

CONSTITUTION

Nadace Sirius (The Sirius Foundation)

Part I

Opening provisions

1.

The name and registered office of the foundation

- 1.1 The name of the foundation is as follows: Nadace Sirius (The Sirius Foundation).
1.2 The registered office of the foundation is at Thunovská 12, Praha 1.
1.3 The Company Registration Number of the foundation is as follows: 284 18 808.

2.

The purpose of the foundation

2.1 The purpose of the foundation is to broadly contribute to improving and developing the quality of children's lives. In its work the foundation endeavours to develop and apply fundamental human rights and humanitarian principles and declares its efforts to help improve the lives of children that have suffered misfortune in life. The primary interest of the promoters, and the aim of the foundation, is to achieve the purpose specified above, whereby the foundation is mainly involved in activities aimed at the following:

- (a) helping children who are unable to live without the help of others as a result of their unfavourable medical, social or family status;
- (b) helping children from problem families and children in institutional care;
- (c) helping abused and mistreated children;
- (d) helping mentally and physically handicapped children and those that have difficulty integrating into society;
- (e) the development of education and the support of talented children;
- (f) improving the quality of life of children whose parents have limited finances;
- (g) the universal positive development of the personalities of children;
- (h) supporting and promoting foundation activity, in particular foundation activity to focus on benefiting children and young people.

2.2 The foundation must do the following (among other) to achieve the purpose specified above:

- (a) gather money, material and other resources and ensure that these are used economically according to a concept, meaning broad financial and material assistance and support of such activities as conform to the aim of the foundation and which effectively achieve this;
- (b) support projects which help children;
- (c) organise social, cultural, sporting, educational and other events of general benefit;
- (d) cooperate with other benevolent societies and people who care about improving the quality of life of children;
- (e) provide one-off contributions to charitable and humanitarian aid;
- (f) provide contributions to projects which support and promote foundation activity aimed at benefiting children and young people.

3.

The provision of foundation contributions

3.1 Foundation contributions may be provided (i) to legal entities whose activities relate to activities which contribute towards achieving the aims of the foundation within the scope of the purpose of

the foundation, and (ii) to natural persons as part of the humanitarian activities or projects of the foundation.

3.2 A foundation contribution may be provided:

- (a) through the provision of cash or credit funding;
- (b) through the provision of specific items or services;
- (c) by ensuring certain supplies of services or items (material);
- (d) in any other way which the Board of Directors sees fit or purposeful in a specific case.

3.3 The Board of Directors decides on the provision of a foundation contribution to a legal entity specified in 3.1 (i) above based on announced selection procedure.

3.4 The Board of Directors of the foundation may decide to provide a foundation contribution in other cases entirely at its own discretion.

3.5 Where a decision is made on the provision of a foundation contribution based on selection procedure, the Board of Directors is obliged to inform the applicants within three (3) months of the close of selection procedure whether or not they will be provided with a foundation contribution. It stands for selection procedure that, where economical given the number of applicants, the Board of Directors will inform all participants in selection procedure of the results of the procedure; otherwise it will only inform the successful applicants.

3.6 A foundation contribution may not be provided to members of the Board of Directors or to members of the Board of Supervisors or to persons close to them or to legal entities in which a member of the Board of Directors or a member of the Board of Supervisors is the company governing body or a member of the company governing body or supervisory body.

3.7 An overview of foundation contributions provided will be published in the annual report of the foundation.

3.8 A person provided a foundation contribution by the foundation in accordance with the purpose for which the foundation was promoted is obliged to use such a contribution in accordance with the terms and conditions laid down by the foundation; otherwise he is obliged to return this foundation contribution or to provide recompense in monies within the time limit set by the foundation. A person to whom a foundation contribution is provided is obliged to prove to the foundation on request the manner in which the contribution has been used and for what purpose.

4.

The territory of the foundation's activity

4.1 The foundation carries out its activity on the territory of the Czech Republic.

4.2 If necessary for the achievement of the purpose of the foundation, the foundation may pursue its objectives outwith the territory specified in 4.1.

Part II **The property of the foundation**

5.

The capital of the foundation

5.1 The foundation's capital stands at CZK 510 000 (five hundred and ten thousand Czech crowns).

This capital consists of monies deposited in a special foundation account.

5.2 The Board of Directors may decide to increase or decrease the foundation's capital. The Board of Directors decides on how to handle the foundation's capital in accordance with the law.

5.3 The administrator of the property contributions of the promoter until the establishment of the foundation was Lenka Ťrámková, with permanent residence at Ve St ezovi kách 53, Praha 6, Postcode: 169 00, Birth Number 675126/1715.

