

Statutes
of the Tereza Maxová Foundation to Children

Preamble

The Tereza Maxová Foundation to Children was established by the below specified founders and on 13 January 2009 it was registered in the Register of Foundations kept with the Municipal Court in Prague, in Part N, insert No. 725.

Article I

Business Name and Registered Office

1. Business name of the Foundation: Tereza Maxová Foundation to Children (hereinafter the "Foundation").
2. Registered office: Prague.
3. Foundation registration number (IČ): 285 14 319.

Article II

Founders of the Foundation

Founders of the Foundation:

⇒ Tereza Maxová

Birth No. 715831/3305

Permanently residing at Jarníkova 1880/4, 149 00 Prague 4

⇒ Žaneta Nepalová

Birth No. 695730/5520

Permanently residing at Pod novým lesem 52, 160 00 Prague 6

⇒ Terezie Sverdlinová

Birth No. 765701/5762

Permanently residing at Heřmanova 1313/32, 170 00 Prague 7

Article III

Purpose of the Foundation

The purpose of the Foundation is its overall support and help to disadvantaged and abandoned children with the aim to enable them to lead a healthy and safe life in the family environment. The Foundation's objective is to reduce the number of children brought up in institutional care in the Czech Republic, particularly based on:

1. support to the prevention of unsubstantiated taking of a child from his/her biological family,
2. support to the development of all existing and new forms of a substitute family care,
3. direct individual support to children and young people growing up outside their family environment with primary focus on investments in their education and preparation for their independent life after institutional care, and
4. financial support to all activities that contribute to the effective fulfilment of Foundation's objectives and that are in compliance with its purpose.

Article IV

Sources of Foundation Assets

1. The sources of Foundation assets are particularly financial and other means in the form of
 - a) proceeds from Foundation assets
 - b) Foundation gifts
 - c) yields from special-purpose events and public collections
 - d) proceeds from business shares in joint stock companies to the extent stipulated by law.
2. The Foundation uses its funds exclusively to fulfil its purpose and to reimburse expenses in connection with its administration.

Article V

Expenses of Foundation Administration

The total annual expenses of the Foundation in connection with its administration may not exceed 30 per cent of annually provided Foundation contributions.

Article VI

Foundation Property

1. The Foundation property consists of funds in the amount of CZK 500,000.
2. The Foundation property is deposited on a separate bank account and consists of a monetary contribution.

Article VII

Board of Directors

1. The Board of Directors has at least 3 members.
2. Members of the Board of Directors are:

Chairperson of the Board of Directors:

Tereza Maxová

Birth No. 715831/3305

Permanently residing at Jarníkova 1880/4, 149 00 Prague 4

Deputy Chairperson of the Board of Directors:

Daniel J. Rosický

Birth No. 660408/1869

Permanently residing at Na Pahoubce 1508/8, 160 00 Prague 6

Member of the Board of Directors:

Pavel Nepala

Birth No. 721015/5689

Permanently residing at Pod novým lesem 52, 160 00 Prague 6

3. Period of office of members of the Board of Directors is three years. Re-election is possible.
4. Election of new members shall be carried out by members of the Board of Directors. A member of the Board of Directors cannot propose him/herself as candidate for membership in the Board of Directors.
5. The Board of Directors shall elect the Chairperson of the Board of Directors from among its members. The Chairperson convenes and presides over meetings of the Board of Directors at least four times a year. The Chairperson shall be always obligated to convene the meeting of the Board of Directors if so required by at least one-third of members of the Board of Directors or by an auditor.
6. The Board of Directors can remove a member of the Board of Directors for reasons stipulated by

law. The Board of Directors shall have quorum if absolute majority of its members are present at the meeting.

7. The consent of two-thirds of all members of the Board of Directors shall be required for decisions of the Board of Directors regarding the merger of the Foundation, change in its Statutes and removal of a member of the Board of Directors. In other events the consent of absolute majority of members attending the meeting of the Board of Directors shall be required for decisions of the Board of Directors. Voting right of all members of the Board of Directors is equal. In the event of equality of votes the Chairperson shall have a casting vote.
8. When acting on behalf of the Foundation any member of the Board of Directors attaches his/her signature to a written or printed name of the Foundation.
9. The Board of Directors decides on matters vested with its powers by law and also on:
 - a) Foundation contributions
 - b) the conferment of membership in the Foundation's Honorary Committee
 - c) the establishment of other advisory bodies of the Foundation
 - d) the appointment of Foundation director/directors, the amount of their remuneration and the extent of their powers
 - e) the issue of Foundation's internal regulations.

