

## ARTICLES OF ASSOCIATION

### PUBLICLY BENEFICIAL ASSOCIATION SUPPORTING PERSONS AFFECTED BY HOLOCAUST

#### Preamble

With the aim to continue in the tradition of Jewish associations in the Czech lands dating back to the second half of the 19th century, the below referred to founders agreed on the founding of a publicly beneficial association as follows:

#### I. Name and seat of the association:

1.1 Name of the association is: *“Publicly beneficial association supporting persons affected by Holocaust”*

1.2 Seat of the association is Prague

#### II. Purpose of the association

2.1 The association is founded for the purpose of publicly beneficial support in all aspects of and care for people affected by Holocaust with the aim to improve the quality of life of such persons especially in their elderly age, primarily supporting activities concentrating on securing care for such persons. The association is founded on voluntary basis, it is an independent non-political organization, its activities are carried out in accordance with the Art. 214 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended, and in accordance with other legislation applicable in the Czech Republic.

#### III. Activity of the association

3.1 Main activity of the association is always an activity carried out in order to fulfil the purpose of the association, primarily in the form of:

-activity in accordance with these articles of association and applicable legislation and orders of the association aimed at securing means for sufficient and good quality satisfaction of social, cultural and health needs of persons affected by Holocaust and improving the quality of the lives of such persons especially in their elderly age

- securing contractually third-party performance relating to different types of care for persons affected by Holocaust

- financial as well as other support of organizations and entities providing social and health care services to persons affected by Holocaust

#### IV. Membership in the association

4.1 First members of the association are the co-founders who agreed on the content of these articles of association and are those persons listed in the Annex to these articles of association.

A person may become a member of the association provided such person is older than 18 years of age and it expresses his/her will to become a member of the association and the will to be bound by the articles of association as of the date of his/her membership in the association.

The committee decides on accepting a new member of the association based on a written recommendation of received from two reputable persons known to the association that provided sufficient guarantee for moral integrity of the newly accepted member of the association. Membership in the association comes into existence upon the decision of the committee of the association, provided that the committee approves the new membership with at least a simple majority of all members of the committee. Members of the association are obliged to contribute to the activities of the association with an annual membership fee in the amount of the CZK 5000,- payable by 31 March of each calendar year at the latest.

Newly accepted member of the association is obliged to pay his/her first membership fee within 3 months as of his/her acceptance as a member of the association. Such membership fee is applied to the year in which his/her membership came into existence.

Already paid annual membership fees belong to the association and cannot be returned.

#### **4.2 Conditions for membership**

Member of the association must at all times meet the following criteria during his/her membership in the association:

- Member of the association must be a person without a criminal record; such person is considered someone who has not been convicted with final validity for a wilful criminal act and at the same time fulfils the conditions of impeccable integrity as per the Act on Public Beneficousness
- By way of his presentation, true, honest and honourable manner of acting, the member of the association must provide sufficient comfort that he/she will duly represent the association and fulfilment of its goals
- Member of the association must undertake in writing unconditional compliance of the articles of association and fulfilment of obligations connected with membership in the association

#### **4.3 Termination of membership in the association**

Membership in the associations terminates:

- By written notice of the member of the association on terminating his/her membership. Such notice takes effect upon its delivery to the committee of the association. A member can terminate his/her membership at the moment he/she has fulfilled all his/her obligations related to his/her membership in the association
- By death of the member
- Dissolution/termination of the association
- Decision of the committee of the association on expelling a member of the association who gravely breached the conditions of membership in the association or other provisions of the articles of association and did not remedy the situation within adequate time period despite a written notice from the association requesting him/her to undertake remedial measures. The committee of the association decides on expelling a member of the

association by a majority of all members of the committee. Within one month as of delivery of the decision on expelling a member of the association to the pertinent member, such expelled member of the association can suggest to the committee of the association that the validity of his expelling be decided upon in the general meeting of members of the association.

#### **4.4 Rights and obligations of the members**

All rights and obligations set out by these articles of association and by applicable legislation apply to all membership in the association.

Member of the association is obliged to:

- a) Comply with the articles of association and internal rules of the association, fulfil the resolutions of the bodies of the association, by honourable and reputable conducts contribute to due representation of the association and fulfilment of its goals
- b) Actively defend the interests of the association, refrain from any activity in contradiction to the interests of the association, mainly avoid any conflict of interest that would be to the detriment of the association, most importantly, a member of the association is obliged to respect and act in a way for the association to fulfil and maintain its status of public beneficousness,
- c) Actively and regularly participate in the meetings of the general meeting of members of the association and bodies of the association of he/she is a member,
- d) Duly and timely pay his/her membership fees in the set amount. A member of association may provide monetary contributions as well as in kind or other non-monetary contributions to the association in excess of the mandatory membership fee.

