

FOUNDATION CHARTER

of a public benefit corporation pursuant to Act 248/1995 Coll., on Public Benefit Corporations and the Modification of Certain Acts (hereinafter the “**Public Benefit Corporations Act**”)
(according to the amendments approved on 17. 6. 2011)
(hereinafter the “**Foundation Charter**”)

Article I.

Founder of the Corporation

Sole founder: The **Sirius Foundation**, registered office: Thunovská 12, Praha 1, PSČ: 118 00, reg. no.: 284 18 808 (hereinafter the “**Foundation**” or the “**Founder**”).

Article II.

Name, Registered Office, Duration

1. The corporation’s name is: **Obecně prospěšná společnost Sirius, o.p.s.** (Sirius Public Benefit Corporation) (hereinafter the “**Corporation**”).
2. The Corporation’s registered office is in Prague.
3. The Corporation has been founded for an indefinite period. The first financial year shall commence when the entry is made in the commercial register at the appropriate registry court and end on 31st December of that year. The following financial years shall always commence on 1st January and end on 31st December of the calendar year.

Article III.

Type of Public Benefit Services and the Conditions of their Provision

1. The Corporation’s mission is to contribute to the improvement and development of the quality of life of children who have been unfortunate in life.
2. Type of public benefit services:
 - (a) provision, support and organisation of child care activities,
 - (b) provision, support and organisation of educational services and activities,
 - (c) provision, support and organisation of social, cultural, sporting and other events that contribute to the general development of personality,

- (d) provision of information and agency services,
- (e) construction, support and running of facilities for children,
- (f) issue of non-periodical publications in accordance with Act 37/1995 Coll.,
- (g) collaboration with other physical and legal entities in providing activities within the extent of the Corporation's mission,
- (h) other activities and services supporting the Corporation's mission.

The type of public benefit services provided can be amended with the Founder's approval.

3. Conditions for the provision of individual types of public benefit services:

- (a) an interested party or an applicant for a particular service shall register with the Corporation and provide the Corporation with basic information regarding (i) itself, (ii) its attitude towards the Corporation and (iii) the particular service, project or programme carried out as part of a particular service; the individual registration requirements for individual services, programmes or projects shall be specified by the Corporation's director or the Board of Administration if it has been authorised to do so by the Director;
- (b) an interested party or an applicant for a particular service shall pay an administration charge (fee) for the service; the size of the administration charge (fee) and related price calculation, budgets or rules for setting it shall be specified by the Corporation's director or the Board of Administration if it has been authorised to do so by the Director;
- (c) the specification of the aforementioned conditions for the individual services, projects or programmes carried out as part of a particular service shall be available in advance at the Corporation's registered office and on its website;
- (d) services shall be provided under the same conditions for all physical and legal entities.

4. In addition to the public benefit services mentioned in paragraph 2 above, the Corporation may also carry out other activities - supplementary activities on the condition that a more effective use of property shall be achieved through this activity and the quality, extent and availability of the public benefit services shall not be endangered.

Article IV.

Founder of the Corporation

1. The Founder of the Corporation shall have the rights and obligations laid down in general legislation (in particular the Public Benefit Corporations Act) and this Founder Charter.
2. The Founder shall be entitled to:
 - (a) propose to the Director and the Board of Administration collaboration with other state

and non-state organisations which could help to fulfil the Corporation's public benefit goals;

- (b) request information about the activities of the Corporation's bodies;
- (c) approve amendments to the Foundation Charter;
- (d) request the necessary information and explanations from members of the Board of Administration and/or Supervisory Board;
- (e) inspect the Corporation's business, accounting and other documents;
- (f) participate in meetings of the Corporation's bodies;
- (g) appoint and remove members of the Corporation's Board of Administration and the Supervisory Board;
- (h) be informed in writing about the Supervisory Board's decision to dissolve the Corporation, at least two months before the date on which the Corporation is to be dissolved. If the Supervisory Board does not do so, the decision on the dissolution of the Corporation shall not be valid;
- (i) amend or cancel the Supervisory Board's decision to dissolve the Corporation before the Corporation is dissolved by the Supervisory Board's decision;
- (j) file a petition to the court for the dissolution of the Corporation and its subsequent liquidation for detailed reasons as laid down in the Public Benefit Corporations Act.