5.4 The promoters of the foundation are:

- (a) Ji í Ťmejč, with permanent residence at Na Vini ních horách 1164/3, Praha 6, Postcode: 160 00, Birth Number 711012/1909;

(b) Petr Kellner, with permanent residence at B ezovská 509, Vrané nad Vltavou, Postcode: 252 46, Birth Number 640520/2672, and;

(c) Patrik Tká , with permanent residence at Júlová 10914/32, Bratislava - Nové Mesto, Slovak Republic, Postcode: 831 01, Birth Number 730603/6177.

6.

The foundation's sources of funding

6.1 The foundation primarily obtains funding for the execution of its purpose and the assurance of its activity from the following sources:

- (a) donations to the foundation made by legal entities and natural persons;
- (b) revenues arising from economic activity with the foundation's property;
- (c) the proceeds of public collections, lotteries, prize draws, cultural, social, sporting, educational and similar events organised in accordance with the legislation in force;
- (d) grants from domestic and foreign organisations;
- (e) income from leasing out real estate;
- (f) the donations and contributions of the promoters;
- (g) income from other activities in accordance with the legislation in force.

7.

Using the foundation's funds

7.1 The foundation's funds may only be used to achieve the purpose for which the foundation was promoted, meaning in particular:

- (a) to finance the activities of the foundation and to cover the costs relating to the administration of the foundation;
- (b) to provide foundation contributions in accordance with this Constitution;
- (c) to provide remuneration for work done for the foundation on a contractual basis;
- (d) to cover travel expenses according to the valid legislation.

7.2 The property of the foundation may not be used in pledge or as the subject-matter of any other securing of obligation.

8.

Rules for restricting the costs of the foundation

8.1 The total annual costs of the foundation relating to the administration of the foundation may not exceed 20 % of the value of foundation contributions provided annually according to their level as at 31 December of the same year.

8.2 The foundation must keep costs relating to the administration of the foundation separately from the foundation contributions provided.

Part III

The bodies and action of the foundation

9.

The bodies of the foundation

9.1 The bodies of the foundation are as follows:

- (a) the Board of Directors;
- (b) the Board of Supervisors;
- (c) the manager of the foundation.

10. The Board of Directors

10.1 The Board of Directors administers the property of the foundation, governs its activity and decides on all foundation matters entrusted to it by law. The Board of Directors is the governing body of the foundation.

10.2 The Board of Directors has the following exclusive powers:

- (a) to issue the Constitution of the foundation and decide on amendments to this Constitution;
- (b) to approve the budget for a calendar year and amendments to this;
- (c) to approve the annual financial statements and the annual report on the economic activity of the foundation following the statement of the Board of Supervisors;
- (d) to decide to merge the foundation with another foundation;
- (e) to approve the terms and conditions and the criteria for awarding foundation contributions and to decide on the form of provision of foundation contributions;
- (f) to decide to increase or decrease the foundation's capital;
- (g) to appoint and dismiss the manager of the foundation;
- (h) to determine remuneration for discharging the position of member of the Board of Directors or Board of Supervisors of the foundation;
- (i) to approve objectives for the foundation's activity for the relevant year;
- (j) to issue the internal organisation regulations of the foundation.

10.3 The Board of Directors has 5 members on the date of entry in the Register of Foundations. The term of office of the members of the Board of Directors is three years. A member of the Board of Directors may be re-elected. The number of members of the Board of Directors may not be divisible by three.

10.4 The promoters appointed the members of the first Board of Directors. The following persons were appointed the first members of the Board of Directors:

- (a) Marcel Dostal, with permanent residence at Högerova 1098/11, Praha 5 - Hlubočepy, Postcode 152 00, Birth Number 690713/5851;
- (b) Dana Lipová, with permanent residence at Hyacintová 11, Praha 10, Postcode: 106 00, Birth Number 745815/0667;
- (c) Miloslava Nováková, with permanent residence at U Studánky 250/3, Praha 7, Postcode: 170 00, Birth Number 566118//0426;
- (d) Jiří Mejstřík, with permanent residence at Na Vinohradské hoře 1164/3, Praha 6, Postcode: 160 00, Birth Number 711012/1909, and;
- (e) Vladimír Uhde, with permanent residence at Pod Hájem 297, Písek, Postcode: 250 73, Birth Number 750223/3849.

