the Foundation Council or additional members up to the maximum limit.
8. § 6 (5) of these Bylaws also applies mutatis mutandis to members of the Foundation Council.

## **§ 9 Adoption of Resolutions**

1. Resolutions of the Management Board and the Foundation Council require the participation of more than half of the designated / elected members. They decide by simple majority of the votes cast unless otherwise provided by these Bylaws.
2. In a tie vote among the members of the Foundation Council, the vote of the eldest member present decides. In a tie vote among the members of the Management Board, the vote of the Chairman, or in his or her absence, the Deputy Chairman decides.
3. The resolution of the Foundation Council to dissolve the Foundation requires the consent of three quarters of the members of the Foundation Council. This also applies to the resolution on an amendment to the Bylaws according to § 13 (2) of these Bylaws.
4. Resolutions of the Foundation Council that do not concern the dissolution of the Foundation may also be taken by written procedure upon decision of the Chairman or – if he or she has resigned – of the Deputy Chairman. For this, also the use of modern means of communication (telephone conference, e-mail, etc.) is permitted. This also applies mutis mutandis to resolutions of the Management Board.
5. Minutes are to be taken of the resolutions of the Management Board and the Foundation Council.

## **§ 10 Duties of the Management Board**

1. The Management Board must fulfill the will of the Founders as effectively as possible within the framework of the Foundation Act and these Bylaws.
2. The Management Board decides on the use of the Foundation's funds.
3. In particular, the Management Board is responsible for
  - a. the management of the Foundation's assets, including the keeping of books and records and the preparation of the annual financial statement, insofar as this is not the responsibility of the Managing Director
  - b. the preparation of the annual report of activities
  - c. the appointment of the Managing Director, fixing the remuneration of the management and its supervision
  - d. the operational management if no Managing Director has been appointed
  - e. the resolution on amendments to the Bylaws as long as a Founder is a member of the Management Board.
4. The Management Board determines the guidelines for the work of a Managing Director in rules of procedure.
5. The Chairman of the Management Board represents the Foundation in judicial and extra-judicial matters. If the Chairman is prevented from doing so, the Foundation is represented jointly by two members of the Management Board.

## **§ 11 Duties of the Foundation Council**

1. In particular, the Foundation Council has the following duties:
  - a. Election of the Management Board members
  - b. Election of the Foundation Council members after the death of the Founders
  - c. Adoption of rules of procedure for the Foundation Council
  - d. Examination and approval of the annual accounts including the balance sheet
  - e. Examination of the report on the fulfilment of the Foundation's purpose
  - f. Discharge of the Management Board
  - g. Resolution on amendments to the Bylaws or dissolution of the Foundation after resignation of the Founders from the Management Board.

2. The Foundation Council advises the Management Board on all matters. It monitors compliance with the Founders' intentions. On issues of use of funds and the raising of additional funds, the Foundation Council makes recommendations. It advises on principles for the selection of projects and the allocation of funds. The Management Board may deviate from the recommendations of the Foundation Council, unless otherwise stipulated in § 11 No. 1.

## **§ 12 Supervision of the Foundation**

1. As a foundation with legal capacity, the Foundation is subject to state supervision in accordance with the applicable foundation law.
2. The foundation supervisory authority (“Stiftungsaufsicht”) must be informed about the affairs of the Foundation at any time on request. Notifications on changes in the composition of the Foundation bodies as well as the annual financial statement including the balance sheet and the report on the use of the Foundation's funds must be submitted unsolicited.

## **§ 13 Amendment to Bylaws**

1. As long as the two Founders or one of the Founders are members of the Management Board or Foundation Council they may, without any substantial change in the prevailing circumstances, jointly decide to amend the Bylaws, including the purpose of the Foundation.
2. Following the resignation of the Founders from the Management Board, the purpose of the Foundation or the organization of the Foundation can only be changed in the event of a substantial change in the prevailing circumstances by a resolution of the Foundation Council. Resolutions on amendments to the Bylaws can only be passed at a meeting with a majority of three quarters of the members of the council. The Management Board shall be consulted before.
3. The amendment to the Bylaws requires the approval of the foundation supervisory authority.

## **§ 14 Dissolution**

1. If it is not possible to fulfill the purpose of the Foundation, or if circumstances change in such a way that the fulfilment of the Foundation purpose no longer appears to make sense, the Foundation Council may decide to merge the Foundation with another tax-privileged foundation or to dissolve the Foundation.
2. Such a resolution requires the approval of three quarters of the Foundation Council members. The Management Board shall be consulted before.
3. In the event of the dissolution of the Foundation or in the case that the tax-privileged purpose no longer applies, the remaining assets of the Foundation will be transferred to one or more tax-privileged organizations in Germany, which will be determined by a resolution of the Foundation Council, with the provision to use the assets exclusively and directly for charitable purposes and projects of the Foundation according to § 2 of these Bylaws.

Königstein, 20.7.2020, for the Founders

(signature)

Dr. Brigitta Cladders

(signature)

Dr. Martin Kasper

As a translator authorized for the English language by the President of the Regional Court of Munich I (Landgericht München I), I certify: The translation of the Bylaws as of June 2020 of Stiftung Childaid Network, Königstein/Germany, presented to me in its original is correct and complete.

Taufkirchen/Landkreis München, 03 December 2020

Hildegard Rudolph