3. The Founder shall be obliged to:

- (a) follow the Corporation's interests, not cause it damage and behave in such a way that the aims for which the Corporation has been founded can be achieved;
- (b) ensure the Corporation's activities at least to the extent allowing its commitments to be fulfilled if the Supervisory Board's decision to dissolve the Corporation has been amended or cancelled by the Founder in accordance with paragraph 2 i) of this Article;
- (c) notify the court of a decision by which the Supervisory Board's decision to dissolve the Corporation has been amended or cancelled.

Article V.

Corporation Bodies

1. The Corporation's bodies shall be the Director, the Board of Administration and the Supervisory Board.

Article VI.

Director

1. The Director shall be the Corporation's statutory body who shall manage the Corporation's activities and act on its behalf. The Director shall be appointed and removed by the Supervisory Board.
2. The Corporation's Director shall be Kamila Badová, address: Schwarzenberská 708/4, PSČ: 158 00, ID number: 745711/2388.
3. The Director may not be a member of the Board of Administration or the Supervisory Board. However, he/she shall be entitled to participate in meetings of the Board of Administration and the Supervisory Board in an advisory capacity.
4. The Director shall perform his/her office contractually. The Director's remuneration shall be set individually in a contract between the Director and the Corporation and the Contract shall be subject to the Supervisory Board's approval.
5. The Corporation's Director shall be entitled to propose the remunerations for the members of the Supervisory Board and the Board of Administration. Each proposal by the Director to grant a remuneration to members of the Board of Administration and/or the Supervisory Board shall also contain the size of such remuneration in view of the Corporation's current financial situation so that the provision of the public benefit services according to the Public Benefit Corporations Act and the Founder Charter by the Corporation is not endangered or prevented. Each proposal by the Director to grant a remuneration to members of the Board of Administration and/or the Supervisory Board shall be subject to the Founder's approval. The Supervisory Board shall attach its statement to a proposal to grant a remuneration to members of the Board of Administration.
6. The Director shall perform his/her office with due professional care and maintain silence regarding confidential information and facts, the disclosure of which could cause the Corporation damage. In the case of doubt over whether the Director has acted with due professional care the Director must show that he/she has acted with due professional care.
7. Action concerning the Director's relationship with the Corporation shall be taken by the Board of Administration.

Article VII.

Director's Authority

1. The Director shall decide on all matters concerning the Corporation that are not entrusted by legislation or this Foundation Charter to the responsibility of the Founder, the Board of Administration or the Supervisory Board.

2. The Supervisory Board shall be entitled in the contract specified in Article VI., paragraph 4 or in another appropriate way to adjust the manner in which the Director performs his/her office with regards to the Corporation's internal matters.

Article VIII.

Board of Administration

1. The Board of Administration shall ensure that the purpose for which the Corporation has been founded is maintained and that its property is properly managed.
2. The Board of Administration shall have 3 members. The following people have been appointed members of the Board of Administration:
 - Lenka Šrámková, address: Praha 6, Ve Střešovičkách 445/53, PSČ 169 00, ID number: 675126/1715
 - Ivana Trubačová, address: Praha 4, Za Dvorem 1775/2, PSČ 142 00, ID number: 685712/1205
 - Mgr. Svatava Poulson, address: Praha 7, Přístavní 36, PSČ: 170 00, ID number: 735313/1049
3. Members of the Board of Administration shall have a three-year term of office. The post of a member of the Board of Administration may be held repeatedly. The post of a member of the Board of Administration is incompatible with the post of Director and/or a member of the Corporation's Supervisory Board.
4. The members of the Board of Administration shall elect a chairperson from among their members who shall convene and conduct meetings of the Board of Administration. The Board of Administration shall pass decisions by resolution. When making decisions all the members of the Board of Administration shall have an equal voting right. If votes are tied the chairperson of the Board of Administration shall have the deciding vote. The Board of Administration shall have a quorum if an absolute majority of its members are present and approval from the majority of the members present shall be required in order for a decision to be passed.
5. The Board of Administration shall meet at least twice a year.
6. The chairperson shall convene the Board of Administration on the request of at least two members of the Board of Administration or on the request of the Corporation's Founder.
7. Membership of the Board of Administration shall expire:

- at the end of the term of office
- on the member's death
- on the member's resignation
- on the member's suspension

8. The Founder shall decide to remove a member of the Board of Administration:
- (a) if he/she is in serious or repeated breach of the Public Benefits Act or the Foundation Charter;
 - (b) if he/she damages the Corporation's good name; or
 - (c) he/she has ceased to fulfil the conditions for membership of the Board of Administration;

within one month of learning the reasons for the removal of the member, but no later than six months after this reason occurred.

