

**Bylaws  
of  
Stiftung Childaid Network**

**STIFTUNG CHILDAID NETWORK**

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## BYLAWS

### **Stiftung Childaid Network**

**(hereinafter referred to as “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 significant to provide these children with better livelihoods and, in particular, access to good education and training and the start in an occupation that supports their families and themselves.

Childaid Network strives to initiate, develop, support and implement model projects that alleviate child poverty and improve their education and career opportunities. Access to good education is key to good development, good health and good lifetime income.

In doing so, it particularly 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 give children a better future. Initially, the Foundation will particularly focus on remote rural poor regions in South Asia where hardly any other aid arrives.

The Foundation initially relies on the starting capital provided by the founding couple Dr. Brigitta Cladders and Dr. Martin Kasper (hereinafter referred to as “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 pro bono commitments from companies and experts to gradually put the activities on a broader basis.

In order to achieve this, Childaid Network strives to collaborate with other foundations and non-profit organizations. It is the intention of the Foundation to network like-minded people, to pool resources and to make the best use of experience.

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

1. The name of the Foundation is "Childaid Network".
2. The Foundation is an 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 science and research, public health care and the public health system, to promote youth welfare, education, popular education and vocational training, including student aid in Germany and abroad, and to promote development cooperation. In addition, the Foundation pursues charitable purposes within the meaning of § 53 AO.
2. In particular, the non-profit purpose of the Foundation shall be achieved by the following means:
  - a. Promoting school education and vocational training as well as scholarship programs with its own courses, but above all by promoting quality in state educational institutions.
  - b. Supporting street children, refugee children, minorities and other marginalized young people, both in Germany and abroad, but primarily in the countries of South Asia.
  - c. Initiating, developing and promoting projects to alleviate poverty of local children, primarily through the promotion of basic education and vocational training.
  - d. Youth work in Germany and worldwide, for example through counseling centers, mentoring programs and promotion of activities for the holistic development of young people.
  - e. Improving access to basic medical care and healthy nutrition for children and young people by equipping and supporting health stations, vaccination campaigns and educational work.
  - f. Advisory support and assistance in the development and implementation of exemplary educational projects for needy children, in particular with the targeted use of modern pedagogical concepts, bridge courses in addition to the state education mandate, microcredits and (information) technology.

- g. Emergency aid in situations of earthquakes, pandemics or other exceptional situations.
  - h. Initiating and supporting project sponsorships of individuals, schools, companies, groups and parishes.
  - i. Public relations work on the hardships and needs of poor children, also in cooperation with other organizations.
  - j. Placement of volunteers in the projects with the specific aim of knowledge transfer and the development of local skills.
  - k. Organizing events and seminars on these topics with the aim of training, information and awareness raising.
  - l. Developing concepts and project proposals on how to most effectively promote children in developing countries.
  - m. Research and studies on the subject of education and training of children and young people in developing countries, with particular emphasis on modern information technology.
3. The charitable purpose of the Foundation is realized in particular through
- a. the financial support of aid projects for needy children, young people and their family environment worldwide who are dependent on the help of others due to their physical, mental or psychological condition or their financial situation (e.g. support of the education of disadvantaged children and young people).
  - b. the direct financial support of the persons mentioned in § 2 para. 3 a.
4. The Foundation realizes the aforementioned purposes itself. In addition, the Foundation may fulfill the aforementioned purposes through the allocation of funds in accordance with § 58 No. 1 AO.
5. An allocation of funds is also permissible for the realization of purposes other than those specified in § 2 para. 1, but may not prevail permanently.

### **§ 3 Non-Profit Status**

- 1. The Foundation exclusively and directly pursues charitable purposes as described in the section "Tax-Privileged Purposes" of the German Tax Code (hereinafter referred to as "AO") (§§ 51-68 AO).
- 2. The Foundation acts without any self-interest. It does not primarily pursue its own economic purposes.

3. The funds of the Foundation 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. The Founders and their heirs do not receive any benefits from the funds of the Foundation.
5. The Foundation shall fulfill its tasks by itself or through auxiliary third parties. The Foundation may maintain special-purpose entities (“Zweckbetriebe”) in order to achieve its statutory purposes.

