Statutes of the Centre for East European and International Studies Foundation

§ 1 Name, Registered Seat, and Fiscal Year

(1) The foundation's name shall be the Stiftung Zentrum für Osteuropa- und internationale Studien (Centre for East European and International Studies Foundation).

(2) The foundation is a non-profit foundation under civil law with legal capacity, and shall have its registered seat in Berlin.

(3) The foundation's fiscal year shall correspond to the calendar year.

§ 2 Purpose of the Foundation

(1) The purpose of the foundation shall be promotion of science and research by investigation of political and social, economic, legal and cultural developments in the countries of Eastern Europe, the Caucasus and Central Asia, as well as their international links

(2) To fulfil this purpose, the foundation shall in particular found and operate a research institute with the legal form of a German charitable limited company (gGmbH") (the "Company"), provided that sufficient funds are available for this (including compilation and auditing of its annual accounts pursuant to § 10, sentences 1 to 5), and shall pass on funds available to the Company pursuant to § 58 no. 1 Tax Code (Abgabenordnung; AO). The Company shall in particular have the tasks of conducting application-oriented basic research;

- supporting and encouraging young researchers, e.g. by awarding scholarships; the general public must be informed of the awarding of grants and the guidelines employed by the corresponding publications;
- making its knowledge available to the public in a timely manner and in a suitable form;
- cooperating with universities and other research institutes that are non-profit bodies or public corporations or institutions, in a national

and international scope.

In any case, the foundation shall make knowledge available to the public through the Company or independently of it, e.g. by setting up a website.

The foundation shall respect the freedom of science and research.

(3) The Company’s first Articles of association must essentially correspond to the draft contained in **Appendix 1** of these statutes. The foundation must ensure that the regulation principles from in §§ 2, 3, 4 and 11 of the Company’s articles of association (cf. Appendix 1) remain unchanged and that the Company is only active within its corporate purpose.

(4) The foundation must remain the controlling body of the Company pursuant to § 17 AktG at all times.

§ 3 Non-Profit Status

(1) The foundation shall serve non-profit purposes pursuant to the section on “tax-privileged purposes” in the tax code as amended from time to time exclusively and directly. The foundation’s activities shall be charitable; it does not primarily pursue its own economic purposes.

(2) The foundation’s funds purposes that are in accordance with its statutes. The foundation must not favour any person by expenses not connected to the foundation's purpose or by excessive remuneration

§ 4 The Foundation’s Assets

(1) The foundation’s assets result from its transactions.

(2) The foundation’s assets must be maintained permanent and without reduction, and must be invested in such a way that they retain their value and bring in a return on investment.

(3) The foundation’s assets shall be increased by contributions intended for this purpose (“Donations”). The foundation may accept Donations. It may also add any contributions made without specifying any purpose in a last will to its assets.

§ 5 Use of Contributions and Revenues

(1) The foundation shall fulfil its purpose

1. by using contributions, especially those from the Federal Republic of Germany, that are not donations;
2. by using revenues from the foundation's assets; and
3. by using income derived from carrying out the tasks pursuant to its statutes.

(2) No third party shall have any legal right to benefits from the Foundation or to any contributions from the foundation's funds.

§ 6 The Foundation Board

(1) The foundation shall have a foundation board, which shall act the management board pursuant to §§ 86, 26 German Civil Code (BGB).

(2) The foundation board's members shall only be liable towards the foundation in case of wilful intent or gross negligence in their actions as board members.

(3) The foundation board's members hold their offices non-gratuitously. They shall be reimbursed for reasonable expenses, provided that sufficient funds are available to cover these.

§ 7 Composition of the Foundation Board

(1) The foundation board shall comprise

1. one representative of the Federal Foreign Office of the Federal Republic of Germany and one representative of the Federal Chancellery of the Federal Republic of Germany; and
2. two members of the German Parliament (Bundestag) who shall be appointed by its Committee on Foreign Affairs (Auswärtiger Ausschuss) for the duration of the respective current parliamentary term until designation of their successors by the Committee on Foreign Affairs in the subsequent parliamentary term. Re-appointment shall be possible.

(2) The members of the foundation board according to para. 1 are to elect up to three further members, typically to be scientists, for a period of office of five years

each. The Deutsche Forschungsgemeinschaft (DFG), the German Rectors' Conference, the German Society for East European Studies, and the Academic Council of the Company (cf. § 11 of Appendix 1) may make suggestions on these. Re-appointment shall be permitted.

(3) The representatives appointed as members of the foundation board by the authorities pursuant to para. (1) 1 may be replaced by other representatives by their respective authorities at any time. The members of the German Parliament appointed pursuant to para. (1) 2 may be replaced by other members appointed by the Committee on Foreign Affairs if they leave Parliament before the end of the parliamentary term or for other factual reasons. The members additionally elected pursuant to para. (2) may be recalled by a majority decision of the foundation board if they violate the foundation's interests.

(4) The foundation board shall elect a chairperson from among its members. The representative of the Federal Foreign Office pursuant to para. (1) 1 shall be the deputy chairperson.

§ 8 Tasks of the Foundation Board, Representation of the Foundation

(1) The foundation board shall ensure that the purpose of the foundation is fulfilled in a permanent and sustainable manner. It shall conduct the foundation's business in all matters. In particular, it shall exercise the function of the foundation as shareholder of the Company and the foundation's shareholder rights.

