

# **Statutes of the foundation**

## **Hoffnungszeichen I Sign of Hope Stiftung**

dated 14 May 2007

amended 19 February 2009

amended 21 February 2014

## **Preamble**

The foundation Hoffnungszeichen I Sign of Hope calls for the implementation of Article 18 of the UN Universal Declaration of Human Rights, which states that “everyone is entitled to freedom of thought, conscience and religion; this right includes freedom to manifest his religion or belief, either alone or in community with others and in public or private, in teaching, practice, worship and observance”. Hoffnungszeichen provides humanitarian, material aid on a Christian basis to people at risk or in need due to disasters, especially refugees, orphans and street children. Hoffnungszeichen rejects any support for the use of violence.

## **Section 1**

### **Name, legal form and seat of the foundation**

(1) The name of the foundation is Hoffnungszeichen I Sign of Hope foundation.

(2) It is a foundation under civil law, and has its seat in Constance.

## **Section 2**

### **Purpose of the foundation**

(1) The purpose of the foundation involves

1. the demand for (and implementation of) humanitarian aid, development aid and disaster relief, as well as public health aid for people worldwide who are dependent on the help of others due to their physical, mental or psychological condition or their economic situation, and for people at risk or in need due to disasters;

2. the demand for (and implementation of) human rights work in the form of asserting the realisation of those human rights enshrined in the Universal Declaration of Human Rights of 10 December 1948 through

- a) the worldwide demand for (and implementation of) aid for those persecuted for political, racial or religious reasons, for refugees, displaced persons, victims of war, survivors of war, war-affected persons and prisoners of war, victims of criminal offences and human rights violations and people at risk in this respect,
- b) the worldwide pursuit of the idea of national reunification, the memory of persecuted people, victims of war and catastrophes,
- c) worldwide care for prisoners and ex-prisoners.

(2) The purpose shall be realised, in particular, through

1. the worldwide support of people who are dependent on the help of others as a result of their physical, mental or psychological condition or their economic situation, and of people at risk or in need as a result of disasters. These include, in particular:

- a) Refugees,
- b) Orphans and street children,
- c) Victims of human rights violations,
- d) People who are persecuted on the basis of their faith or religion,
- e) People at risk of particular poverty and inadequate health care;

2. humanitarian aid projects in the areas of nutrition, medical care, education and housing;

3. human rights work through education, legal assistance and public relations;

4. demanding the right to the free exercise of faith as a particular aspect of human rights work;

5. measures that facilitate the demand for peace that serve to examine armed conflicts, design strategies for dealing with them and options for action, in order to demand peace processes and counteract the violent settlement of conflicts;

6. public relations work to demand humanitarian support, demand peace and spread the idea of human rights;

7. raising funds to support other tax-privileged corporations that use the funds for the tax-privileged purposes mentioned in these statutes.

### **Section 3**

#### **Non-profit status**

(1) The foundation shall exclusively and directly pursue charitable and benevolent purposes within the meaning of the section “Tax-privileged purposes” of the German Tax Code (AO).

(2) The foundation shall operate selflessly. It shall not primarily pursue its own economic purposes.

(3) The foundation’s funds may only be used for the purposes set out in the statutes.

(4) No one may be favoured by expenses that are alien to the purpose of the foundation or by disproportionately high levels of remuneration.

### **Section 4**

#### **Real estate assets, use of foundation funds**

(1) At the time of its establishment, the foundation’s real estate assets consist of bank balances amounting to EUR 300,000 (in words: three hundred thousand Euros).

(2) The value of the real estate assets shall be preserved undiminished. Where economically viable, asset redeployment is permissible. In case of urgent need, the real estate assets themselves may be drawn upon in the amount of up to 5 per cent within five financial years if the Supervisory Board so decides by a majority of 2/3 of its members.

(3) The foundation may form reserves within the framework of the provisions of public utility law, and may allocate free reserves to the property assets.

(4) There is no legal entitlement to benefits from the foundation.

(5) The foundation may assume the sponsorship of foundations without legal capacity and the administration of foundations with legal capacity and the same or similar purposes.

## **Section 5**

### **Accounting, annual audit**

(1) The financial year shall begin on 1 October of each year and end after 12 months on 30 September of the following year.

(2) The foundation shall organise its accounting and the annual audit in accordance with the regulations applicable to corporations of comparable size. If the annual financial statements are to be audited by an auditor, the Supervisory Board shall issue the audit mandate. The auditor reports to the Supervisory Board on the main results of its audit.

