

Charter of the Stiftung Zukunftsfähigkeit (Foundation for Sustainability)

Revision in the version of the resolution of the Executive Board and the Board of Trustees from
28/04/2014.

Preamble

The Stiftung Zukunftsfähigkeit addresses the enormous challenge of abiding by the planetary and regional ecological limits and simultaneously ensuring global justice and the protection of Human Rights.

Despite all efforts, the divide between rich and poor is growing. Some planetary boundaries have already been overstepped, others are at risk of being overstepped in the near future. People are being ostracized from their societies and their fundamental rights violated; oppression and violence are suffered. Millions are fugitives of poverty, political repression, or escalating environmental problems.

In order to sustain and even improve the livelihoods and life chances of current and future generations, we need sustainable development in a global context, i.e. in the global North and the South. The 1992 United Nations Conference on Environment and Development (UNCED) in Rio de Janeiro was a stimulus for the global guidelines and mechanisms. In the course of the reports of the International Panel on Climate Change (IPCC) since 1990, new forums for climate science have been established. All this was meant to advance the discourse on how global development in the 21st century can internationally, nationally, regionally, and locally be built on a more robust foundation. All societal forces have since been called upon to promote the breakthroughs of models that are economically viable as well as socially and ecologically compatible, while remedying harmful developments. For this, the balancing of interests and a more equitable distribution between the powerful and the weak as well as the protection of Human Rights are an indispensable precondition. To support this process, Klaus Milke as founder, together with several co-founders connected to the environmental and development organization Germanwatch, which was established in 1991, laid the groundwork for a foundation and soon thereafter founded the Stiftung Zukunftsfähigkeit. Basing their new initiative on Germanwatch's approach, that is, to demand responsible behavior of German political and economic actors, they strived to give an impetus for sustainable development and build creative and efficient networks between people. Thereby, the intertwined issues of the mutual understanding between peoples, solidarity in development cooperation, protection of Human Rights, as well as climate and environmental protection were to be promoted. These were to be the Foundation's core objectives.

The act of foundation, which had been signed on November 28, 1997, received state approval from the District Government of Cologne on January 13, 1998.

Ever since, the Foundation has applied its expertise and resources to promoting environmental viability, ecological efficiency and social justice. It mediates and provides targeted stimuli in the German and international debate on sustainability. Starting with dialogues with highly affected persons, especially in developing countries, the Foundation supports ethical and scientific debates around related demands and initiates dialogues among actors from politics, business, and civil society.

The Stiftung Zukunftsfähigkeit particularly supports the non-governmental organization Germanwatch e.V. as an actor pursuing the aims of the Foundation. As the sole partner it furthermore operates the climate protection initiative *atmosfair gGmbH*.

The Foundation offers responsible individuals, foundations, and companies sharing that vision an opportunity for visible and lasting engagement. It is being expanded as a community body that can incorporate privately motivated investments, bundle and competently utilize them for the sustainability of our society and our shared environment in Germany and beyond. Aside from donations and general endowments toward the Stiftung Zukunftsfähigkeit's capital, the establishment of sub-foundations and thematic funds shall be made possible. This allows for the development and strategic implementation of new and innovative ideas.

The Foundation considers itself as a responsible actor and driving force to promote sustainable development among other foundations and other institutions acting in the public interest.

§1 Name, Legal Form, and Fiscal Year

- (1) The Foundation bears the name "Stiftung Zukunftsfähigkeit".
- (2) It has the legal capacity of a foundation under civil law and is based in Bonn.
- (3) The fiscal year is the calendar year.