10.5 The Board of Directors itself elects further members of the Board of Directors. In the event that the position of a member of the Board of Directors expires before the passing of the term of office, the Board of Directors elects its members in accordance with the provisions of 10.7 hereunder. Where the position of a member of the Board of Directors expires with the passing of the term of office, the Board of Directors elects further members of the Board of Directors on the motion of the promoters. The chair of the Board of Directors is obliged in such cases to inform the promoters of this fact in writing one month prior to the passing of the term of office of the member of the Board of Directors and to state that the promoters are authorised to put forward the person to be elected to the Board of Directors within 30 days of the expiration of the position of the member of the Board of Directors. Where the Board of Directors is without a chair, the duty specified in the preceding sentence passes to the vice-chair and where the Board of Directors is without a vice-chair this duty passes to the other members of the Board of Directors. The promoters are obliged to make their proposal in writing in notification addressed to the foundation and signed by a minimum of an absolute majority of all promoters. In the event that no such

notification is made within 30 days of the date of expiration of the position of the member of the Board of Directors with the passing of the term of office, the Board of Directors elects a further member of the Board of Directors with an absolute majority of the members of the Board of Directors discharging a position at that time. If, however, the Board of Directors has less than two (2) members as the result of the expiration of a membership or for another reason, the court appoints new members of the Board of Directors on the motion of any of the promoters. An appointment may be made in advance, i.e. with suspended effect, but no later than 3 months in advance.

10.6 A natural person may not be a member of the Board of Directors in the following cases:

- (a) if he or a person close to him is employed at the foundation or is in other similar relations with the foundation;
- (b) if he or a person close to him is the recipient of a foundation contribution provided by the foundation;
- (c) if he is a member of the governing body or supervisory body of a legal entity which is provided a foundation contribution by the foundation.

10.7 Where the membership of a member of the Board of Directors expires prior to the passing of the term of office, the Board of Directors elects a new member to the unoccupied position. The term of office of this co-opted member passes 3 months following the date of him taking up his position.

10.8 Only a natural person without a criminal record who is qualified to perform legal acts may be a member of the Board of Directors. The position of member of the Board of Directors is incompatible with the position of member of the Board of Supervisors or with the position of manager of the foundation.

10.9 Membership of the Board of Directors expires:

- (a) with the passing of the term of office;
- (b) with death;
- (c) with dismissal;
- (d) with resignation.

In the case of dismissal, the position expires on the date specified in the dismissal. In the case of resignation, the position expires on the date on which written notice of resignation is delivered to the Board of Directors.

10.10 The Board of Directors dismisses a member of the Board of Directors (i) in the event that he no longer satisfies the conditions for membership, (ii) in the event that he is in gross breach or repeated breach of the law, the foundation charter or this foundation Constitution, (iii) in the case of his inability to discharge the position for health reasons or other reasons, including conflict of interests, (iv) in the case of damage to the prestige of the foundation or (v) if the member of the Board of Directors is lawfully convicted of a wilful crime. The Board of Directors decides on the dismissal of a member within one month of the date on which it learns of the grounds for dismissal.

10.11 The members of the Board of Directors elect a chair and vice-chair of the Board of Directors from their midst. Where the chair is absent, the duties of the chair of the Board of Directors specified hereunder pass to the vice-chair of the Board of Directors.

10.12 The chair of the Board of Directors convenes and manages the meetings of the Board of Directors. Where a member of the Board of Directors asks the chair of the Board of Directors to convene an extraordinary meeting, it is the duty of the chair to convene such a meeting within fourteen days of the date on which the request is delivered to him; otherwise the person requesting the convening of the Board of Directors is authorised to convene the Board of Directors himself.

10.13 An invitation to a meeting of the Board of Directors must contain the following:

- (a) express indication that this is an invitation to a meeting of the Board of Directors;
- (b) the place and time of the meeting of the Board of Directors;
- (c) the programme of the meeting.

10.14 An invitation to a meeting of the Board of Directors must be duly sent to the members of the Board of Directors no later than seven (7) days prior to the meeting of the Board of Directors. A meeting of the Board of Directors may, with the consent of all members of the Board of Directors, be held without a proper or duly sent invitation.

10.15 Members of the Board of Directors are obliged to participate in the activity of the Board of Directors and to duly perform the tasks imposed on them by the Board of Directors.

10.16 The Board of Directors is quorate in the presence of an absolute majority of all its members. The consent of an absolute majority of the members in attendance is required for the decision-making of the Board of Directors unless the law, the foundation charter or this Constitution provides otherwise. The voting right of the members of the Board of Directors is equal; each member of the Board of Directors has one vote. If votes are even, the vote of the chair is decisive or, in his absence, the vote of the person chairing the meeting of the Board of Directors.

10.17 The voting of the Board of Directors is public unless the Board of Directors decides otherwise, with the exception of voting on personnel matters, which is invariably secret. A member of the Board of Directors may propose for which points voting will be secret.