#### **§ 4 Assets of the Foundation and their Administration**

1. The assets of the Foundation consist of its capital stock and the other endowed capital assets. The capital stock are the assets endowed by the Founders (§ 4 para. 2), the assets donated to the Foundation that were designated by the donor to become part of the capital stock (“Zustiftung”), and the assets designated by the Foundation as capital stock.
2. Initially, the capital stock consisted of cash in the amount of EUR 500,000 from cash contributions of the Founders.
3. The Foundation is entitled, but not obliged, to accept donations as part of the capital stock or other donations.
4. Donations to the assets of the Foundation are also permissible if they are not included in the capital stock but are intended for consumption (other endowed capital assets).
5. The nominal value of the capital stock shall be maintained undiminished and invested as profitably as possible. Reallocations of assets are permissible. Both reallocation gains and realized losses shall be placed in a reallocation reserve. A positive reallocation reserve can be added to the capital stock or used for the purpose of the Foundation as specified by the Management Board of the Foundation.
6. The income from the capital stock and the donations not accruing to the capital stock must be used to fulfill the purpose of the Foundation.
7. Reserves may be formed to the extent permitted by tax law. Within the scope of what is permissible under tax law, funds of the Foundation may be added to the capital stock.
8. Inherited contributions that are not intended by the testator to be used in the near future or to increase the capital stock may be used as required in the short, medium or long term to fulfill the purpose of the Foundation or may be added to the capital stock.
9. Expenses for the administration of the Foundation may not exceed 25% of the total income (investment income, donations and other income from operations).

10. A legal claim to receive funding from the funds of the Foundation does not exist.

## **§ 5 Governing Bodies of the Foundation, Honorary Work, Liability**

1. Governing bodies of the Foundation are
  1. The Management Board (“Vorstand”)
  2. The Foundation Council (“Stiftungsrat”)
2. The members of the governing bodies work on a volunteer basis. They may not be granted any financial benefits. They are entitled to reimbursement of the expenses incurred by them.
3. Members of the Management Board or members of the Foundation Council may not be employees of the foundation.
4. The members of the governing bodies shall only be liable for intent and gross negligence.

## **§ 6 Management Board**

1. The Management Board usually consists of three but of a minimum of two and a maximum of five persons, one of these a chairperson and their deputy.
2. The term of office of the members of the Management Board shall be three years. They remain in office until new members are elected. Reelection is permissible.
3. The Management Board shall represent the Foundation in and out of court with two of its members acting jointly.
4. For certain areas or actions, the Management Board, by unanimous decision, may grant each of its members a limited or unlimited individual power of representation and exemption from the restrictions of § 181 of the German Civil Code (BGB). The foundation supervisory authority (“Stiftungsaufsicht”) shall be informed thereof.
5. The Management Board may use a third party to perform its tasks and may also appoint one or more Managing Directors in accordance with § 7. To manage business operations, it may be assisted by employees within the financial possibilities of the Foundation.
6. In the event that members of the Management Board leave the Management Board by resignation, dismissal or death, the remaining members of the Management Board shall continue to manage the business operations of the Foundation until new members are elected.

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

1. In the event of a significant expansion of the business operations, the Management Board may appoint one or more Managing Directors who conduct the day-to-day business according to the guidelines laid down in its rules of procedure.
2. The Management Board shall grant the Managing Director legal power of representation. The Managing Director shall be responsible to the Management Board and bound by its instructions.
3. As long as no Managing Director has been appointed, the Management Board, by unanimous decision, may grant employees limited or unlimited legal power of representation for specific areas or actions.

## **§ 8 Foundation Council**

1. The Foundation Council consists of a minimum of five and up to twelve persons. The Founders jointly appoint the first Foundation Council within the first twelve months following the establishment of the Foundation.
2. The Foundation Council shall elect a chairperson and their 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.
3. Members of the Management Board cannot be members of the Foundation Council.
4. The term of office of the members of the Foundation Council is five years. They remain in office until new members are elected. Reappointment or reelection is possible.
5. A voluntary resignation as a member of the Foundation Council is possible at any time. Upon receipt of the written resignation of the member of the Foundation Council by the Management Board, the membership shall expire with immediate effect or as of the date specified.
6. During their lifetime, the Founders jointly or the surviving Founder appoint additional members of the Foundation Council up to the maximum limit or substitute members upon expiration of the term of office or in case of resignation.
7. After the death of both Founders the Foundation Council shall be completed by the election of new members.