§2 Purpose

- (1) The Foundation pursues charitable purposes such as promotion of popular education, protection of the environment, intercultural understanding, as well as development cooperation by promoting and contributing to shaping a global and sustainable development, in order to improve the livelihoods and life chances of current and future generations.
- (2) The purposes of the Foundation are, inter alia, realized through:
 - Public statements and moderating the discourse between decision-makers,
 - Informational campaigns, educational activities in schools, seminars, conferences, lectures, exhibitions, and publications,
 - Developing and implementation of programs aimed at facilitating encounters and informal exchanges between people from the global North and global South, thereby contributing to permanently embedding tolerance toward other peoples and cultures,
 - Educational projects on the improvement of environmental and living conditions for people, wildlife, and plant life in terms of sustainable development
 - Acquisition and distribution of resources for the realization of charitable purposes by another tax-privileged body under civil law, or for the realization of charitable purposes by another body under civil law, primarily via financial and material support for Germanwatch e.V.
- (3) The Foundation can take action worldwide; its activities abroad, aside from the realization of its tax-privileged purposes, also serves to promote the international reputation of the Federal Republic of Germany.
- (4) The Foundation may apply an approach of "Venture Philanthropy" for the sustainable resolution of societal problems in its activities. Thereby it may engage in capacity building for charitable organizations, actively providing access to experience and networks, and impact assessments through setting targets, in order to achieve better results with its charitable activities for the management of global societal challenges.

§3 Non-Profit Status

- (1) The foundation pursues exclusively and directly charitable purposes in accordance with the provision "tax-privileged purposes" as put forth in the German Federal Tax Code (AO).
- (2) The Foundation is a charitable organisation which does not pursue profit-making purposes. It does not primarily pursue its own economic interests.
- (3) The capital resources of the Foundation may only be used for purposes in compliance with the charter.

- (4) No person that is unconnected to the purposes of the Foundation may benefit from expenditures of the Foundation or from disproportionately high compensation.
- (5) The Foundation is responsible for performing its tasks itself or through an intermediary in accordance with §57, par. 1, line 2 of the Federal Tax Code (AO), provided that the intermediary is not involved in fundraising as described in § 58 no. 1 of the Federal Tax Code.

§ 4 Assets

- (1) At the time of the Foundation's establishment, the basic assets are determined by the act of foundation. It accrues all grants intended (endowments) for this purpose.
- (2) The basic assets are to be maintained permanently and undiminished and are to be invested profitably.
- (3) Particular decisions with regard to administration and investment of the Foundation's assets, which are to achieve not only financial but also social and ecological returns in accordance with the Foundation's purpose, are at the discretion of the Executive Board. The Foundation's assets may also be used within the context of venture capital investments, especially with regard to social entrepreneurship.
- (4) The foundation's assets may be reallocated within the scope of sound economic management, especially with respect to value retention and the strengthening of earning power. Reallocated profits may be used in full or partially for the achievement of the Foundation's purpose or be attributed to redeployment funds. The latter may be liquidated for the benefit of resources or assets of the Foundation.
- (5) For the achievement of the Foundation's intended purpose, the Foundation may maintain special-purpose enterprises and administer foundations and other special-purpose assets on a fiduciary basis, which may, upon the donor's request and starting from a certain value, be linked to the donor's name and/or to a particular thematic focus within the scope of the Foundation's purposes. The Foundation may found or hold shares in operating and management companies to pursue its purpose.

§5 Resources and Reserves

- (1) The returns on the Foundation's assets and grants that do not devolve on its assets (donations) are to be used for the fulfilment of the Foundation's purpose in a timely manner.
- (2) The Foundation may allocate its resources to its reserves or its basic assets in full or partially, provided this is necessary and permissible under tax law.
- (3) There is no legal right to benefits from the Foundation based on this Charter.

§6 Bodies

- (1) The bodies of the foundation are
 - a) the Executive Board
 - b) the Board of Trustees
- (2) The members of the bodies have a right to compensation for their accrued expenses and expenditures. The Board of Trustees may decide on an adequate fixed sum as compensation for Executive Board members' time taken. Individual Executive Board members that perform managerial duties as set out in the statutes may receive an adequate remuneration following a decision of the Board of Trustees.
- (3) Members of the Board of Trustees must not at the same time be members of the Executive Board.
- (4) The members of the bodies are subject to a duty of disclosure in the event of a possible conflict of interests. This applies in particular to matters that touch upon a member's direct or close family's interests. By way of a resolution that is agreed upon by the entire body, with the exception of the member in question, which does not take part in the decision, the member in question may be excluded from the resolution on the matter.

