

By-Laws pursuant to a resolution by the Annual Meeting on 7 December 2010

Association By-Laws

§ 1

Name, Office and Scope of Activities

1. The name of the association is:

“H. Stepic CEE Charity – Verein zur Unterstützung
karitativer Projekte in Zentral- und Osteuropa”
(H. Stepic CEE Charity – Association to Support Charity Projects
in Central and Eastern Europe)

2. The Association has its office in Vienna. Its activities cover Central and Eastern Europe.

3. It is not planned to set up branch associations.

§ 2

Objective of the Association

1. The activities of the Association are not oriented to making a profit. The object of the Association is to promote and support children, juveniles and women in Central and Eastern Europe in social, economic, health and cultural respects, as well as in the fields of vocational training, continuing vocational training, school education and education. The Association provides assistance to children, juveniles and women who have pecuniary needs and/or need welfare services, health care, care or recreation on account of their social or health situation. The Association supports the school and university training, as well as the further training of children and juveniles in Central and Eastern Europe, as well as their education and care. The Association promotes cultural exchanges between children and juveniles in Central and Eastern Europe.

2. In Member States of the European Union, the Association's objective is the charitable support of people in material or personal need.

3. In those countries of Central and Eastern Europe that are considered to be developing countries, apart from pursuing charitable intensions, the Association aims at supporting people in material or personal need. Further, the Association aims to combat poverty and misery by advancing the economic and social development in these countries (amongst others means, by supporting schooling, university education, and further training for children and young adults, as well as their upbringing and care).

4. The Association's means are used by the Association itself for the above-mentioned objectives, although the Association can also draw on the support of third parties to achieve those objectives. On account of corresponding contractual agreements, the Association's determining influence concerning the realization is guaranteed. Thus, the action of a third party is assumed to be the action of the Association itself.

§ 3

Means to Achieve the Goals of the Association

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1. The Association is to achieve its goals with the idealistic and pecuniary means that are listed in paragraphs 2 and 3.
2. The idealistic means are:
 - a) to set up and/or run facilities and organizations that serve child and youth welfare, as well as the welfare of needy women in social, economic, health and cultural respects such as, for examples, orphanages, hospitals, child and youth centers, women's shelters:
 - b) to support children, juveniles and women requiring welfare services in social, economic, health and cultural respects, who are staying at child, youth and women welfare facilities (such as, for example, orphanages, hospitals, child and youth centers, women's shelters) or who are cared for or supported by these facilities:
 - c) to establish and/or operate or support institutions that pursue the goal of providing education at the school and university levels, further training, as well as supporting the upbringing and care of children and juveniles in need, or whose establishment and/or organization or support aims measures of development aid.
 - d) to directly support people in need through financial contributions or by providing goods targeted at the daily needs.
 - e) to promote cultural exchanges by organizing and arranging stays with families, enterprises or non-governmental organizations, especially to the benefit of people in need and/or as measures as part of development aid goals.
 - f) to organize summer academies, summer camps and language courses, in particular for the benefit of people in need and/or as a measure for the purpose of development aid.
3. The necessary financial means shall be raised by:
 - a) admission fees and membership fees
 - b) revenues from events
 - c) subventions
 - d) donations, collections, legacies and other grants.
4. The resources of the Association can only be used for the objectives outlined in the by-laws (see § 2). The members or other authorities of the Association are not allowed to receive benefits from the Association. These persons may also not receive any benefits from the Association (such as the refund of admission fees) on leaving the Association and in of the event of the Association's dissolution or its suspension . No individual is allowed to accrue benefits from the Association through administrative expenses that are not in keeping with intended purposes or through disproportionately high remunerations.

§ 4

Types of Membership

1. The Association shall have ordinary, extraordinary and honorary members.
2. Ordinary members shall participate fully in the work of the Association. Extraordinary members shall promote the activities of the Association mainly by paying higher membership fees. Honorary persons shall be appointed on account of their special merits and achievements for the Association.

§ 5

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Obtaining Membership

1. All physical and legal persons and business partnerships with legal capacity may become members of the Association.
2. The Board of the Association shall decide on the admission of ordinary and extraordinary members. Admission may be refused without indicating any grounds for the refusal.
3. The founders of the Association shall decide on the preliminary admission of ordinary and extraordinary members until the Association has been established, or by the Board of the Association, in the event that it has already been appointed. This membership only becomes effective with the establishment of the Association.
4. Honorary members shall be appointed by the Annual Meeting upon application by the Board of the Association.

§ 6

Termination of Membership

1. Membership ends upon death or, in the case of legal persons or business partnerships with legal capacity upon loss of their legal capacity, upon voluntary withdrawal or by exclusion.
2. Members may withdraw at any time and with immediate effect by sending an informal note concerning their withdrawal to the Board of the Association.
3. The Board may exclude a member if that member has failed to pay his/her membership fees for more than six months, in spite of having been reminded twice in writing, granting an adequate respite. Exclusion does not affect the obligation to pay the outstanding membership fees.
4. The Board may also exclude a member from the Association if he/she grossly violates other membership obligations, or for dishonorable conduct.
5. Upon application by the Board of the Association, the Annual Meeting may deprive a member of his/her honorary membership for the reasons listed in paragraph 4.
6. Upon leaving the Association, members have no title to be refunded their admission fees, membership fees or other input factors serving the object of the Association which they have contributed to the Association.