9. New members shall be appointed to the vacant positions on the Board of Administration within 60 days. After the expiry of this period in vain the court shall appoint new members of the Board of Administration on the proposal of a member of the Board of Administration or on the proposal of the Supervisory Board or a person demonstrating a legitimate interest or without a proposal.
10. Members of the Board of Administration shall perform their office with due professional care and maintain silence regarding confidential information and facts, the disclosure of which could cause the Corporation damage. In the case of doubt over whether a member of the Board of Administration has acted with due professional care that member of the Board of Administration must show that he/she has acted with due professional care. Members of the Board of Administration who have jointly caused the Corporation damage through a breach of obligation while performing their office shall be liable jointly and severally for this damage.

Article IX.

Board of Administration's Authority

1. The Board of Administration shall grant prior written approval for legal action in which the Corporation:
- (a) acquires, appropriates or encumbers an immovable asset;
 - (b) acquires or appropriates a movable asset, creates an easement or pre-emptive right to a movable asset, the cost of which is higher than the value of a small-scale public contract according to the law regulating public contracts;
 - (c) acquires or appropriates copyrights or industrial rights;

- (d) founds another legal entity and deposits monetary or non-monetary property in this legal entity.
2. The Board of Administration shall notify the Director and the Supervisory Board of its prior approval for legal action according to paragraph 1 of this Article within 7 days of such approval being issued.
 3. Legal action which, according to paragraph 1 of this Article, requires prior written approval from the Board of Administration shall be invalid without this prior approval. This action shall be considered valid unless the Founder, the Supervisory Board or whoever is affected by such action claims that the legal action is invalid.
 4. The Board of Administration shall not issue prior approval for legal action according to paragraph 1 of this Article if the fulfilment of the Corporation's tasks would be endangered by it or if it contravenes Section 4, paragraph 3 of the Public Benefit Corporations Act.
 5. The Board of Administration shall approve:
 - (a) the Corporation's budget;
 - (b) the Corporation's regular and extraordinary financial statements and annual report;
 - (c) the subject of complementary activities.
 6. The Board of Administration shall decide on:
 - (a) the dissolution of the Corporation; in its decision on the dissolution of the Corporation it shall specify a public benefit corporation, to which the remaining assets are to be transferred;
 - (b) the transfer of the Founder's rights and obligations laid down in the Public Benefit Corporation Act to another party, if the Founder expires without a legal successor.
 7. The Board of Administration may issue statutes of the Corporation which regulate the details of its activities; the Board of Administration shall approve an amendment to the statutes if they have been issued.

Article X.

Supervisory Board

1. The Supervisory Board shall be the Corporation's auditing body.

2. The Supervisory Board shall have three members. The following people have been appointed members of the Supervisory Board:
 - Martina Bártíková, address: Praha 3, Českobratrská 838/5, PSČ 130 00, ID number: 785914/0773
 - Ing. Petra Dostalová, address: Praha 5, Högerova 1098/11, PSČ 152 00, ID number: 695410/5620
 - Nikola Uhdeová, address: Přezletice, Pod Hájem 297, PSČ 250 73, ID number: 775312/3862

3. Members of the Supervisory Board shall have a three-year term of office. The post of a member of the Supervisory Board may be held repeatedly. The post of a member of the Supervisory Board is incompatible with the post of Director and/or a member of the Corporation's Board of Administration.

4. The members of the Supervisory Board shall elect a chairperson from among their members who shall convene and conduct meetings of the Supervisory Board. When making decisions all the members of the Supervisory Board shall have an equal voting right. If votes are tied the chairperson of the Supervisory Board shall have the deciding vote. The Supervisory Board shall have a quorum if an absolute majority of its members are present and approval from the majority of the members present shall be required in order for a decision to be passed.

5. The Supervisory Board shall meet at least twice a year.

6. The chairperson shall convene the Supervisory Board on the request of at least two members of the Supervisory Board or on the request of the Corporation's Founder.