10.18 The Board of Directors may take decisions by voting by letter (*per rollam*). The chair of the Board of Directors or, in his absence, the vice-chair of the Board of Directors or the manager of the foundation on the instruction of the chair or vice-chair sends the matters to be decided by letter to the members of the Board of Directors of the foundation. A decision is approved on the date of delivery to the foundation of the consensual statement of that member whose statement means that the consent of an absolute majority of all members has been achieved. A decision taken by letter is signed by the chair of the Board of Directors or, in his absence, the vice-chair of the Board of Directors.

10.19 The chair of the Board of Directors informs the next meeting of the Board of Directors of the decisions taken by letter since the previous meeting of the Board of Directors. A resolution ratified by letter may, at the motion of a member of the Board of Directors, become the subject-matter of new discussion at the next meeting, with the exception of decisions through which the rights or duties of third parties are established.

10.20 Written minutes are taken regarding the meetings of the Board of Directors and the taking of decisions; such minutes are signed by the chair and a minimum of one other member of the Board of Directors.

11.

Acting on behalf of the foundation

11.1 The chair of the Board of Directors acts independently on behalf of the foundation or the vice-chair and another member of the Board of Directors jointly. Signing on behalf of the foundation is such that the chair of the Board of Directors appends his signature to the name of the foundation or the vice-chair of the Board of Directors and one member of the Board of Directors append their signatures.

12.

The Board of Supervisors

12.1 The Board of Supervisors is the supervisory body of the foundation.

12.2 The promoter appointed the first members of the Board of Supervisors. The following persons were appointed the first members of the Board of Supervisors:

(a) Radka Ťmejcová, with permanent residence at Na Vini ních horách 1382/10, Praha 6 . Dejvice, Postcode: 160 00, Birth Number 745929/0795;

(b) Gabriela Koksová, with permanent residence at P ístavní 33, Praha 7, Postcode: 170 00, Birth Number 785411/0352, and;

(c) Jan Leiner, with permanent residence at K ejpského 1526/9, Praha 4, Postcode: 149 00, Birth Number 690317/0230

12.3 The Board of Directors of the foundation elects further members of the Board of Supervisors at the motion of the promoters. The chair of the Board of Supervisors is obliged to inform the promoters one month prior to the passing of the term of office of a member of the Board of Supervisors or immediately following the expiration of the position of a member of the Board of Supervisors in a manner other than with the passing of his term of office of this fact in writing and to state that the promoters are authorised to put forward the person to be elected to the Board of Supervisors within 30 days of the expiration of the position of the member of the Board of Supervisors. Where the Board of Supervisors has no chair, the duty laid down in the preceding sentence passes to the other members of the Board of Supervisors. The promoters are obliged to make their proposal in writing in notification addressed to the foundation and signed by a minimum of an absolute majority of all promoters.

Where no such notification is made within 30 days of the date of expiration of the position of the member, the Board of Directors appoints a further member of the Board of Supervisors with an absolute majority of the members of the Board of Directors.

12.4 The Board of Supervisors primarily has the following remit:

- (a) to check compliance with the terms and conditions laid down for the provision of foundation contributions and the correctness of the accounting kept by the foundation;
- (b) to review the annual financial statements and the annual report;
- (c) to monitor whether the foundation is carrying out activity in accordance with legislation, the foundation charter and the Constitution of the foundation;
- (d) to notify the Board of Directors of any shortcomings identified and to make proposals for the elimination of such shortcomings;
- (e) to submit a report to the Board of Directors on the results of its supervisory activity a minimum of once per annum.

12.5 The Board of Supervisors has 3 members on the date of entry in the Register of Foundations.

12.6 The term of office of members of the Board of Supervisors is three years. A member of the Board of Supervisors may be re-elected.

12.7 The members of the Board of Supervisors are primarily authorised as follows in relation to the performance of the supervisory activity of the Board of Supervisors:

- (a) to examine books of accounts and other documents to concern the foundation;
- (b) to convene an extraordinary meeting of the Board of Directors if this is required in the interests of the foundation and if the chair of the Board of Directors does not do so.

12.8 Members of the Board of Supervisors are obliged to participate in the activity of the Board of Supervisors and to duly perform the tasks imposed on them by the Board of Supervisors.

12.9 Membership of the Board of Supervisors expires:

- (a) with the passing of the term of office;
- (b) with death;
- (c) with dismissal;
- (d) with resignation.

12.10 In the case of the expiration of membership by dismissal, membership expires on the date specified in the decision of the Board of Directors. In the case of resignation, the position expires on the date on which written notice of resignation is delivered to the Board of Directors. The provisions of 10.10 apply analogously to the dismissal of a member of the Board of Supervisors.