## **§ 9 Course of Business, Adoption of Resolutions**

1. The Management Board and the Foundation Council meet at least once a year. The meetings are recorded in minutes.
2. Resolutions of the Management Board and the Foundation Council shall be adopted in meetings. Simultaneous electronic or digital communication online, by video or telephone conference or in hybrid form shall also be deemed to be a meeting. By way of exception, resolutions may also be adopted outside meetings by votes cast in writing, by telephone or electronically, or by votes cast by fax, email or a messenger service, provided that no member objects to this procedure without delay. Votes cast by telephone have to be confirmed in writing.
3. Any member of the Management Board or the Foundation Council may, at any time, request the convocation of a meeting and the inclusion of items on the agenda.
4. The meetings shall be prepared, convoked and chaired by the respective chairperson or, in case of their prevention, by their deputy. The chairperson or, in case of their prevention, their deputy, shall decide on the form of the meeting, which may be held as a face-to-face meeting, as a video or telephone conference or in hybrid form. The meeting shall be convoked with an agenda and a reasonable notice period of at least one week. In urgent cases, this period may be shortened to three days.
5. The Management Board or the Foundation Council shall constitute a quorum if the respective members have been invited or if the requirements of § 9 para. 2 sentence 3 have been met and if more than half of its members participate in the adoption of the resolution.
6. They shall pass resolutions by a simple majority of the votes cast, unless otherwise provided for in these Bylaws.
7. In the event of a tie vote in the Foundation Council, the oldest participating member of the Council shall have the casting vote. In the event of a tie vote in the Management Board, the Chairman of the Board or, in case of their prevention, their deputy, shall have the casting vote.
8. The resolution of the Foundation Council on the dissolution of the Foundation shall require the consent of three quarters of the members and may only be adopted in a face-to-face meeting. The same shall apply to the resolution on an amendment to the Bylaws pursuant to § 13 para. 2 of these Bylaws.
9. Minutes shall be taken of the resolutions of the Management Board and the Foundation Council.



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

1. The Management Board must fulfil the will of the Founders as effectively as possible within the framework of the Foundation Act and these Bylaws.
2. The Management Board shall decide on the use of the funds of the Foundation, on the acceptance of donations, the allocation to the capital stock or to other endowed capital assets intended for consumption and the reallocation of assets.
3. In particular, the Management Board is responsible for
  - a. the management of the assets of the Foundation, including the keeping of books and the preparation of the annual financial statements, including the annual report of activities and required declarations, insofar as this is not the responsibility of the Managing Director
  - b. the representation of the Foundation in public
  - c. the appointment of the Managing Director or Directors, the determination of their remuneration, and the supervision of the management
  - d. the day-to-day operational management if no Managing Director has been appointed
  - e. the resolution on amendments to the Bylaws.
4. The Management Board may adopt rules of procedure for its work, and it specifies the guidelines for the tasks of a managing director in such rules of procedure.

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

1. In particular, the Foundation Council has the following duties:
  - a. Election of the members of the Management Board and the appointment of its chairperson and their deputy as well as the dismissal of members for good cause
  - b. Election of the members of the Foundation Council after the death of the Founders
  - c. Adoption of rules of procedure for the Foundation Council, as required
  - d. Examination and approval of the annual financial statements including the balance sheet
  - e. Examination of the report on the fulfilment of the purpose of the Foundation
  - f. Discharge of the Management Board

- g. Resolution on amendments to the Bylaws or dissolution of the Foundation after the Founders left the Management Board and the Foundation Council.
2. The Foundation Council advises the Management Board on all matters. It monitors compliance with the Founders' intentions. It makes recommendations on issues of the use of funds and the raising of additional funds. It advises on principles for the selection of projects and the allocation of funds and gives support in public relations work.
3. The Management Board may deviate from the recommendations of the Foundation Council, unless otherwise stipulated in § 11 para. 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 ("Stiftungsaufsichtsbehörde") must be informed about the affairs of the Foundation at any time on request. Notifications on changes in the composition of the governing bodies of the Foundation as well as the annual financial statements including the balance sheet and the report on the use of the funds of the Foundation shall be submitted unsolicited.

## **§ 13 Amendment to Bylaws**

1. As long as one Founder is a member of the Management Board or Foundation Council, the Management Board, with their approval, may adopt amendments to the Bylaws without substantial changes of the circumstances including the purpose of the Foundation.
2. Following the resignation of the Founders from the Management Board and the Foundation Council of the Foundation, the purpose of the Foundation can only be changed in the event of a substantial change of the circumstances by a resolution of the Foundation Council. Such changes shall be proposed by the Management Board or the Foundation Council. Resolutions on amendments to the Bylaws can only be passed at a meeting by a majority of three quarters of the members of the council.
3. Changes in the organization are possible if this facilitates the fulfillment of the purpose of the Foundation.
4. The amendment to the Bylaws requires the approval of the state foundation supervisory authority.

## § 14 Dissolution

1. If it is not possible to fulfil the purpose of the Foundation, or if circumstances change in such a way that the fulfilment of the purpose of the Foundation no longer appears to make sense, the Foundation Council may decide to convert the Foundation into one that consumes its assets, to add it to or to merge it with another tax-privileged foundation or to dissolve the Foundation.
2. Such a resolution requires the consent of three quarters of the members of the Foundation Council. The Management Board shall be consulted in advance.
3. In the event of the dissolution of the Foundation or in the case the tax-privileged purposes fall away, the remaining assets of the Foundation will be transferred to one or more non-profit 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, (dated) \_\_\_\_\_, for the Founders

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Dr. Brigitta Cladders

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 3<sup>rd</sup> February 2023 of Stiftung Childaid Network, Königstein/Germany, presented to me written in German is correct and complete.

Taufkirchen/Landkreis München, 27 April 2023

Hildegard Rudolph

