

**CHARTER
OF THE LEOPOLD KRONENBERG FOUNDATION**

**CHAPTER I
General Provisions**

§. 1

Fundacja Bankowa im. Leopolda Kronenberga, hereinafter referred to as the Foundation was established by Bank Handlowy w Warszawie S.A., hereinafter referred to as the Founder, represented by Cezary Stypułkowski, President of the Bank Management Board, pursuant to the notary deed executed before Public Notary Dariusz Wierzchucki on 14 December 1995 under file number A 3731/9. The Foundation shall operate on the basis of the provisions of the Act on Foundations and the stipulations of this Charter.

§. 2

The Foundation's registered headquarters shall be the capital city of Warsaw.

§. 3

The Foundation shall operate in the Republic of Poland. To achieve its social and economic objectives properly, it may conduct operations beyond the borders of the Republic of Poland.

§. 4

The Foundation shall hold legal persona status.

§. 5

The Foundation shall be overseen by the Minister of Finance.

CHAPTER II

The Foundation's Objectives and Operating Principles

§. 6

The Foundation's mission is to act for public benefit in education, culture and arts, protection of cultural heritage, healthcare and welfare, philanthropy, activity supporting economic development, including development of entrepreneurship, promotion and education in corporate social responsibility, promotion and organization of volunteering.

§. 7

The foundation shall achieve the objectives outlined in §. 6 through the following:

1. creating scholarship programs, providing support to educational programs improving the quality of education and providing equal educational opportunities, as well as promoting talented and exceptionally gifted children and young people,

2. supporting corporate social responsibility initiatives, including financial support to employee volunteering,
3. providing support to associations and foundations for reforming economic and entrepreneurship education in order to adapt it to the needs of market economy,
4. purchasing specialized equipment for the public good,
5. financing, on behalf of the Founder, an annual award for outstanding accomplishments in the theory of economics and finance established in 1995,
6. participating, on behalf of the Founder, in the work of other foundations and associations,
7. providing support to particularly worthy educational endeavours in the area of culture with special emphasis on music and cultural heritage,
8. providing support, in consultation with the Founder, to local and regional initiatives to the effect stated in article 6.

§. 8

1. To achieve its objectives the Foundation may cooperate with other institutions, organizations and persons. This cooperation may assume the nature of organizational support, project financing, partial or full assistance in obtaining required funds from other sources.
2. The Founder's consent is required for the Foundation to enter a partnership.

CHAPTER III

The Foundation's Assets and Income

§. 9

The Foundation's assets are comprised by the founding fund transferred by the Founder in the amount of 500,000 PLN and the financial resources, real estate and personal property acquired by the Foundation in the course of its operations.

§. 10

The Foundation is accountable for its liabilities with all its assets.

§.11

The Foundation's income shall originate from the following:

1. The Funder's grants,
2. charitable contributions, inheritances and bequests,
3. subsidies from legal persons,
4. income from collections and public events,
5. income from personal and real property,

6. bank interest income and income from other assets.

§. 12

In the event that the Foundation is named as an heir to an inheritance, the Foundation's Management Board shall submit a representation on accepting the inheritance with benefit of inventory.

CHAPTER IV

The Foundation's Bodies and Structure

§. 13

1. The Foundation's bodies are as follows:
 - 1) The Foundation's Council
 - 2) the Foundation's Management Board
 - 3) the Auditing Committee
2. Membership in the Council and the Management Board of the Foundation can not be combined.

COUNCIL

§. 14

1. The Foundation's Council, hereinafter referred to as Council, shall be comprised by five to twelve persons, including a President and two Vice Presidents, who shall be appointed and dismissed by the Founder for one year during the first term of office and for two year-term during subsequent terms of office.
2. Membership in the Council shall terminate upon the death, resignation or dismissal.
3. Council Members shall not draw a salary for their participation in the meetings. In justified instances they may receive reimbursement of the expenses incurred due to the participation.

§. 15

The powers of the Council include the following:

- 1) establishing primary avenues of the Foundation's activity and reviewing their performance,
- 2) approving annual and long-term programs drafted by the Foundation's Management Board,
- 3) expressing opinions on matters submitted to it by the Management Board
- 4) ratifying the Management Board operating bylaws,
- 5) approving the Foundation's internal organization decisions taken by the Management Board,
- 6) considering the Management Board's operating reports and presenting that evaluation to the Funder.

§. 16

1. The Council works at the meetings convened by the Council President held no less frequently than

twice in a year.