7. Membership of the Supervisory Board shall expire:
 - at the end of the term of office
 - on the member's death
 - on the member's resignation
 - on the member's suspension

8. The Founder shall decide to remove a member of the Supervisory Board:
 - (d) if he/she is in serious or repeated breach of the Public Benefits Act or the Foundation Charter;
 - (e) if he/she damages the Corporation's good name; or
 - (a) he/she has ceased to fulfil the conditions for membership of the Supervisory Board;

within one month of learning the reasons for the removal of the member, but no later than six months after this reason occurred.

9. New members shall be appointed to the vacant positions on the Supervisory Board within 60 days. After the expiry of this period in vain the court shall appoint new members of the Supervisory Board on the proposal of a member of the Supervisory Board or on the proposal of the Board of Administration or a person demonstrating a legitimate interest or without a proposal.
10. Members of the Supervisory Board shall perform their office with due professional care and maintain silence regarding confidential information and facts, the disclosure of which could cause the Corporation damage. In the case of doubt over whether a member of the Supervisory Board has acted with due professional care that member of the Supervisory Board must show that he/she has acted with due professional care. Members of the Supervisory Board who have jointly caused the Corporation damage through a breach of obligation while performing their office shall be liable jointly and severally for this damage.

Article XI.

Supervisory Board's Authority

1. The Supervisory Board:
 - (a) examine the Corporation's annual financial statements and annual report;
 - (b) submit a report at least once a year to the Board of Administration on the results of its auditing activities;
 - (c) monitor that the Corporation is carrying out its activities in accordance with the law and the Corporation's Foundation Charter.
2. The Supervisory Board shall be entitled to:
 - (a) inspect accounts and other documents and check the details contained therein;
 - (b) convene an extraordinary meeting of the Board of Administration if it is in the Corporation's interests.
3. Members of the Supervisory Board shall have the right to participate in meetings of the Board of Administration and they may be allowed to speak if they request it.
4. The Supervisory Board shall warn the Director and the Board of Administration of an infringement of the law, the provisions of the Foundation Charter, wasteful practices or other faults in the Corporation's activities. The Supervisory Board may stipulate a deadline to the

Director or the Board of Administration in order to rectify the situation. If the situation is not rectified the Supervisory Board shall immediately inform the Founder of the faults that have been ascertained.

Article XII.

Annual Report on Activities and Management

1. The Corporation shall compile and publish an annual report by the deadline stipulated by the Board of Administration, but within six months of the end of the accounting period. The purpose of the report is to give information about the Corporation's activities and management.
2. The Corporation shall place the annual report in the collection of documents within 30 days of approval by the Board of Administration.
3. In its accounts the Corporation shall consistently separate costs and revenues associated with complementary activities, costs and revenues associated with public benefit services and costs and revenues not belonging to the previous groups and associated with the administration of the Corporation.
4. The Corporation shall have the regular and extraordinary financial statements verified by an auditor if:
 - (a) it receives grants or other income from the state budget, a municipal budget or from the budget of another regional body or from a state fund, the total volume of which exceeds one million CZK in the accounting period, for which the financial statements are compiled, or
 - (b) it has exceeded ten million CZK in net turnover.
5. In addition to the requirements stipulated in the Accountancy Act 563/1991 Coll., the annual report shall also contain information about:
 - (a) all activities carried out in the accounting period as part of the public benefit services and complementary activities and their evaluation;
 - (b) human resources;
 - (c) revenues broken down by source;
 - (d) the development and state of the Corporation's funds as of the balance sheet date (Section 19 of the Accountancy Act);
 - (e) the state of the Corporation's property and liabilities as of the balance sheet date and their structure;

- (f) the total volume of costs broken down by costs incurred in carrying out public benefit services, in carrying out complementary activities and for the Corporation's own activities, including the amount of costs for the Director's wage and for the remunerations from members of the Board of Administration and the Supervisory Board;
- (g) an amendment to the Foundation Charter and an amendment to the composition of the Board of Administration and the Supervisory Board and a change of Director that has occurred during the accounting period.

Article XIII.

Budget

1. The budget proposal for the calendar year shall be approved by the Corporation's Board of Administration.
2. The budget shall be divided into income and expenses associated with the provision of public benefit services and income and expenses associated with the administration of the Corporation.
3. Part of the budget shall include an estimate of income from complementary activities and a plan for its division into expenditure sections of the budget.

Article XIV.

Final Provisions

1. This Foundation Charter may only be modified in writing.
2. This Foundation Charter shall come into force on the date of the Founder's decision.