12.11 Members of the Board of Supervisors elect a chair from their midst and dismiss this chair. The chair of the Board of Supervisors convenes and manages its activities and meetings. The Board of Supervisors meets as required. Where a member of the Board of Supervisors asks the chair of the Board of Supervisors to convene an extraordinary meeting, the chair is obliged to convene such a meeting.

12.12 The Board of Supervisors is convened by:

- (a) the chair of the Board of Supervisors;
- (a) an absolute majority of the members of the Board of Supervisors;
- (c) the Board of Directors;
- (d) the manager.

12.13 The provisions of 10.13, 10.14 and 10.16 to 10.20 apply analogously to the convening, quorum and voting of the Board of Supervisors.

12.14 The position of member of the Board of Supervisors is incompatible with the position of member of the Board of Directors or with the position of manager of the foundation. The provisions of 10.8, first sentence, apply with the necessary modifications.

13.

The manager of the foundation

13.1 Where the Board of Directors decides to appoint a manager, this manager is the executive body of the foundation. If no manager is appointed, all activities of the manager are performed by the Board of Directors. The manager acts on behalf of the foundation based on general power of attorney granted to him by the Board of Directors.

13.2 The manager primarily:

- (a) is responsible for the implementation of the resolutions of the Board of Directors;
- (b) prepares the meetings of the Board of Directors;
- (c) participates in the meetings of the Board of Directors in the role of advisor;
- (d) sets the internal organisational structure of the office of the foundation;
- (e) manages, coordinates and checks the activity of the foundation in the spheres of property, economics and personnel;
- (f) submits to the Board of Directors a regular report on the economic activity of the foundation, compiles the annual financial statements for the previous year and submits to the Board of Directors a draft annual report and draft financial plan for the calendar year;
- (g) enters into and terminates contracts in accordance with the resolutions of the Board of Directors primarily in the spheres of labour law, civil law and commercial law;
- (h) prepares for the Board of Directors (or an advisory board appointed by it) the documents for selection procedure for the provision of a foundation contribution;
- (i) manages the operations office.

13.3 The manager is responsible for his activity according to generally binding legislation. An agency agreement or other similar contract is entered into between the foundation and the manager in relation to the discharge of the position of manager.

13.4 The manager of the foundation is appointed and dismissed by the Board of Directors. The term of office of the manager is not limited and re-appointment is possible.

13.5 No member of the Board of Directors or of the Board of Supervisors may be the manager. The provisions of 10.8, first sentence, apply with the necessary modifications.

Part IV

Other provisions

14.

The annual report and the accounting of the foundation

14.1 The foundation keeps books according to s. 24 of Act No. 227/1997 Sb. on Foundations and Endowment Funds, as amended (hereafter the ~~%~~Foundations and Endowment Funds Act~~+~~), and in accordance with the relevant legislation. The foundation invariably compiles financial statements for a calendar year by 30.6 of the subsequent year. The financial statements must be verified by a certified auditor.

14.2 The foundation invariably compiles an annual report for each calendar year by 30.6 of the subsequent year. The annual report must comprise the information specified in s. 25 of the Foundations and Endowment Funds Act.

15.

The dissolution and cessation of existence of the foundation

15.1 The foundation is dissolved:

- (a) on the date specified in the decision of the Board of Directors on the achievement of the purpose of the foundation following the prior consent of the Board of Supervisors;
- (b) on the date specified in the contract of merger where the Board of Directors decides to merge with another foundation;
- (c) on the date specified in the decision of the court to dissolve the foundation; otherwise on the date on which this decision comes into legal force;
- (d) with a decision on bankruptcy or the rejection of a petition for insolvency because the assets of the foundation are insufficient to cover the costs of insolvency proceedings.

15.2 The winding-up of the foundation proceeds according to s. 9 of the Foundations and Endowment Funds Act.

16.

Final provisions

16.1 Matters which are not expressly governed in this Constitution and the legal relations of the foundation are primarily governed by the Foundations and Endowment Funds Act and by other acts to amend or replace that act and by the foundation charter and by this Constitution.

16.2 The Board of Directors decides on the amendment of the Constitution with a simple majority of votes; this does not apply to the decision-making of the Board of Directors on an amendment to Part II (8) of the Constitution (the rule for restricting the costs of the foundation) and Part III (11) (acting on behalf of the foundation), when the decision of the Board of Directors requires all votes of the members of the Board of Directors.

16.3 This Constitution was ratified by the Board of Directors of the Foundation on 20.6.2008 and became effective on that same date.