§7 Executive Board

- (1) The Executive Board consists of three members. The Executive Board elects from among its members a chairperson and a deputy chairperson.
- (2) The Foundation's founder is appointed to the Executive Board and acts as its chairperson for life or until resignation. One member is appointed by the Executive Board Germanwatch from among its members. A proven expert in the area of sustainable development shall be a further member. Members of the Executive Board are appointed for a three-year term of office; they are appointed upon recommendation from the Executive Board by the Board of Trustees by majority of its members. Reappointments and re-nominations are permissible. The Executive Board elects from among its members a deputy chairperson.
- (3) The office term of a member of the Executive Board ends, except in the case of death,
 - a) by dismissal,
 - b) by expiry of term of office,
 - c) by reaching the age of 75,
 - d) due to resignation, which is permitted at all times. The member remains in office until a successor has been elected.
- (4) Members of the Executive Board may be dismissed for good cause by a majority of the Board of Trustees' members. They shall first be given opportunity to state their position in the matter.

§8 Rights and Duties of the Executive Board

- (1) The Executive Board administers the Foundation within the framework of the law and according to this Charter on its own responsibility and has to therein implement the will of the founder as effectively as possible. It represents the Foundation in court and out-of-court. It has the status of a legal representative and acts through the chairperson, or, should he/she be prevented from doing so, through the deputy chairperson jointly with another member of the Executive Board.
- (2) The duties of the Executive Board are in particular:
 - a. the diligent and economical administration of the assets and other resources of the Foundation;
 - b. drawing up the budget;
 - c. reaching decisions with regard to resolutions on the allocation of resources;
 - d. preparation of the annual financial statement with a balance sheet, and a report on the fulfilment of the purpose of the Foundation;
 - e. the appointment of an auditor.
- (3) In preparation for its resolutions and for the performance of its duties, the Executive Board may consult a full-time management board and experts.

§ 9 Course of Business of the Executive Board

- (1) As a matter of principle, resolutions of the Executive Board are to be made in meetings. In exceptional cases and provided every member of the Executive Board have expressed their consent with this procedure, decisions may be brought about via telephone, electronic circulation or video conferences. The chairperson, or in case of him/her being prevented, the first deputy chairperson, will record resolutions without delay and will distribute them to the other Executive Board members alongside with the invitation to the next Executive Board meeting. Executive Board meetings should be held every three months but at least once in every six months.
- (2) The invitation to an Executive Board meeting has to be occur in written form, indicating the meeting's agenda. Eight days must lie in between the day of dispatch and the day of the meeting, not including the day of dispatch and the day of the meeting itself.
- (3) Executive Board meetings are not public. Guests may be admitted after obtaining the consent of the Executive Board members present.
- (4) An Executive Board member may appoint a representative for a meeting. No Executive Board member may represent more than two votes in total.

- (5) The Executive Board has a quorum, as soon as more than half of its members are present, participating or represented.
- (6) Provided the Charter does not stipulate otherwise, resolutions are adopted with a simple majority of the participating votes. In case of a tie vote, the vote of the chairperson is decisive, or in case of being prevented, the vote of the deputy chairperson.
- (7) Minutes have to be taken during Executive Board meetings, which are to be undersigned by the chairperson.
- (8) The Executive Board may establish its own rules of procedure.

§ 10 Board of Trustees

- (1) The Board of Trustees is comprised of at least five and at most nine members.
- (2) Membership of the Board of Trustees ends, except in the case of death,
 - a) by resignation, which may be announced to the Foundation at any time against acknowledgement of receipt;
 - b) by dismissal;
 - c) by expiration of the three-year term of office after the appointment.
- (3) Upon the departure of a member, the Board of Trustees appoints a successor by a majority of its members and upon recommendation from the Executive Board. Reappointment is possible.
- (4) A dismissal may be enacted with the consent of two-thirds of the Board of Trustees' members. The member in question is excluded from the vote but first has to be given opportunity to state his or her position in the matter.
- (5) The Board of Trustees elects from among its members a chairperson and a deputy chairperson.