§ 7

Rights and Obligations of Members

1. Members have the right to take part in all events of the Association and make use of the facilities of the Association. Only ordinary members and honorary members have the right to vote at the Annual Meeting, as well as the active and passive voting right in elections.
2. Members are obliged to use their best effort to support the interests of the Association and to refrain from any action that might be to the detriment of the reputation and object of the Association. They shall respect the by-laws of the Association and the resolutions of the Association bodies. Ordinary and extraordinary members are obliged to pay their

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admission fees and membership fees on time and in the amount decided by the Annual Meeting.

3. Members do not have any right to share in the result and/or the assets of the Association.

§ 8

Bodies of the Association

The Annual Meeting (§§ 9 and 10), the Board (§ 11 to § 13), the Auditors (§ 14) and the Arbitration Committee (§ 15) are the bodies of the Association.

Any possible remuneration paid to the bodies of the Association shall not be of a disproportionate amount.

§ 9

Annual Meeting

1. The Annual Meeting is the “members’ assembly”, as defined in the Austrian Association Act of 2002. An ordinary Annual Meeting shall be held once every year.
2. An extraordinary Annual Meeting shall be held within four weeks following a resolution of the Board of the Association, of an ordinary Annual Meeting, or upon a written motion by a minimum of one tenth of the members, or upon a request by the Auditors.
3. All members shall be invited to both ordinary and extraordinary Annual Meetings in writing, by telefax or by e-mail (to the fax numbers or e-mail addresses disclosed to the Association by the members) as a minimum two weeks before the respective date. The agenda shall be sent out together with the convocation of an Annual Meeting. The Board of the Association convenes Annual Meetings. Annual Meetings constitute a quorum if all members eligible to vote are present, irrespective of whether there is compliance with the present requirements of form.
4. Motions to the Annual Meeting shall be submitted to the Board of the Association in writing, by telefax or by e-mail, as a minimum three days before the date of the respective Annual Meeting.
5. Valid resolutions may only be adopted on items on the agenda – except for motions to convene an extraordinary Annual Meeting.
6. All members are entitled to attend the Annual Meetings. Only ordinary and honorary members have the right to vote. Every member has one vote. The right to vote may be assigned to another member or a third party by way of a written proxy.
7. Annual Meetings may take resolutions irrespective of the number of persons present.
8. As a rule, elections and resolutions at Annual Meetings require the simple majority of the valid votes cast. However, resolutions amending the by-laws of the Association or dissolving the Association require a qualified majority of two thirds of the valid cast votes.

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9. The Chairperson, or his/her deputy if the former is prevented, shall chair the Annual Meeting. If the Deputy Chairperson is also prevented, the most senior Board member present (in terms of years) shall chair the meeting.

§ 10 Tasks of the Annual Meeting

The following tasks are reserved to the Annual Meeting:

1. to accept and approve the activity report and of the annual accounts, with the participation of the Auditors;
2. to adopt the budget;
3. to elect and exonerate the members of the Board of the Association and the Auditors;
4. to approve legal transactions between the Auditors and the Association;
5. to approve legal transactions between members of the Board and the Association with the proviso of § 11 (8);
6. to exonerate the Board of the Association;
7. to fix the amount of the admission fee and of the membership fees for ordinary and extraordinary members;
8. to confer honorary membership and to deprive members of their honorary membership;
9. to decide on amendments of the by-laws and the voluntary dissolution of the Association;
10. to discuss and decide all other issues on the agenda.

§ 11 The Board

1. The Board shall consist of a minimum of two and a maximum of 6 members.
2. The Annual Meeting elects the Board of the Association. The Annual Meeting shall appoint one Board member as its Chairperson and a further Board member as its Deputy Chairperson.
3. If an elected member resigns, the Board has the right to co-opt another eligible member in his/her place, which decision shall subsequently be approved by the next Annual Meeting. If the Board becomes defunct altogether or for an unforeseeably long period of time without filling its ranks by co-option, and if the number of remaining Board members thus falls below the required minimum of two members, each of the Auditors is obliged to convene an extraordinary Annual Meeting without delay, for the purpose of electing a new Board. If the Auditors are also incapable of acting, every ordinary member, who becomes aware of the emergency situation, shall immediately apply to the competent court for the

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appointment of a trustee, who shall convene an extraordinary Annual Meeting without delay.

