



HEDWIG AND
ROBERT SAMUEL
FOUNDATION

CONSTITUTION

HEDWIG UND ROBERT SAMUEL FOUNDATION

Approved version
by the Düsseldorf District Government
of 19.10.2010

"Give youth a chance."

Preamble

The childless couple Hedwig and Robert Samuel from Düsseldorf, Germany, decreed in their will in 1927 that the Foundation should be established in order that a large share of their fortune should be used to support destitute individuals and those who had no opportunity of otherwise enjoying a future that was worth living.

Article 1

Name, Legal Form, Registered Office and Business Year

- (1) The Foundation bears the name "Hedwig und Robert Samuel Stiftung".
- (2) It is a foundation with legal capacity under civil law.
- (3) It has its registered office at Königsallee 14 in Düsseldorf, Germany.
- (4) The business year of the Foundation is the calendar year.

Article 2

Purpose of the Foundation

- (1) The purpose of the Foundation worldwide is to support needy individuals within the meaning of section 53 of the German Fiscal Code and the subsidising of development cooperation.
- (2) The purpose of the Foundation is achieved in particular by:
 - a) the acquisition, setting-up and operation of all types of facilities serving the purposes of the Foundation, such as training and education centres, children's homes, infirmaries etc.
 - b) campaigns, educational and awareness training in the fields of upbringing, education, training and healthcare, as well as the promotion of development aid,
 - c) cash and non-cash benefits to corporations under public law and non-profit-making corporate bodies under civil law to be used for tax-privileged purposes
 - d) cash and non-cash benefits to individuals and bodies of persons in conjunction with section 53 of the German Fiscal Code.

Article 3

Non-Profit Status

- (1) The Foundation directly and exclusively pursues non-profit-making and charitable purposes within the meaning of the "Tax-Privileged Purposes" section of the German Fiscal Code.
- (2) The Foundation is a charitable organisation and does not primarily pursue its own economic purposes. The funds of the Foundation may only be used for the purposes stipulated in the Constitution.
- (3) No individual may benefit from expenditures which are not in line with the purpose of the Foundation or from disproportionately high levels of remuneration.
- (4) The Foundation fulfils its tasks itself or by means of support staff within the meaning of section 57 paragraph 1 sentence 2 of the German Fiscal Code (AO), unless it raises its own funds in accordance with section 58 no. 1 of the German Fiscal Code (AO). The Foundation is allowed to maintain non-profit organisations in order to achieve the purposes of the Foundation.

Article 4

Foundation Assets

- (1) The assets of the Foundation consist of the office and commercial building at Königsallee 14 in Düsseldorf, Germany, which is known as the "Hohenzollern-haus".
- (2) The assets of the Foundation are to be maintained permanently and undiminished and as profitably as possible. They may be redeployed for the purposes of maintaining their value or improving their earning power.
- (3) The assets of the Foundation shall accrue the financial benefits which are designated for this purpose (endowment contributions). The Foundation is permitted to accept such bequests. It may also contribute financial donations without a designated purpose based on a testamentary disposition and free reserves within the meaning of section 58 no. 7a of the German Fiscal Code (AO) to the assets of the Foundation.

Article 5

Use of Asset Returns and Financial Donations

- (1) The Foundation fulfils its tasks from the income accrued from the Foundation's assets and from donations which are not explicitly designated to be used for increasing the assets of the Foundation.
- (2) The Foundation may pay funds in part or in whole into a reserve, provided that this is necessary in order to be able to sustainably fulfil its tax-privileged purposes and provided that a specific schedule and objective exists for the appropriation of the reserve.
- (3) Within the framework of what is permitted under fiscal law, part of the annual income may be paid into a free reserve in order to maintain the value of the assets.
- (4) This Constitution shall not form the basis for any legal claim by third parties to the granting of the funding services, which can be revoked at any time.

Article 6

Bodies of the Foundation

- (1) The only body of the Foundation is the Board of Directors.
- (2) The members of the body of the Foundation have a right to the reimbursement of their outlay and expenses. For the time and commitment required by the members for the performance of their work the Board of Directors may decide to award remuneration to a reasonable level, which may also take the form of an all-inclusive amount.
- (3) The liability of the members of the body with respect to the Foundation shall be limited to intent and gross negligence.

Article 7

Board of Directors

- (1) The Board of Directors consists of three members.
- (2) The members of the Board of Directors should be family members of the founders. The degree of the relationship is not important.
- (3) The Board of Directors shall elect the Chairman and a Deputy Chairman from amongst themselves with a simple majority.
- (4) The office of a member of the Board of Directors shall come to an end upon his/her death or retirement, which is permitted at any time. Any member of the Board of Directors who has retired is to be replaced immediately.
- (5) A member who has retired from the Board of Directors is entitled to determine his/her own successor. If the member does not avail himself/herself of this right, the successor shall be appointed by the remaining members. Insofar as these are not able to agree on a successor candidate, the Chairman shall have the casting vote or - if it is the Chairman who has retired - the Deputy Chairman. Any stipulation of the successor shall only apply if it is submitted to the Board of Directors in notarially certified form before the member retires and fulfils the conditions of paragraph 2.

