

CHARTER
Nadace THE KELLNER FAMILY FOUNDATION

Article 1
Name of the foundation

The name of the foundation is: "Nadace THE KELLNER FAMILY FOUNDATION".
(Hereinafter referred to as "the Foundation")

Article 2
Registered office of the Foundation

The Foundation's registered office is situated at: Praha 6, Evropská 2690/17, postal code 160 41.

Article 3
Legal basis of the Foundation

1. The Foundation was established by a foundation document of April 7, 2009, a deed entered into by founder Mrs. Renáta Kellnerová, Birth Registration Number 675704/0466, residing at Vrané nad Vltavou, Březovská 509, postal code 25246, and founder Mr. Petr Kellner, Birth Registration Number 640520/2672, residing at Vrané nad Vltavou, Březovská 509, postal code 25246 (hereinafter referred to as "the Deed").
2. The Foundation is a legal entity operating in and outside the Czech Republic, and has been established in perpetuity.
3. The law governing the Foundation is set out in Act No. 227/1997 on Foundations and Endowment Funds, as amended (hereinafter referred to as "the Foundations Act").

Article 4
Purpose of the Foundation

The Foundation is an apolitical non-profit legal entity serving solely charitable causes. The purpose of the Foundation is to make a versatile contribution to the development of society and help improve the quality of life of the people in places where it operates, by providing support for education at all levels of society, for socially beneficial philanthropic activities, for the organizational development of non-governmental non-profit organizations, for the improvement of public health, for solutions to social problems and to foster equal opportunities throughout society, for community development, development of public spaces and environmental improvements, for science and research and development, by providing support in the case of natural and humanitarian disasters, and for cultural development, art, and the protection of cultural heritage.

Article 5
Investment in the Foundation

1. Upon establishment, the founders made financial investments in the Foundation, totaling CZK 500,000 (five hundred thousand Czech crowns), with each of the founders making a financial investment of CZK 250,000 (two hundred and fifty thousand Czech crowns) in the Foundation upon its establishment.
2. Founder Mrs. Renáta Kellnerová was authorized to administer the Foundation founders' investments pending the inception of the Foundation.

3. The endowment of the Foundation upon its inception amounts to CZK 500,000 (five hundred thousand Czech crowns).
4. The endowment of the Foundation upon its merger with Nadace Educa amounts to CZK 1,000,000 (one million Czech crowns).

Article 6

Resources of the Foundation

- a. The Foundation shall acquire the resources it needs to operate as follows:
- b. In the form of gifts from legal entities and individuals;
- c. As income flowing from managing the Foundation's assets;
- d. As proceeds from public fundraising, lotteries and raffles, and cultural, social, sporting, educational and similar events, organized in compliance with the applicable regulations;
- e. As revenue streams flowing from the Foundation's equity interests in commercial companies that the Foundation may acquire, as subject to the conditions laid down in the Foundations Act;
- f. In the form of grants from Czech and international entities;
- g. As proceeds/income from the sale/lease of real estate;
- h. As proceeds from the sale of investment instruments that the Foundation may acquire, as subject to the conditions laid down in the Foundations Act;
- i. Other income in compliance with the applicable regulations.

Article 7

Use of the Foundation's assets

The Foundation's assets may only be used, in accordance with the purpose and conditions laid down in the Deed or in this Charter, as contributions granted by the Foundation [grants], for the financing of the Foundation's operations, for the meeting of the costs incurred in the management of the Foundation, for remuneration for work done for the Foundation under a contract, and for reimbursement of travel costs under the applicable regulations.

Article 8

Rules constraining the costs incurred in the management of the Foundation

Total annual costs incurred in the management of the Foundation may amount to no more than 28% of the value of the annually provided grants, based on their level as of December 31 of the same year.

Article 9

Conditions for providing grants

1. Grants can be provided to individuals/legal entities that have a residence/registered office in the Czech Republic or elsewhere.
2. Grants can be provided:
 - a. In the form of money;
 - b. In the form of specific goods or services;
 - c. In the form of arranging for specific supplies of service or things (material);
 - d. In any other form as the Board of Trustees may find suitable or useful in a particular case.
3. The Board of Trustees decides on the provision of grants on the basis of applications in writing, containing in particular the following:

- a. With respect to individuals: the applicant's name and residence and Birth Registration Number or date of birth;
 - b. With respect to legal entities: name, registered office, registration or identification number, bank details;
 - c. Detailed substantiation of the application for a grant;
 - d. The required amount of the grant;
 - e. Budget of expected expenditures;
 - f. Financial provisions envisaged by the applicants – from their own resources, sponsorship, etc.
4. The Board of Trustees can also provide a grant to an applicant who will work on a topic stated by the Board of Trustees, who has been selected in a tendering procedure.
 5. The Board of Trustees can also decide to provide grants in other cases (even without an application) at its absolute discretion.
 6. In deciding on a grant on the basis of an application or a tendering procedure, the Board of Trustees shall, within three (3) months from receiving the application for a the grant, or within three (3) months from the conclusion of the tendering procedure, notify the applicant of whether or not the grant will be provided to the applicant, and in the event of a tendering procedure, all participants in the tendering procedure shall so be notified.
 7. An overview of the grants that were provided shall be published in the Foundation's annual reports.