§11 Rights and Duties of the Board of Trustees

- (1) The Board of Trustees advises, assists and oversees the Executive Board in its activities. Its duties are in particular:
 - a) Deciding on recommendations regarding the administration of assets and utilization of resources,
 - b) Approving the budget,
 - c) Approving the annual financial statement with a balance sheet and a report on the fulfilment of the purpose of the Foundation,
 - d) Discharging the Executive Board from its liability,
 - e) Appointing member of the Executive Board,
 - f) Appointing persons to the Advisory Board (§12).
- (2) The Board of Trustees is to convene ordinary meetings at least biannually. An extraordinary meeting is to be convened when at least three members or the Executive Board request it. Members of the Executive Board and Managing Board may attend the meeting of the Board of Trustees in an advisory function.
- (3) The Board of Trustees may establish its own rules of procedure upon recommendation from the Executive Board.
- (4) §9 applies analogously to the course of business of the Board of Trustees. In derogation from §9 paragraph 4, each member of the Board of Trustees may represent up to three votes.

§12 Advisory Board

- (1) In order to advise the Executive Board and the Board of Trustees, and to broaden the social embeddedness of the Foundation, an Advisory Board may be established by a resolution of the Board of Trustees upon recommendation from the Executive Board.
- (2) The Advisory Board is to be invited annually to at least one of the two ordinary meetings of the Board of Trustees. Individual members of the Advisory Board are to be also consulted regularly outside of the meetings.
- (3) The Board of Trustees appoints the members of the Advisory Board upon recommendation from the Executive Board. A member of the Advisory Board is appointed for a term of five years; reappointments are possible.

§13 Amendments to the Charter

- (1) The Executive Board, with the consent of the Board of Trustees, can resolve to amend the Charter when it considers an amendment a necessary adaptation to changed circumstances. The nature of the purpose of the Foundation may not be changed fundamentally.
- (2) The amendment resolution requires a two-thirds majority of the members of the Executive Board and the Board of Trustees.
- (3) The amendment resolution must be reported to or approved by the foundation authorities; it is to be reported to the Tax Office.

§14 Change of Status

- (1) In the case that the purpose of the Foundation become unattainable or circumstances change to the extent to call the purpose of the Foundation into question, the Executive Board and the Board of Trustees may jointly decide upon a change to the purpose of the Foundation, a merger with another foundation, or the dissolution of the Foundation. The decision may not interfere with the tax-privileged status of the Foundation and must have the unanimous approval of the members of the Executive Board as well as three-quarters of the members of the Board of Trustees. The decision takes effect only after authorization by the foundation authority. For changes of the Foundation purpose to take effect, approval by the Tax Office is required.
- (2) In the case of an annulment or dissolution of the Foundation, or cancellation of its tax-privileged status, the assets of the Foundation fall to another tax-privileged body for the advancement of popular education, environmental protection, understanding between cultures and/or development cooperation, in a way that approximates the purpose set out in §2 para. 1.

§15 Foundation Supervisory Authority

- (1) The foundation authority is the District Government of Cologne.
- (2) The foundation authority is, upon request, to be informed about the Foundation's affairs at any time. Notices about changes in the composition of the Foundation's bodies, as well as the annual financial statement with a balance sheet, and a report on the fulfilment of the purpose of the Foundation are to be submitted unsolicited within twelve months of the end of the fiscal year.

§16 Functional Titles

Insofar as functional titles are used in the present Charter, these apply equally to men and women.

Charter from 22/12/1997 approved by District Government of Cologne, amendment to the Charter from
14/06/2000

Revised version according to the resolution of the Executive Board and the Board of Trustees from 28/04/2014,
previously approved by District Government of Cologne