Article 8

Tasks of the Board of Directors

- (1) The Board of Directors shall take decisions on all fundamental matters on its own responsibility in accordance with the Constitution and shall manage the on-going business of the Foundation. It holds the position of a legal representative and represents the Foundation both in and out of court. The Board of Directors acts in a legally binding manner:
 - a) through its Chairman, or
 - b) through 2 of its members.
- (2) Within the framework of the Foundation Law and this Constitution, the Board of Directors shall fulfil the will of the founder in as effective a manner as possible. Its tasks are in particular:

- the administration of the Foundation assets,
 - the appropriation of the Foundation's funds,
 - the setting-up of a budget, the annual accounts and the activity report.
- (3) In preparation for its decisions, the implementation of its tasks and in particular the performance of on-going business, the Board of Directors may appoint a Managing Director and avail itself of the services of authorised experts.
- (4) Insofar as the Board of Directors appoints a Managing Director from its own members, he or she shall be responsible for the day-to-day business of the Foundation and the two other members of the Board of Directors shall carry out the supervisory functions of the Board of Directors.

Article 9

Decision-Making by the Board of Directors

- (1) Decisions of the Board of Directors are usually taken during meetings. The Board of Directors shall be called to a meeting by the Chairman or Deputy Chairman as required, but at least once a year, stating the agenda and complying with a period of notice of two weeks. Meetings shall also be called if this is requested by two members of the Board of Directors. If no member of the Board of Directors objects, decisions can also be taken by means of a written procedure.
- (2) A member of the Board of Directors may be represented at a meeting by another member of the Board of Directors. No member of the Board of Directors may represent more than one other member of the Board of Directors.
- (3) The Board of Directors constitutes a quorum if in response to a correct invitation at least two thirds of its members - including the Chairman or Deputy Chairman - are present or represented. Errors during the invitation process shall be ignored if all of the members are present and no one raises an objection. All members of the Board of Directors must participate in a written vote.
- (4) The Board of Directors shall take its decisions with a simple majority of the members present or the members participating in the written vote, unless the Constitution stipulates otherwise.

In the case of a tie, the Chairman - or in the absence of the Chairman the Deputy Chairman - shall have the casting vote.

- (5) The meetings are to be documented in writing and signed by all of the participating members of the Board of Directors. Their contents are to be brought to the attention of all of the members of the Board of Directors.

Article 10

Changes to the Constitution

- (1) The Board of Directors may take decisions to amend the Constitution if these do not affect the purpose of the Foundation, do not significantly modify the original structure of the Foundation or if they facilitate fulfilment of the purpose of the Foundation.
- (2) Decisions relating to changes to the Constitution can only be taken at joint meetings and require the agreement of all members of the Board of Directors.
- (3) Decisions relating to changes to the Constitution require the approval of the authority responsible for the supervision of foundations. These are to be notified together with an official opinion of the relevant fiscal authorities.

Article 11

Expansion of the Purpose, Amendment, Merger, Dissolution

- (1) The Board of Directors may stipulate a further purpose of the Foundation which is related to the original purpose and whose long-term, sustainable attainment is deemed to be ensured without jeopardising the original purpose if the assets or the income of the Foundation are only required in part for achieving the purpose of the Foundation.
- (2) The Board of Directors may decide to amend the purpose of the Foundation, merge the Foundation with another foundation or dissolve the Foundation if the purpose of the Foundation becomes impossible or the circumstances change to such an extent that the long-term, sustainable fulfilment of the purpose of the Foundation is no longer possible. The decisions may not impair the tax-privileged status of the Foundation.

- (3) Decisions on the expansion of the purpose, amendments, merger or dissolution of the Foundation may only be taken at joint meetings of the Board of Directors. The decision requires the agreement of all members of the Board of Directors.
- (4) Decisions on the expansion of the purpose, amendments, merger or dissolution of the Foundation only take effect after they have been approved by the authority responsible for the supervision of foundations. They are to be notified together with an official comment by the relevant fiscal authorities.

Article 12

One-Time Asset Transfer

Upon the dissolution or annulment of the Foundation or the discontinuation of the tax-privileged purposes, the assets of the Foundation shall be transferred to a corporation under public law or another tax-privileged corporate body for the purposes of promoting development cooperation or for benevolent purposes.

Article 13

Supervision of the Foundation

- (1) The Foundation is subject to state supervision in accordance with the Foundation Law in force in the state of North Rhine-Westphalia.
- (2) The authority responsible for the supervision of foundations is the District President in Düsseldorf.
- (3) Upon request the authority responsible for the supervision of foundations is to be informed at all times of the matters of the foundation. Notifications of changes to the constitution of the Board of Directors, as well as the annual accounts with a statement of the assets and liabilities and activity report, are to be submitted within the statutory periods without there being any requirement for these to be specifically requested.

Imprint

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