For the purpose of the best possible management of assets, the Executive Board shall be authorised to commission third parties arising from the assets at normal market remuneration with matters of asset management, if the amount and structure of the assets so require, and if this is compatible with the foundation's performance capacity.

## **Section 6**

### **Executive bodies of the foundation**

The executive bodies of the foundation are the Supervisory Board and the Executive Board.

## **Section 7**

### **Supervisory Board**

(1) The Supervisory Board shall consist of at least three and at most seven persons. Two members of the Supervisory Board are to be delegated by the association Hoffnungszeichen I Sign of Hope e.V.; otherwise, the Supervisory Board completes itself by way of co-optation. The members of the first Supervisory Board shall be appointed by the founder.

(2) The term of office of the Chairman and the Deputy Chairman shall be four years; the term of office of the other members of the Supervisory Board shall be three years. Re-election shall be permitted.

(3) The election of the successor of a Supervisory Board member shall take place in time to allow for the participation of the retiring Supervisory Board member. If the Supervisory Board only consists of less than three members, or if a missing member is not replaced within three months, the missing members shall be appointed by the parish priest of Singen's Catholic parish with the largest number of members.

(4) Unless otherwise stated, the Supervisory Board shall decide by simple majority. In the event of a tie, the Chairman of the Supervisory Board or his deputy shall have the casting vote, but the deputy shall only have the casting vote if the Chairman is unable to attend.

(5) Members of the Executive Board and employees of the foundation and their relatives may not be members of the Supervisory Board.

(6) The Supervisory Board shall elect a Chairperson and a Deputy Chairperson from among its members.

(7) The Supervisory Board may form committees for the preparation of its meetings.

(8) The Supervisory Board may dismiss a member of the Supervisory Board with a 2/3 majority. The person concerned shall be given the opportunity to comment beforehand.

(9) In addition to the reimbursement of their necessary expenses, the members of the Supervisory Board shall be entitled to an appropriate attendance fee to be determined by the Supervisory Board. It is to be based on the compensation of honorary members of local councils of small municipalities.

## **Section 8**

### **Tasks of the Supervisory Board**

(1) The Supervisory Board shall accompany and supervise the Executive Board's management of the foundation and shall, in particular, ensure that the purpose of the foundation is fulfilled in a permanent and strategically sustainable manner.

(2) The Supervisory Board shall have an unrestricted right to information and disclosure, which it may exercise through an authorised representative.

(3) The Supervisory Board shall receive and review the accounts of the Executive Board and the copies of the minutes of Executive Board meetings.

(4) The following, in particular, shall be subject to the adoption of resolutions by the Supervisory Board

1. the appointment and dismissal of members of the Executive Board with a 3/4 majority in accordance with Section 10 (3) or Section 11 (9) of these statutes, as well as the legal relationships concerning the Executive Board;

2. the business plan drawn up by the Executive Board within the first quarter of a respective financial year, which describes a short-, medium- and long-term operational framework – including budget estimates, based on the basic strategic decisions;

3. the approval of the annual financial statements;

4. the monitoring of management practices by the Executive Board by an auditor appointed by the Supervisory Board;

5. the discharge of the members of the foundation's Executive Board;

6. the approval of the Rules of Procedure of the Executive Board; and

7. a recourse to the real estate property pursuant to Section 4 (2) of these statutes.

(5) The Chairman of the Supervisory Board together with another member of the Supervisory Board or two persons appointed by the Supervisory Board shall jointly represent the foundation vis-à-vis the Executive Board and, if the annual accounts are audited, vis-à-vis the auditor.

## **Section 9 Convening of the Supervisory Board**

(1) The Supervisory Board shall be convened in writing by its Chairperson or, if he/she is prevented from doing so, by the Deputy Chairperson as required, but at least twice per calendar year, stating the agenda.

(2) The invitation period shall be at least two weeks. It may be shortened by agreement of all members. The Supervisory Board may also be convened by at least half of its members or by the foundation's Executive Board if a reasonable period of time has elapsed since their written request for convening the meeting.

(3) The Supervisory Board shall constitute a quorum if more than half of its members are present.

(4) In the event of a tie, the Chairman shall have the casting vote; invalid votes and abstentions shall be disregarded.

(5) Minutes of the meetings shall be taken, signed by the Chairman of the meeting and the minute taker and kept with the foundation's records. Each member of the Supervisory Board of the Executive Board shall receive a copy within four weeks of the meeting.