Article 10 **Bodies of the Foundation**

The bodies of the Foundation are as follows:

- a. The governing body: Board of Trustees
- b. The supervisory body: Supervisory Board

Article 11 **Board of Trustees**

1. The Board of Trustees is the governing body of the Foundation. The Board of Trustees manages the Foundation's assets, steers its activity, and decides on all matters of the Foundation vested in the Board of Trustees by the law. The Board of Trustees shall have three members.
2. The Foundation's Board of Trustees elects and dismisses members of the Board of Trustees. A Trustee's term in office is three years. Trustees may be reelected.
3. Only an individual of personal integrity and legal capacity may be a Trustee, and such individual, or the immediate family of such individual, may not be in an employment or similar relationship with the Foundation. The following may not be Trustees of the Foundation: individuals, and their immediate family, to whom the Foundation provides funds in pursuit of the Foundation's purpose, and members of the governing or supervisory body of a legal entity if the Foundation provides funds to such legal entity in pursuit of the Foundation's purpose.
4. When a Trustee's office terminates upon expiry of the Trustee's term in office, the Board of Trustees shall elect the next Trustee upon a motion by the founders. In such a case, the Chair of the Board of Trustees shall notify the founders of this fact in writing one month prior to the expiry of the Trustee's term in office, noting that within 30 days from the termination of the Trustee's office the founders have the right to nominate a person to be elected to the Board of Trustees. If the Board of Trustees has no Chair, the obligation under the preceding sentence passes to the other Trustees. The founders shall make the nomination in writing in a notice addressed to the Foundation and signed by at least one of the founders. If no such notice is sent within 30 days from the

day a Trustee's office terminates via expiration of his or her term, the next Trustee shall be elected by the Board of Trustees by a simple majority of the votes of the Trustees in office at that particular moment. If a Trustee's membership in the Board of Trustees terminates prior to the expiry of the Trustee's term in office, the Board of Trustees shall elect a new Trustee to the vacant position, whose term in office shall terminate on the day on which the former Trustee's term would have expired. The founders of the Foundation have the right to nominate candidates to the Board of Trustees.

5. Membership in the Board of Trustees terminates:
 - a. Upon expiry of the term in office;
 - b. Upon demise;
 - c. Upon dismissal if the Trustee no longer satisfies the conditions for membership, or if the Trustee has grossly or repeatedly breached the Foundations Act, the Deed, or the Charter of the Foundation;
 - d. Upon resignation.
6. Should a trusteeship terminate upon dismissal, the trusteeship shall terminate on the day specified in the Board of Trustees' decision. In the event of resignation, the trusteeship shall terminate on the day on which the written notice of resignation is delivered to the Board of Trustees.
7. Trustees shall elect the Chair from their ranks, and may dismiss the Chair. The Chair of the Board of Trustees convenes and presides over the Board of Trustees' meetings.
8. The Board of Trustees shall pass decisions upon the Trustees' majority vote. Trustees have equal voting rights in the Board of Trustees' decisions. The Chair has the deciding vote in the event of a tie. The Board of Trustees may also pass decisions outside a meeting (decisions passed by correspondence voting), provided that such voting takes place either in writing or via telecommunications (in particular, but without limitation, fax, telephone, and electronic mail). The voters are deemed to be present. The decision passed by correspondence voting shall be entered into the minutes at the Board of Trustees' next meeting.
9. Either the Chair of the Board of Trustees shall act and sign documents on behalf of the Foundation severally and to the full extent, or two Trustees shall act and sign documents on behalf of the Foundation. The Chair of the Board of Trustees or two Trustees jointly shall sign documents on behalf of the Foundation by attaching their signatures to the Foundation's name, which is to be written or printed above the signature(s).
10. In particular the following powers are vested exclusively in the Board of Trustees:
 - a. Issue the Charter of the Foundation and decide on changes thereto;
 - b. Approve the budget for a calendar year and changes thereto;
 - c. Approve the Foundation's annual financial statements and annual report, all of this after the Supervisory Board has given its opinion;
 - d. Decide on a project, if any, for 'national merger by acquisition', unless such is ruled out in the Deed;
 - e. Elect new members to the Board of Trustees and Supervisory Board, and decide on the dismissal of members of the Board of Trustees and Supervisory Board should such a member no longer satisfy the conditions of membership; elect the Chair of the Board of Trustees from the ranks of Trustees, and dismiss the same;
 - f. Lay down the amount of remuneration for the performance of the office of a member of the Foundation's Board of Trustees or Supervisory Board;
 - g. Decide on an increase/decrease in the endowment subject to the conditions laid down in the Foundations Act;
 - h. Approve the terms and conditions and criteria for the award of grants and decide on the form of the grants to be provided;
 - i. Issue the Foundation's internal organizational rules.