A member of the association has the right to:

- a) Participate in the general meeting of members of the association with the right to vote
- b) Run for office in any of the bodies of the association and be elected as a member in any of the bodies of the association
- c) Submit propositions, comments and submissions to the bodies of the association
- d) Participate in the activities of the association as per his/her abilities

Neither member of the association nor his/her relative or other close person have the right to receive any financial or other performance from the association.

Membership in the association is not for any consideration and any activity to the benefit of the association is rendered free of charge, similarly performance of any function in the bodies of the association is rendered free of charge.

#### **V. Bodies of the association**

Bodies of the association are:

- Members meeting
- Committee of the association
- Controlling committee
- Verifier

#### **5.1 Members meeting**

5.1.1 Members meeting is the supreme body of the association. The members meeting approves the most important issues pertaining of the association, primarily:

- a) approves the articles of association and changes thereto, internal rules of the association and changes thereto
- b) elects for their four-year mandate members of the committee, verifier, members of the controlling committee and recalls them. Persons close to the candidates for a function within the bodies of the association are excluded from a vote on such persons.
- c) approves the report on activity of the association for the preceding year
- d) determines and approves the plan for activities of the association, discusses and approves the proposal for economic management of the association for the following year and its budget
- e) decides on financial transactions in excess of the sum of CZK 5,000,000,- or the financial equivalent of such sum
- f) determines the amount of the membership fee and the payment terms thereof
- g) decides on termination of existence of the association and the manner of such termination of existence
- h) based on a timely submitted request of an expelled member of the association it decides on the validity of the decision of the committee on expelling such member

5.1.2 The members meeting is convened by the chairman of the association based on the needs of the association, at least once per year. The chairman of the association is obliged to convene members meeting within one month as of a written request submitted to the chairman by at least on third of the members of the association. The members meeting is convened by invitations sent to the members electronically to the e-mail address listed by the pertinent member as his/her contact address or other e-mail account identified by such member. Invitation for members meeting must be delivered to the members at least 20 days prior to the date of the members meeting. At least 10 days prior to the date of the members meeting the chairman of the association delivers to the members of the association relevant documents based on the agenda of the meeting, alternatively informs the members in the same way about the manner in which the members can acquaint themselves with the relevant documents.

5.1.3 Provided at least two thirds of the present members agree with it Matters not on the agenda of the members meeting listed in the invitation to the members meeting can be discussed, however cannot be decided upon, on such members meeting.

5.1.4 Members meeting has quorum in case majority of the association's members are present. With the exception of decisions on changes to the articles of association and termination of existence of the association resolutions are adopted by a majority vote of the members present at the time of voting. A resolution on changes to the articles of association and termination of existence of the association must be passed by a vote of majority of all members of the association effected by on the members meeting.

Each member has one vote and all votes of all members have the same strength.

In case there are not enough members at the members meeting to constitute quorum, new members meeting shall take place in a week's time at the same place and time with the same agenda, such substitute members meeting shall have quorum regardless of the number of members present. The members shall be informed about such substitute members meeting in writing in a manner and scope corresponding to the manner and scope of an invitation to be sent in accordance with Section 5.1.2 hereof.

The decisions within the scope of the members meeting can be passed also outside of the members meeting by a vote effected via e-mail. Notice to take a vote via e-mail must comprise a precise wording of the proposed resolution with the two following options to be ticked:

- I agree with the proposal without comments
- I disagree

Member of the association takes a vote by sending a response with one of the above options of for or against the proposal ticked. A response without an option ticked is an invalid vote. A vote of a member of the association is considered to be taken in case an e-mail with a ticked response is sent from an e-mail address identified by pertinent member as contact e-mail address.

Proposal of a resolution must be sent to the members of the association in the same manner as is set out for sending a notice to convene a members meeting. The proposal of a resolution must also contain a date by which an e-mail vote must be taken at the latest.

Resolution outside of members meeting can be passed by way of an e-mail vote provided a majority of members of the association vote for such resolution. Immediately after determining the results of the e-mail vote the verifier shall announce the results of the vote to all members of the association and will list the members of the association who voted also identifying how each such member voted. This list will be sent to all members of the association in a manner provided for in Section 5.1.2 hereof.

In case the proposal is not approved in the e-mail vote, the chairman can suggest an amended version of a resolution to be passed in an e-mail vote or may convene members meeting where the proposal will be voted on.

Members of the association have the right to be represented in a members meeting, the proxy must present him/herself with a written power of attorney granted by the pertinent member of the association. The details of vote through a proxy and of such authorization are set out in an internal regulation of the association.

5.1.5 The verifier takes minutes of members meeting and records resolutions passed. The correctness of the minutes is confirmed by a signature of two other members of the association who were present at the members meeting.