(2) The foundation board shall represent the foundation in and out of court through its chairperson, and through the chairperson's deputy if the chairperson is prevented from discharging his/her duties. No evidence is required for prevention of the chairperson

(3) The foundation board shall pass resolutions in particular on the following matters:

1. changes to the statutes;
2. dissolution of the foundation;
3. determination of the annual accounts;
4. appointment of an auditor;

5. contracts concerning property or rights equivalent to real property;
6. contracts concerning the employment of the foundation’s staff;
7. any other contracts or transactions of the foundation for amounts exceeding 10,000 Euro;
8. exercising the foundation’s rights as shareholder of the Company.

The chairperson, or the deputy chairperson if the chairperson is prevented, shall obtain a resolution of the board for approval before representing the foundation regarding items 4 to 8, effective only in the internal relationship. Approval may also be granted generally for a group of transactions. The foundation board may declare other items as requiring approval.

§ 9 Course of Business of the Foundation Board

(1) The chairperson, or if her or she is unable to do so the deputy chairperson, shall convene the foundation board as often as required by business or when a foundation board member requests a meeting, but no less than once per year. The managing director/s and the chairperson of the scientific advisory council of the Company may be invited to attend meetings in an advisory capacity.

(2) The foundation board must be convened, at least in text form, pursuant to § 126b BGB (e.g. in particular in writing, by fax or email), including notification of the agenda for the meeting, at least two weeks in advance.

(3) If they are unable to attend, members of the foundation board may have members of their administrations represent them based on power of attorney issued at least in text form pursuant to § 7 para. 1, clause 1.

(4) The foundation board shall have a quorum when all members have been properly convened and more than half of the members, including the chairperson or deputy chairperson, are present.

(5) The foundation board shall pass its resolutions by simple majority among those in attendance, unless the statutes require otherwise. The chairperson's vote, or in case of his/her absence the deputy chairperson's vote, shall decide in case of a tie. Additionally:

1. resolutions passed pursuant to § 8 para. 3, clauses 1 and 2 shall require the approval of two thirds of the statutory members of the foundation board;
2. resolutions passed pursuant to § 8 para. 3, clause 8 shall require the approval of two thirds of the statutory members of the foundation board if they concern (i) changes to the Company's articles of association, (ii) dissolution of the Company, or (iii) a resolution pursuant to § 8 para. 6, clause 5 or clause 7 of the Company's articles of association (cf. Appendix 1);
3. resolutions passed pursuant to § 8 para. 3 must not be passed if one of the foundation board members pursuant to § 7 para. 1, clause 1 opposes them; this shall not apply to resolutions pursuant to § 8 para. 3, clause 8 where these concern approval of medium-term research planning pursuant to § 9 para. 1 of the Company's articles of association (cf. Appendix 1).

(6) Resolutions of the foundation board may be passed under waiver of the requirements for the convening and/or holding of a meeting (e.g. by means of a conference call or by exchange of letters) if all members of the foundation board agree to this. The statutes' provisions on quorum and majority requirements shall not be affected by this provision.

(7) Minutes of every meeting and every resolution passed must be kept by the chairperson or by a keeper of minutes appointed by the chairperson. Copies of the minutes shall be circulated to the foundation board members after the meeting.

(8) The foundation board shall pass its rules of procedure.

§ 10 Financial Reporting

The foundation board must compile the annual accounts for the preceding fiscal year by 31 May of each year in compliance with the principles of commercial law regarding small corporations. The foundation board may charge a professional tax consultant or accountant with this. The accounts drawn up by the foundation board must be examined by an auditor or firm of auditors. The auditing task shall be extended to preservation of the foundation's assets and use of its funds pursuant to the statutes. The annual accounts, audited pursuant to the preceding sentence and applied with the audit certificate, shall be subject to the foundation board's decision on approval and determination. They shall be submitted to the foundation supervisory authority within eight months of the end of the preceding fiscal year. If the Company permanently ceases to conduct its business or if it is liquidated, the foundation's financial reporting may be replaced by an annual financial statement drawn up as a net income statement together with a financial statement, which shall not need to be audited by an auditor as specified in the above sentence 3. The provisions from the preceding sentence shall apply accordingly in this case; the annual accounts shall, however, be drawn up and submitted to the foundation supervisory authority within four months of the end of the preceding fiscal year.

§ 11 Changes to the Statutes and the Dissolution of the Foundation

(1) Resolutions of the foundation board to change these statutes or dissolve the foundation must be approved by the foundation supervisory authority.

(2) In addition, such resolutions must be reported to the relevant tax office. A clearance certificate from the tax office must be obtained for any changes to the statutes that concern the purpose of the foundation.

(3) If the foundation is dissolved or revoked or loses its tax-privileged status, its assets shall revert to the Federal Republic of Germany, which must use those assets directly and exclusively for tax-privileged purposes.

§ 12 Transitional Regulations

The foundation board shall consist of the members specified in § 7 para. 1 until election of its first members pursuant to § 7 para. 2 and - with regard to the members pursuant to § 7 para. 1 - of the members pursuant to § 7 para. 1, clause 1 up until the appointment of the first members pursuant to § 7 para. 1, clause 2.

Berlin, 17 August 2016

For the Federal Republic of Germany

Dr. Markus Ederer

State Secretary, Federal Foreign Office