11. In addition to the Chair, a meeting of the Board of Trustees may also be convened and presided over by a Trustee authorized by the Chair. If at least one-third of the Trustees requests an extraordinary meeting of the Board of Trustees, the Chair shall convene such a meeting.
12. The Board of Trustees is quorate when a simple majority of all Trustees is present. Trustees unable to attend the meeting may deliver to the Chair their written opinion on a specified problem on the agenda.
13. The Board of Trustees shall pass decisions by a simple majority of its members' votes, with the exception of decisions on changes hereto, where all Trustees' unanimous consent is required for passing such decision.
14. Written minutes of the Board of Trustees' meetings and decisions, including those passed by correspondence voting, shall be produced and signed by the Chair (or the person presiding over the respective meeting), and by the minute taker.

Article 12

Supervisory Board

1. The supervisory body of the Foundation is the Supervisory Board of the Foundation. The Supervisory Board shall have three members.
2. The Board of Trustees elects and dismisses members of the Supervisory Board. The term in office of members of the Supervisory Board is three years. Re-election to the Supervisory Board is allowed.
3. Only an individual of personal integrity and legal capacity may serve on the Supervisory Board, and such individual, or the immediate family of such individual, may not be in an employment or similar relationship with the Foundation. The following may not serve on the Foundation's Supervisory Board: individuals, or immediate family of such individuals, who would become recipients of the funds serving to meet the Foundation's objectives and purposes during their service on the Supervisory Board. During their service on the Foundation's Supervisory Board, members of the Supervisory Board may not be members of the governing or supervisory body of any legal entity that receives grants from the Foundation.
4. The office of a Supervisory Board member is incompatible with the office of trusteeship in the Foundation or the office of a person who is authorized to act as the Foundation's representative.
5. When a Supervisory Board member's term in office expires, the Board of Trustees shall elect the next Supervisory Board member upon a motion by the founders. In such a case, the Chair of the Board of Trustees shall notify the founders of this fact in writing one month prior to the expiry of the Supervisory Board member's term in office, noting that within 30 days from the termination of the Supervisory Board member's office the founders have the right to nominate the candidate to the Supervisory Board. If the Board of Trustees has no Chair, the obligation under the preceding sentence passes to the other Trustees. The founders shall make the nomination in writing in a notice addressed to the Foundation and signed by at least one of the founders. If no such notice is sent within 30 days from the day a Supervisory Board member's office terminates by virtue via expiration of the Supervisory Board member's term in office, the next Supervisory Board member shall be elected by the Board of Trustees by a simple majority of the votes of the Trustees holding office at that particular moment. If a Supervisory Board member's membership in the Supervisory Board terminates prior to the expiry of the Supervisory Board member's term in office, the Board of Trustees shall elect a new member to the vacant position, whose term in office shall terminate on the day on which the former Supervisory Board member's term would have expired. The founders of the Foundation have the right to nominate candidates to be elected to the Supervisory Board.
6. Membership in the Supervisory Board terminates:
 - a. Upon expiry of the term in office;
 - b. Upon demise;
 - c. Upon dismissal if the Supervisory Board member no longer satisfies the conditions for membership or if the Supervisory Board member has grossly or repeatedly breached the Foundations Act, the Deed, or the Charter of the Foundation;
 - d. Upon resignation.

