

CHARTER

Nadace THE KELLNER FAMILY FOUNDATION

Article 1

Name and registered office of the Foundation

1. The name of the Foundation is: Nadace THE KELLNER FAMILY FOUNDATION.
2. The municipality in which the registered office is situated: Prague.

Article 2

Legal status of the Foundation

1. The Foundation was established by a founding document of April 7, 2009, a deed entered into by founders Mrs. Renáta Kellnerová, born on July 4, 1967, residing at Vrané nad Vltavou, Březovská 509, postal code 252 46, and Mr. Petr Kellner, born on May 20, 1964, residing at Vrané nad Vltavou, Březovská 509, postal code 252 46.
2. Under Section 3049(2) of Act No. 89/2012, the Civil Code, as amended (hereinafter referred to as "the Civil Code") on December 10, 2015 the founders restructured the Foundation's founding document with completely new wording (hereinafter referred to as "the Deed").
3. The legal status of the Foundation is governed by the Civil Code, other generally applicable regulations, the Deed, and this Charter.
4. The Foundation is a legal entity operating in and outside the Czech Republic, and has been established in perpetuity.

Article 3

Purpose of the Foundation

The Foundation is an apolitical non-profit legal entity serving the public good as well as philanthropic 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, and by providing support in the event of natural and humanitarian disasters, and support for sports, and for cultural development, art, and the protection of cultural heritage.

Article 4

Resources of the Foundation

The Foundation shall acquire the resources it needs to operate as follows:

- a. In the form of gifts from legal entities and individuals;
- b. As income flowing from managing the Foundation's assets;
- c. As proceeds from public fundraising, lotteries and raffles, and cultural, social, sporting, educational and similar events, organized in compliance with the applicable regulations;

- d. 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 Civil Code;
- e. In the form of grants from Czech and international entities;
- f. As proceeds/income from the sale/lease of real estate;
- g. As proceeds from the sale of investment instruments that the Foundation may acquire, as subject to the conditions laid down in the Civil Code;
- h. As income from running business that constitutes a sideline activity and the proceeds from which serve solely to support the purpose of the Foundation;
- i. Other income in compliance with the applicable regulations.

Article 5

The Foundation's assets and use thereof

1. The Foundation's assets comprise the endowment and other assets of the Foundation under the Civil Code.
2. The foundation capital amounts to CZK 1,000,000 (one million Czech crowns). 'Foundation capital' means the financial expression of the endowment, which comprises the founders' contributions.
3. The Foundation shall use its assets, in line with the purpose laid down in the Deed and in this Charter and under the conditions laid down therein and herein, for providing grants, for financing its own operations in the pursuit of its purpose, and for paying the costs incurred in growing the value of the endowment and the costs of its own administration.

Article 6

Conditions for providing grants

1. Grants can be provided to individuals/legal entities that have a residence or 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 to supply specific services or material things;
 - a. 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:
 - b. With respect to individuals: the applicant's name and residence and Birth Registration Number or date of birth;
 - c. With respect to legal entities: name, registered office, registration or identification number, bank details;
 - d. Detailed substantiation of the application for a grant;
 - a. The required amount of the grant;
 - b. Budget of expected expenditures;
 - c. 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 or its Chair can also decide to provide grants in other cases (even without an application) at their absolute discretion. There is no legal entitlement to the provision of grants.

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 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 be so notified.
7. The Foundation is not allowed to provide a grant to any person who is a member of any of its bodies or who is an employee of the Foundation. The Foundation is allowed to provide grants to its founders and/or persons who are members of the founders' family and persons legally determined relatives of the founders under the conditions and in cases set out in the law.
8. Grants provided by the Foundation may only be used in keeping with the agreed conditions for the use of the grant. A person that uses the Foundation's grant contrary to such conditions shall return the grant in the period specified by the Foundation.
9. The Foundation can monitor, on an ongoing basis, whether or not the grants that it has provided are being used in accordance with the specified purpose and the conditions specified for the use of the grant. At the Foundation's request, any person that has received a grant from the Foundation shall prove the manner in which and the purpose for which the grant has been used.
10. The Foundation's internal regulations may lay down more detailed conditions for the provision of grants by the Foundation.
11. The Foundation shall keep separate accounting records of the grants that it has provided. An overview of the grants that were provided shall be published in the Foundation's annual reports in compliance with the relevant provisions of the Civil Code, with the exception of cases where the grantees request anonymity under Section 359(1) of the Civil Code.