## **5.2 Committee of the association**

5.2.1 Statutory body of the association is a committee comprising of five members. The committee manages the activities of the association in compliance with the law and the articles of association, it decides upon the activities of the association in accordance with the resolutions of the members meeting, it is the supreme body of the association in times between members meeting. Members of the committee of the association are elected at members meeting from the members of the association for a term of four years. The elected members of the committee elect a chairman amongst themselves. The chairman represents the association towards third parties, alternatively another

authorized member of the committee or the committee collectively represent the association. In case the value of the subject matter of the legal act exceeds CZK 500 000,- the association must be represented by at least two members of the committee.

The committee has quorum in case a majority of its members are present. It passes its resolutions by a simple majority of present members of the committee, the vote of the chairman is decisive in case of deadlock on the pertinent vote. The committee meets upon invitation of the chairman at least once in two months.

Members of the committee must perform their duties honourably, to the benefit of the purposes and goals of the association and with regard to the interests of the association. The members of the committee are obliged to participate in the meetings of the committee and actively take part in the activities of the committee. The meeting of the committee is convened by its chairman as needed, at least four times a year. Meeting of the committee must be convened in case a majority of its members ask for such meeting. The committee may ask members of other bodies of the association to participate in the committee meeting, or other third parties, with the right to provide counsel.

Member of the committee may be recalled from his/her position by a resolution of the members meeting for the same reasons as are set out for the purposes of expelling a member of the association.

The committee decides primarily on:

- Accepting new members of the association
- Expelling a member of the association
- Convening a members meeting
- Accepting terms and conditions for providing or accepting donations the value of which exceeds the sum of CZK 10.000,- or an in-kind equivalent of such sum
- Sale of assets the association acquired by donation and the value of which exceeds CZK 50.000,- or an in-kind equivalent of such sum
- The terms and conditions of contracts the value of which exceeds the sum of CZK 50,000,- per year or an in-kind equivalent of such sum,
- Securing administrative and operating activities necessary for the activities of the association, for that purpose administrative support may be arranged for as necessary

5.2.2 At the end of each accounting period, the committee prepares an annual report on the economy (financial operations) of the association that comprises the following:

- a) financial statement or statement on assets and liabilities and income and expenses (in case of single entry bookkeeping)
- b) accounts of all sources of income of the association and their use for publicly beneficiary activity or further development of the association
- c) overview of costs on self-administration and wages incurred by the association including the number of employees and volunteers as of the last day of the last accounting period
- d) total annual income of all members of elected bodies of the association, including compensation of expenses, that such persons received in connection with their activities for the association, the total of all wages paid to all employees of the association and the total of all bonuses paid to the volunteers
- e) other information required by law

The first members of the committee are:

### **5.3 Chairman of the committee**

5.3.1 The chairman of the committee or another member or members of the committee/association authorised by the chairman, act on behalf of the association vis-à-vis third parties. The chairman of the association acts on behalf of the association in all matters including disposition with assets of the association in accordance with the decisions of the committee, provided that such disposition is not conferred to the sole competence of the committee or the members meeting.

5.3.2 The term of office of the chairman of the association is four years. The chairman of the association can be recalled from his office by the committee at any time.

### **5.4 Controlling committee**

5.4.1 The members meeting elects from among themselves controlling committee comprising of three members. The controlling committee is an independent supervisory body of the association. The members of the controlling committee elects from among themselves a chairman. The controlling committee has the right and obligation to supervise all activities of the association and its economy (financial operations). Members of the controlling committee have the right to participate in the meetings of the committee of the association, look into the documents of the association within the scope of the competence of the controlling committee and request explanation from members of other bodies of the association. The role of the controlling committee is to supervise that the matters of the association are managed duly and the association conducts its activities in compliance with the articles of association and law.

5.4.2 The position of a member of the controlling committee may not be performed by either of the following persons:

- a) chairman of the association or other members of the committee of the association or liquidator of the association or
- b) person close to the member of the committee
- c) person in an employment or similar relationship with the association

### **5.4.3 verifier**

The association establishes a verifier as its special body independent of other bodies of the association and answering for due conduct of its obligations to the controlling committee and the members meeting. The verifier is elected by the members meeting and is entitled to verify the minutes of meeting of the members meeting, keep records (chronicle) of the association and verify all major decisions regarding the matters of the association where the members meeting decides that such verification is necessary.

The position of a verifier may not be performed by either of the following persons:

- a) chairman of the association or other members of the committee of the association or liquidator of the association or
- b) person close to the member of the committee
- c) person in an employment or similar relationship with the association

## **VI. Management of liquidation proceeds**

In case of liquidation of the association the liquidator is obliged to transfer the liquidation proceeds to a legal entity with a registered status of public beneficousness with its goals and purposes the closest to the goals and purposes of the association.