7. Should membership be terminated by dismissal, the membership shall terminate on the day specified in the Board of Trustees' decision. In the event of resignation, the office shall terminate on the day on which written notice of resignation is delivered to the Board of Trustees.
8. In particular, without limitation, the following specific powers are vested in the Supervisory Board:
 - a. Check adherence to the conditions applicable to the provision of grants and the accuracy of the Foundation's bookkeeping;
 - b. Review the annual financial statements and annual reports;
 - c. Ensure that the Foundation operates in compliance with generally applicable legislation, the Deed, and the Charter of the Foundation;
 - d. Notify the Board of Trustees of any identified shortcomings and present proposals to remedy such shortcomings;
 - e. At least once a year, report to the Board of Trustees on the outcomes of its supervisory activity.
9. The members of the Supervisory Board shall elect the Chair from their ranks, and may dismiss the Chair. The Chair of the Supervisory Board convenes and presides over the Supervisory Board's meetings. The Supervisory Board shall meet as needed. If a Supervisory Board member submits a request to the Chair of the Supervisory Board to hold an extraordinary meeting, the Chair shall convene such meeting.
10. Written minutes of the Supervisory Board's meetings shall be produced and signed by the Chair. The Board of Trustees shall discuss the content of minutes at its next meeting.
11. The Supervisory Board members have the right to attend the meetings of the Foundation's Board of Trustees, at which they shall be given the floor if they request. The Supervisory Board has the right to convene an extraordinary meeting of the Board of Trustees if the Foundation's interests so require, unless the Chair of the Board of Trustees does so upon the Supervisory Board's request.

Article 13

Honorary members of the Board of Trustees

1. Honorary Trustees are elected by the Board of Trustees. The number of Honorary Trustees is unlimited. Honorary Trustees are elected in perpetuity.
2. Honorary Trustees may relinquish their office by a letter of resignation. The Board of Trustees has the right to dismiss an Honorary Trustee if the Honorary Trustee acts at variance with the Foundation's purpose or if the Honorary Trustee's activities damage the Foundation's reputation. Before putting such dismissal to vote, the Board of Trustees must obtain the Supervisory Board's opinion.
3. Honorary Trustees have the right, but not the obligation, to attend all meetings of the Board of Trustees on the basis of an invitation that the Board of Trustees shall deliver to Honorary Trustees for this purpose. Honorary Trustees also have the right, but not the obligation, to consult with the Board of Trustees on steps taken by the Foundation in the pursuit of the purpose for which the Foundation has been established.
4. Honorary Trustees act in an advisory capacity and have no voting rights. They may only act on behalf of the Foundation if so authorized by the Board of Trustees under a separate power of attorney.

Article 14

Winding up, dissolution and liquidation of the Foundation

1. The Foundation will be dissolved on the day on which it is struck off the Register of Foundations. The dissolution of the Foundation is preceded by its winding up; winding up takes place either with liquidation, or without liquidation if the Foundation's assets pass, by a merger, to another foundation or endowment fund. Nor does liquidation take place if a bankruptcy petition is rejected on the grounds of lack of assets, or if the Foundation is left without any assets after the completion of bankruptcy proceedings.
2. The Foundation shall be wound up on the grounds laid down in Section 7 (2) through (5) of the Foundations Act.

3. The rules set out in generally applicable legislation shall apply to the liquidation procedure.
4. The liquidator shall be appointed by the Board of Trustees, with the exception of the winding up of the Foundation under Section 7 (2) (c) and (d) of the Foundations Act when the court appoints the liquidator. Should the Board of Trustees fail to appoint the liquidator without undue delay, the liquidator shall be appointed by the court even without a motion therefor.

Article 15

Accounts and annual reports

1. The Foundation's record-keeping and bookkeeping shall comply with the relevant generally applicable legislation.
2. The Foundation's annual financial statements shall be reviewed by an auditor.
3. The Foundation shall prepare its annual reports no later than within six months from the end of the respective calendar year.
4. The annual report shall contain detailed disclosures on all of the Foundation's activities for the past year and an assessment of these activities, including, but not limited to, the following:
 - a. Annual financial statements, constituting an appendix to the annual report; the auditor's opinion complete with substantively material information from the auditor's report;
 - b. With respect to any gifts of over CZK 10,000 provided to the Foundation, an overview of the persons who provided them; if a donor demands anonymity, their anonymity shall be maintained;
 - c. An overview of the Foundation's assets;
 - d. Disclosures on the use of the Foundation's assets;
 - e. An overview of all persons to whom the Foundation provided grants in line with the Foundation's purpose, with a value of more than CZK 10,000 (ten thousand Czech crowns), and an evaluation of whether the grants were used and in what way; if a grant was provided to an individual for health or other humanitarian purposes and the individual demands anonymity, their anonymity must be maintained;
 - f. Assessment of whether in its financial management the Foundation observes the rule that limits the costs incurred in the administration of the Foundation under Article 8 above;
 - g. Review of the key disclosures contained in the annual financial statements and the auditor's opinion complete with substantively material information from the auditor's report; the annual financial statements shall be annexed to annual reports.
5. Annual reports shall be deposited at the Foundation's registered office and shall be entered in the 'Collection of Documents' maintained by the court that keeps the respective Register within 30 days from the day of approval thereof by the Board of Trustees.

Article 16

Final provisions

This full wording of the Charter of the Foundation comes into effect upon its approval by the Foundation's Board of Trustees on May 27, 2011.