Article 7 **Bodies of the Foundation**

The bodies of the Foundation are as follows:

- a. The Board of Trustees
- b. The Supervisory Board

Article 8 **Board of Trustees**

1. The governing body of the Foundation is its Board of Trustees that shall have three (3) members. The Board of Trustees manages the Foundation's assets, steers its activity, and decides on all matters of the Foundation in compliance with this Charter and with the Civil Code, unless this activity is reserved for the founders or the Supervisory Board of the Foundation.
2. The Foundation's Board of Trustees elects and removes members of the Board of Trustees upon a proposal of one or both of the founders. A Trustee's term in office is five years. Trustees may be reelected. Should a trusteeship terminate, the Board of Trustees shall elect a new member within three months.
3. Both individuals and legal entities can be Trustees.
4. An individual who is a member of the Foundation's Supervisory Board, is the Foundation's employee, or has evinced a lack of integrity as pertains to the Foundation's purpose, may not be a Trustee.
5. The following may not serve as Trustees: An individual and the persons who are members of the individual's family and persons legally determined relatives of the individual, and a legal entity and persons close to the legal entity, 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.

6. Trustees shall elect the Chair from their ranks, and may remove the Chair. The Chair of the Board of Trustees convenes and presides over the Board of Trustees' meetings.
7. Membership in the Board of Trustees terminates for the relevant Trustee:
 - a. Upon expiry of the Trustee's term in office;
 - b. Upon the demise of the Trustee (or upon the dissolution of the legal entity that is a Trustee);
 - c. Upon loss of the Trustee's fitness under the law to be a Trustee, on the very day on which the Trustee loses such fitness;
 - d. Upon removal from the office as Trustee, even without giving the reasons. A Trustee's office terminates on the day specified in the decision on the removal of the Trustee. However, Trustees must at all times be removed on the following grounds:
 - i. the Trustee has grossly or repeatedly breached the Deed or the Charter of the Foundation;
 - ii. the Trustee has breached the law in a manner that visibly tarnishes the Foundation's reputation;
 - e. Upon the Trustee's resignation.
8. Should a trusteeship terminate upon removal, 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.
9. 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 the set agenda of the meeting.
10. The Board of Trustees shall pass decisions upon the Trustees' majority vote. Trustees have equal voting rights in the Board of Trustees' decision-making. 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). Board of Trustee meetings can also be attended via a video or telephone conference or using some other technical means ensuring that the participants in the meeting can hear each other, can comment on each of the issues (electronically or orally) and are able to identify each other (for example, by their voice). A Trustee that votes in the above manner shall be deemed to be a Trustee attending the meeting. The decision [passed by correspondence voting] shall be entered in the minutes at the Board of Trustees' next meeting.
11. The Board of Trustees shall pass decisions upon the Trustees' majority vote, with the exception of a decision to amend this Charter, which requires affirmative votes of all Trustees.
12. 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 jointly. Signing documents for the Foundation shall be as follows: the Chair of the Board of Trustees or two Trustees jointly shall attach their signatures to the Foundation's name, which is to be written or printed above the signature(s).
13. The following powers are vested exclusively in the Foundation's Board of Trustees:
 - a. Issue the Charter of the Foundation and decide on amendments thereto;
 - b. Decide on an increase/decrease in the foundation capital;
 - c. Decide to augment the endowment;
 - d. Approve the budget for a calendar year and changes thereto;
 - e. Approve the Foundation's annual financial statements and annual reports;
 - f. Decide on the auditor;

- g. Approve the terms and conditions and criteria for the award of grants and decide on the form of the grants to be provided;
 - h. Elect and remove members of the Board of Trustees and the Supervisory Board;
 - i. Elect and remove members of other bodies, if any have been set up;
 - j. Decide on a merger of the Foundation or the winding up of the Foundation;
 - k. Decide on changing the legal form of the Foundation into an endowment fund;
 - l. Issue the Foundation's internal organizational rules.
14. In addition to the Chair of the Board of Trustees, 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 request an extraordinary meeting of the Board of Trustees, the Chair shall convene such a meeting.
15. 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 9