Article VIII

Auditor

1. The auditor is a control body of the Foundation. The auditor is appointed by the Board of Directors. The auditor's period of office is three years, including the period of office of the first auditor. Re-appointment is possible.
2. The Foundation's auditor is:

Mgr. Pavlína Drtinová

Birth No. 675126/0934

Permanently residing at Matějská 1, 160 00 Prague 6
3. The auditor particularly
 - a) controls the compliance with the conditions stipulated for providing Foundation contributions and correctness of Foundation's bookkeeping,
 - b) reviews the Annual Financial Statement and the Annual Report,
 - c) supervises whether activities of the Foundation are in compliance with legal regulations and Foundation's Statutes,
 - d) notifies the Board of Directors of identified defects and files proposals for their removal,

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- e) at least once a year files a report with the Board of Directors regarding the results of his/her control activities.
4. The auditor shall have the right to take part in the meetings of the Board of Directors and he/she must be given floor if he/she so requires.

Article IX

Foundation's Honorary Committee

1. The Foundation establishes the Foundation's Honorary Committee from persons who have played an important role in the development of the Foundation. The Foundation's Honorary President is in the head of the Honorary Committee.
2. Members of the Honorary Committee have no obligations in connection with their membership in the Committee. The members of the Honorary Committee particularly represent the Foundation at social and charity events and with their names they support Foundation's good name and its objectives. Benefits for the Foundation arising from their membership can be seen particularly in the promotion of its good name and in participation in and assistance with the organisation of various projects.
3. Membership in the Foundation's Honorary Committee is decided by the Foundation's Board of Directors.
4. Members of the Foundation's Honorary Committee are entitled to take part in the meetings of the Board of Directors and their votes are advisory only. They must be given floor at the meeting of the Board of Directors in the event they ask for it. All recommendations from the part of the Foundation's Honorary Committee should be discussed by the Board of Directors.
5. The Honorary President of the Foundation is Tereza Maxová.
6. Membership in the Honorary Committee of the Foundation and the position of the Foundation's Honorary President do not represent an obstacle to the membership in the Foundation's Board of Directors. In the event of participation of a member of the Foundation's Honorary Committee or the Honorary President of the Foundation, who is at the same time a member of the Board of Directors, at the meeting of the Board of Directors, it is understood that he/she acts as a member of the Board of Directors.

Article X

Conditions for Foundation Contributions Providing

1. Foundation contributions are provided on the basis of the decision of the Board of Directors.

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2. The Board of Directors decides based on a request, a proposal of a member of the Board of Directors, or within a particular Foundation project.
3. Request for a Foundation contribution must be filed on a special grant request form. Requests and proposals for Foundation contributions can be filed all year round, unless provided otherwise in the Grant Rules.
4. Request for Foundation contributions shall include the purpose for which a respective Foundation contribution is requested, the amount of such contribution, and also whether there is another foundation contribution requested from any other sources for the same purpose.
5. Approved Foundation contributions are subsequently provided on the basis of an agreement between the Foundation and individual entities to which they have been granted.
6. A Foundation contribution provided as a monetary contribution shall be transferred to the account of the entity to which it has been granted, or shall be paid in cash against a receipt. Movable property shall be transferred in person to the entity to which it has been granted or to another person authorised by it.
7. The Foundation provides the so-called open and close grants. The Board of Directors shall prepare and adopt a precise granting methodology and rules, the so-called "Grant Rules".
8. There is no legal title to any Foundation contribution.

Article XI

Annual Report

1. Every year the Foundation prepares its Annual Report, always as of 30 June of a subsequent year.
2. The Foundation's Annual Report shall be kept with the Commercial Court in charge of the Commercial Register. The Annual Report shall be also available for inspection at the Foundation's registered office during its office hours.

Article XII

Final Provisions

These Statutes are made in three (3) counterparts, out of which one (1) counterpart shall be provided to the Commercial Court in charge of the Commercial Register for its filing in the Collection of Documents, and the remaining two (2) shall be filed in the Foundation documents.