2. A Council meeting shall be valid if all its members have been notified about its venue, time and agenda.
3. Council members shall participate in Council meetings in person or via remote communication channels.
4. A representative of the Foundation's Management Board shall participate in the Council meetings to provide explanations.

§. 17

Resolutions shall be adopted by a simple majority of votes. However, the resolutions are legally binding provided one half of the members are present, including the President or one of the two Vice Presidents.

§. 18

1. Each Council Member has one vote. Resolutions are adopted by a simple majority of votes; in the event of a tie, the President's vote shall be decisive.
2. Minutes of each council meeting shall be recorded and kept.

§. 19

Invited persons may participate in Council Meetings in advisory capacity.

MANAGEMENT BOARD

§. 20

1. The Foundation's Management Board, hereinafter referred to as Management Board, shall be comprised by one to three persons and is appointed and dismissed by the Founder.
2. Membership in the Management Board shall terminate upon the death, resignation or dismissal.

§. 21

Activities of the Management Board shall be presided over by the President.

§. 22

1. The Management Board shall direct the Foundation's operations and represent it externally.
2. The Management Board shall operate according to the bylaws approved by the Council.

§. 23

The Foundation's Management Board shall:

1. represent it externally,
2. draw annual and long-term operating plans and expense budgets,
3. draw reports on the Foundation's activities,

4. manage its property,
5. accept subsidies, charitable donations, inheritances and bequests,
6. determine the Foundation's headcount and the amount of resources to remunerate its employees,
7. direct the Foundation's current operations,
8. make a motion to the Founder to amend the Charter, to merge or to liquidate the Foundation,

§. 24

1. The Management Board shall submit a written operating report, a balance sheet for the preceding year and an income and expense budget for the upcoming year to the Founder by the deadline prescribed by the Founder.
2. The budget mentioned in section 1 shall be binding after the approval by the Founder.
3. The Management Board shall submit a report to the Minister of Finance annually.

§. 25

Two Management Board Members acting in tandem or one Management Board Member acting jointly with a power-of-attorney proxy shall make representations of will on behalf of the Foundation.

§. 26

1. The Management Board President shall convene Management Board meetings at his/her initiative, on the demand of a Management Board Member or on the demand of the Founder.
2. The Founder may demand of the Management Board the review of specified matters.
3. Management Board meetings shall be presided over by the President.

§. 27

1. A Management Board meeting shall be valid under condition that all Management Board Members have been notified about its venue, date and time, and agenda.
2. Management Board Meetings shall be held as needed but no less frequently than once a month.
3. Management Board resolutions shall be adopted by a majority of votes cast in the presence of no less than one half of the number of Management Board Members. In the event of a tie, the meeting President's vote shall be decisive.
4. Minutes shall be kept of each Management Board meeting.

§. 28

The Management Board administration shall be handled by the Foundation Office whose structure and duties shall be specified by the bylaws ratified by the Management Board.

§. 29

The Founder shall specify the principle of remunerating Management Board Members.

AUDITING COMMITTEE

§. 30

1. The Auditing Committee, hereinafter referred to as the Committee, shall be comprised by one to three persons.

2. The Committee is appointed and dismissed by the Founder for one year during its first term of office and for two years in its subsequent terms of office.
3. Membership in the Auditing Committee shall terminate upon the death, resignation or dismissal.
4. Head of the Committee directs the work of the Auditing Committee.
5. Committee Members shall not draw a salary for their participation in meetings. In justified instances they may receive reimbursement of the expenses incurred due to the participation.

§. 31

1. The Committee audits the operations of the Foundation's bodies.
2. In order to discharge its functions and tasks the Committee has the right to review current operations, including in particular:
 - 1) to demand that the Foundation's bodies produce all documents and other materials concerning the Foundation's operations in any and all areas;
 - 2) to demand that the Management Board and the Foundation's employees produce reports and provide explanations;
 - 3) to audit the property and conduct financial review.
3. The Committee shall evaluate the Foundation's operating report and submit its conclusions to the Founder.

CHAPTER VI
Amending the Charter

§. 32

The Founder may alter the Foundation's objectives or its Charter at the motion, or after obtaining the opinion, of the Foundation's Council and Management Board.

CHAPTER VI
Final provisions

§. 33

Merger with another Foundation shall be effected by applying the provisions concerning the Foundation's establishment and dissolution.

§. 34

1. The decision to dissolve the Foundation shall be made by the Founder. The decision shall include a statement of the designation of the Foundation's assets upon its dissolution to non-profit aims.
2. The dissolution shall be conducted by the Management Board.

§. 35

This Charter shall come into force on the day of registering of the Foundation by the District Court for the Capital City of Warsaw.