Supervisory Board

1. The Supervisory Board of the Foundation is the Foundation's supervisory and audit body that shall have 3 (three) members. The Foundation's Board of Trustees elects and removes members of the Supervisory Board. The term in office of a member of the Supervisory Board is five years. Reelection to the Supervisory Board is allowed. Should Supervisory Board membership terminate, the Board of Trustees shall elect a new Supervisory Board member within three months.
2. Both individuals and legal entities can serve on the Supervisory Board.
3. An individual who is, at the same time, a Trustee of the Foundation or the liquidator of the Foundation, or the Foundation's employee, or who lacks integrity in relation to the Foundation's purpose, may not serve on the Supervisory Board.
4. The following may not serve on the Foundation's Supervisory Board: An individual and the persons who are members of the individual's family and persons legally determined relatives of the individual, 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.
5. Membership in the Supervisory Board terminates for the respective member:
 - a. Upon expiry of the member's term in office;
 - b. Upon the demise of the member (or the dissolution of the legal entity that is a member of the Supervisory Board);
 - c. Upon loss of the member's fitness under the law to be a Supervisory Board member, specifically on the day on which the Supervisory Board member loses such fitness;
 - d. Upon removal from the Supervisory Board, even without giving the reasons. A Supervisory Board member's office terminates on the day specified in the decision on the removal of the member. However, Supervisory Board members must be removed at all times on the following grounds:
 - i. the member has grossly or repeatedly breached the Deed or the Charter of the Foundation;
 - ii. the member has breached the law in a manner that visibly tarnishes the Foundation's reputation;
 - e. Upon the member's resignation.

6. Should membership be terminated by removal, 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 the written notice of resignation is delivered to the Board of Trustees.
7. In particular, without limitation, the following specific powers are vested in the Foundation's Supervisory Board:
 - a. Oversee 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 extraordinary and consolidated financial statements;
 - c. Express its opinion on the Foundation's annual reports;
 - d. Oversee whether the Foundation operates in compliance with generally applicable legislation, and the Deed and the Charter of the Foundation;
 - e. Notify the Board of Trustees of any identified shortcomings and present proposals to remedy such shortcomings;
 - f. At least once a year, report to the Board of Trustees on its supervisory activity.
8. The members of the Supervisory Board shall elect a Chair from their ranks, and may remove 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 requests the Chair of the Supervisory Board to hold an extraordinary meeting, the Chair shall convene such meeting.
9. 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 nearest meeting.
10. The provisions hereof on the deliberations and decision-making of the Foundation's Board of Trustees shall apply *mutatis mutandis* to the deliberations and decision-making of the Supervisory Board.
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 so request. The Supervisory Board shall 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. Within the Supervisory Board's purview, its authorized member may consult the Foundation's documents and request explanation of various issues from the members of the Foundation's other bodies or its employees.

Article 10

Honorary 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 remove 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 prestige and reputation. Before putting such removal to vote, the Board of Trustees must obtain the Supervisory Board's prior 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 11

Winding up, dissolution and liquidation of the Foundation

1. The Foundation shall be wound up:
 - a. by a decision adopted by the Board of Trustees if the purpose for which the Foundation was established has been attained;
 - b. by a decision adopted by the Board of Trustees on a merger with another foundation as of the day specified in the merger agreement;
 - c. by a court decision to wind up the Foundation;
 - d. using another method envisaged in generally applicable legislation.
2. The Foundation is 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, through a merger, to another foundation or endowment fund.
3. In the case of winding up the Foundation with liquidation, the Board of Trustees shall appoint a liquidator, with the exception of a case where a court shall appoint a liquidator under the Civil Code. The liquidator shall realize the assets collected for liquidation to the extent as may be necessary to discharge the liabilities of the Foundation. All the remaining assets of the Foundation shall be transferred to another charitable non-governmental non-profit organization such as a foundation of an endowment fund, and solely for charitable or philanthropic purposes and on the basis of a decision of the body that had decided on the liquidation. Under the conditions and in the manner set out in the Civil Code, the Foundation may be transformed through its merger with another foundation or an endowment fund, or through changing its legal form into an endowment fund. The Foundation can be merged with another foundation or an endowment fund if the persons involved serve the same or similar cause. When the Foundation is merged with an endowment fund the Foundation shall be the acquiring entity.

Article 12

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 March 3, 2016.