(6) The members of the Supervisory Board shall only be liable in the event of intentional or grave negligent breach of their duties of care.

## **Section 10 Executive Board**

(1) The Executive Board shall consist of at least one and up to two persons

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(2) If a member of the Executive Board resigns during his term of office, the other member of the Executive Board shall take over his portfolio.

(3) The founder shall appoint the first Executive Board. Accordingly, a decision of the Supervisory Board with a 3/4 majority and the consent of the other Executive Board member is required for the appointment of Executive Board members. The members of the first Executive Board shall be appointed by the founder.

(4) The members of the Executive Board shall be entitled to reimbursement of their necessary expenses. An appropriate remuneration on the basis of a service contract notified to the Supervisory Board and approved by the Supervisory Board may be granted to the members of the Executive Board.



## **Section 11**

### **Tasks and convening of the Executive Board**

(1) The foundation's Executive Board shall ensure the permanent and sustainable fulfilment of the purpose of the foundation. He shall conduct the business of the foundation. The Executive Board shall be responsible for all tasks not expressly assigned to the Supervisory Board in these statutes.

(2) The members of the Executive Board are individually entitled to represent the foundation.

(3) The Executive Board shall adopt rules of procedure which shall require the approval of the Supervisory Board.

(4) The Executive Board – if it consists of two members – shall be convened in writing by its Chairperson or his/her deputy as required, but at least quarterly, stating the agenda. The invitation period is one week. It may be shortened with the consent of both members.

(5) A two-member Executive Board shall constitute a quorum if both members are present.

(6) In the event of disagreement between two members of the Executive Board, the Chairperson shall have the casting vote, unless otherwise provided for in these statutes.

(7) The minutes of the meetings shall be taken, signed by the Chairman and, if any, by the other member and kept with the records of the foundation. Each member of the Executive Board and each member of the Supervisory Board shall receive a copy within four weeks after the meeting.

(8) Both members of a two-member Executive Board must participate in the adoption of resolutions by way of written circular resolution. In this case, minutes shall be taken of the result and sent to both members of the Executive Board without delay. Each member of the Supervisory Board shall receive a copy of such minutes within four weeks of the adoption of the resolution.

(9) The members of the Executive Board shall perform their duties until they reach the statutory retirement age or until they declare their resignation to the Supervisory Board. The members of the Executive Board may be dismissed by the Supervisory Board at any time for good cause. For dismissal for cause, a decision of the Supervisory Board with a 3/4 majority and the consent of the other member of the Executive Board is required.

(10) The Executive Board may conclude employment contracts with suitable persons for the fulfilment of the purpose of the foundation and for the administration of the foundation, granting remuneration at market rates, if this is required by the size and structure of the assets and if this is compatible with the capacity of the foundation.

(11) The members of the Executive Board shall only be liable in the event of intentional or grossly negligent breach of their duties of care.

## **Section 12**

### **Amendment of the statutes**

(1) The foundation's statutes shall be amended if, in the opinion of the Supervisory Board and the Executive Board, this is necessary due to a significant change in the circumstances existing at the time of the establishment of the foundation; they may be amended if this is expedient in the interest of the performance and functioning of the foundation.

(2) The resolutions require the approval of the Executive Board and a  $\frac{3}{4}$  majority of the Supervisory Board.

## **Section 13**

### **Change of purpose, merger, dissolution**

(1) The purpose of the foundation shall be adapted to the changed circumstances if the tasks of the foundation cease to exist or their fulfilment is no longer reasonable. The amended purpose shall be as close as possible to the original purpose of the foundation. The amendment resolution shall only become effective with the approval of the competent tax authority.

(2) The foundation may be merged with another foundation to form a new foundation if the fulfilment of the foundation's purpose is now only possible in whole or in part by this means.

(3) The foundation may be dissolved if the purpose of the foundation cannot be fulfilled in the foreseeable future, and this is not possible even by adjusting the purpose of the foundation.

(4) The above measures require a 3/4 majority of the Supervisory Board and the approval of the Executive Board.

(5) In the event of the dissolution or annulment of the foundation, or in the event of the discontinuation of its tax-privileged purposes, its assets shall fall to Hoffnungszeichen I Sign of Hope e.V. subject to the condition that they be used exclusively and directly in accordance with its previous objectives and tasks as set out in Section 2 if the assets can no longer be used exclusively and directly by the Hoffnungszeichen I Sign of Hope foundation for tax-privileged purposes as set out in Section 2.