4. The Board has a term of office of 2 years. Its members may be re-elected.
5. Meetings of the Board shall be convened in writing or orally by the Chairperson, or by his/her deputy if he/she is prevented. If the Deputy Chairperson is also prevented for an unforeseeably long period of time, every other Board member may convene a Board meeting.
6. The Board shall constitute a quorum if all of its members have been invited and one half of its members are present, as a minimum, though, two Board members.
7. The Board shall take its decisions by simple-majority vote. If more than two Board members have been appointed, the vote of the Chairperson shall break the tie in the event of a parity of votes.
8. In the case of decisions concerning transactions with a Board member, that member shall not have the right to vote in these decisions. If it is not possible to take a decision, on account of the absence of a sufficient quorum pursuant to § 11 (6) (with the Board member concerned not being included in the count), the Annual Meeting shall decide on the admissibility of the business transaction.
9. The Chairperson chairs Board meetings. If he/she is prevented, his/her deputy shall assume this task. If the Deputy Chairperson is also prevented, the most senior Board member present (in terms of years) or the Board member that the other Board members agree upon by majority decision shall chair the meeting.
10. Except for the death of a Board member or the expiry of the term of office, the office of a Board member shall end by removal (paragraph 11) or resignation (paragraph 12).
11. The Annual Meeting may remove the entire Board or individual of its members at any time. The removal from office becomes effective upon appointment of the new Board and/or Board member.
12. Board members may resign from their office in writing at any time. The resignation note shall be addressed to the Board or to the Annual Meeting, in the event that the entire Board resigns. The resignation only becomes effective once a successor has been elected and/or co-opted (paragraph 3).

§ 12

Tasks of the Board of the Association

The Board is responsible for managing the Association. It is the “managing body” as defined in the Austrian Association Act of 2002. The Board has to fulfill all the tasks that the by-laws do not assign to another body of the Association. The following matters, in particular, come under the competences of the Board:

1. to prepare the budget, to prepare the activity report and the annual accounts (= accounting);

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2. to prepare the Annual Meeting;
3. to convene ordinary and extraordinary Annual Meetings;
4. to manage the assets of the Association;
5. to admit and to exclude ordinary and extraordinary members of the Association;
6. to hire and dismiss the staff of the Association.

The Board shall act in accordance with the objects of the Association and with due consideration to thriftiness in all of its activities and especially when managing the assets of the Association.

§ 13

Special Obligations of Individual Board Members and Authorization to Represent the Association

1. The Chairperson shall manage the current affairs of the Association and chair the Annual Meeting and Board meetings.
2. The Board may elect a Keeper of the Minutes and a Treasurer, as well as a Deputy Treasurer, from its midst.
3. The Keeper of the Minutes supports the Chairperson in managing the Association affairs. He/She draws up the minutes of the Annual Meeting and of the Board meetings.
4. The Treasurer is responsible for the proper financial management of the Association.
5. The Association is represented effectively vis-à-vis third parties by two Board members. The Board may authorize third parties to represent the Association vis-à-vis third parties in legal transactions.

§ 14

The Auditors

1. The Annual Meeting elects two Auditors for a period of two years. Their re-election is possible. The Auditors must not belong to any other body, except for the Annual Meeting, that is covered by their audits.
2. The Auditors are responsible for checking on the current business, as well as for auditing the financial management of the Association, with a view to proper accounting and the proper use of funds in accordance with the Association by-laws.
3. Legal transactions between the Auditors and the Association require the approval of the Annual Meeting. In addition, the provisions of § 11 (10) to (12) shall apply to the Auditors in analogy.

§ 15

Arbitration Committee

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1. The Arbitration Committee of the Association is responsible for settling all disputes arising from the relations of the Association. It is an “arbitration facility” as defined by the Austrian Association Act of 2002. It is not an arbitration board as defined in § 577 and following of the Austrian Code of Civil Procedure.
2. The Arbitration Committee consists of three ordinary members of the Association. It is set up by one of the parties at dispute, who sends the written nomination of a member as an arbitrator to the Board of the Association. Within seven days, the Board of the Association shall request the other party at dispute to nominate his/her member of the Arbitration Committee within 14 days. After the Board has informed the nominated arbitrators within a period of 7 days, they in turn elect a third ordinary member to chair the Arbitration Committee within a further period of 14 days. Lots shall be drawn in the case of a tie among the proposed persons. The members of the Arbitration Committee must not belong to any other body, except for the Annual Meeting, the activities of which are the subject of the dispute.
3. The Arbitration Committee takes its decision by simple majority after having heard both parties in the presence of all its members. It takes its decisions to the best of its knowledge and belief. Its decisions are finally binding upon the Association. If matters before the Arbitration Committee are not ended within six months, recourse to the ordinary courts is available for legal disputes after this period has expired as of the date on which the Arbitration Committee of the Association was seized.

§ 16

Voluntary Dissolution of the Association

1. The voluntary dissolution of the Association may only be resolved by an Annual Meeting and only with a two-thirds majority of the valid votes cast.
2. In the event that the Association owns assets, that Annual Meeting shall decide on its liquidation. In particular, it shall appoint a liquidator and take a decision as to who shall receive the Association assets after all liabilities have been met.
3. *In the event that the Association is dissolved or the previous, beneficiary object of the Association is cancelled, the remaining assets of the Association shall be used for charitable, benevolent or church purposes, as defined in § 34 and following of the Federal Levies Ordinance.*
4. *In the event of an involuntary dissolution (e.g. dissolution by the authorities), paragraphs 2 and 3 shall apply in analogy.*

§ 17

Other Matters

Any modification of the by-laws, as well as the termination of the Association's activities, will be announced immediately to the Finance Authority Vienna 1/23.