

Roots and Wings Foundation

Charter

(Incorporating the amendments in effect since 18 January, 2023)

I, the undersigned founder, by virtue of Section 3:378 of Act L of 2013 on the Civil Code, hereby set up a foundation with a legal personality to pursue long-term objectives in accordance with the terms and conditions defined in this Charter.

1. The Name of the Foundation: Roots and Wings Foundation

The name of the organisation is abbreviated as RWF. The Hungarian name of the Foundation is GyökerekésSzárnyakAlapítvány (abbreviated as GYSZA)

2. The Seat of the Foundation: 1092 Budapest, Rádayutca 32. 3rd Floor, Door 3

3. The purpose of the Foundation is to contribute to the development of civil society by researching, supporting and promoting individual, group and organisational efforts aimed at a more equitable world. The Foundation supports the notion of active citizenship, the meaningful participation of people in overarching social and local community matters as well as the mobilisation of available financial and other resources for charitable and development purposes. Furthermore, the Foundation researches, analyses and develops the links and interactions between the media and the civil sector.

4. With a view to the implementation of its objectives, the Foundation is engaged in the following activities both domestically and internationally:

4.1. It conducts scientific research and development activities primarily with a view to the advancement of society; furthermore, it develops and organises professional and community services for other organisations, companies and municipalities; and it researches, analyses and develops the points of connection and interaction between the media and civil society.

4.2. It supports and develops the community initiatives of individuals, non-registered civic groups, companies and municipalities;

4.3. It develops, organises and coordinates fundraising and development programs to support the objectives of local communities during the implementation of which it pays special attention to the community foundation concept;

4.4. It provides financial and capacity building support towards the establishment, consolidation and operation of civil organisations;

4.5. It raises awareness about the activities, domestic and international experiences of the Foundation and promotes its professional materials and results;

4.6. It mobilises domestic and foreign funds to achieve the objectives of the Foundation;

4.7. It provides advice and training in the areas of business management, communications, organisational development, planning, civic and non-profit management;

4.8. It operates community communications platforms, domains and forums;

4.9. It organises campaigns, professional programs, conferences and workshops, primarily to promote fundraising, local community initiatives and operations relying on responsible local resources;

During its operation the Foundation fulfils functions of a public nature which, by law or by authority of a law provision warranted by law, are to be provided by a public body or the local authorities concerned. These functions are as follows:

- providing financial and professional support for the launching, strengthening and operation of civil society organisations: Art. 6 (a) of Act CLXXXIX of 2011 on Hungary's local governments
- developing, organising and coordinating fundraising and development programs for local community purposes, during the implementation of which it places particular emphasis on the community foundation model: Art. 6 (b) of Act CLXXXIX of 2011 on Hungary's local governments
- organising campaigns, professional programs, conferences and workshops, with the explicit aim of promoting local community initiatives to foster responsible financial management relying on local resources: Art. 4 (1) g) of Act LXXVI of 2014 on Scientific Research, Development and Innovation.

5. The beneficiaries of the Foundation may be natural persons, civic organisations as well as non-registered communities and civic groups involved in the activities listed in Section 4 above. The founder, any new member or their family members may not be the beneficiaries of the Foundation, with the exception of the cases referred to in Section 3:386. (1) and (2) of the Civil Code.

6. The founder sets up the Foundation for an indefinite period of time.

7. The initial capital of the Foundation is HUF 250,000, say two hundred and fifty thousand Hungarian forint that the founder shall make available to the Foundation within 30 days of the signing hereof in full, in cash by depositing the same in a bank deposit account. The founder shall, within one year upon registration, transfer a further amount of HUF 100,000 to the bank account of the Foundation so as to promote the widest possible implementation of the objectives laid down in the charter of the NGO.

8. The Foundation is open and it operates as an open foundation. Any individual or legal entity may join the Foundation by making a donation. The Board of Trustees shall make a decision about the acceptance of conditional donations. The openness of the Foundation also means that others than the members may also benefit from its services, even if an organisational unit giving rise to membership was to be set up. By joining the Foundation the new member does not become entitled to exercise the founder's rights. By joining the Foundation, donors express their agreement with and intention to support the implementation of the objectives of the Foundation described herein. The new member is entitled to request and receive a report from the Board of Trustees about the use of his donation or support.

9. The website of the Foundation: www.gy-sz.hu The Chairman of the Board of Trustees shall publish through this website any and all documents and data whose publicity is required under the applicable laws, the decisions of the Board of Trustees or a contract.

10. The governing body of the foundation is the Board of Trustees consisting of 7 natural persons, who are invited and appointed by the founder to perform duties as members of the Board of Trustees for a definite period:

a) Members of the Board of Trustees appointed for the period from 13 November 2020 to 13 November 2023:

- *Chairman of the Board of Trustees: TamásÁdámScsaurszki*

- *Further members of the Board of Trustees:*

*Gabriella Benedek
Edit Kovács
Iván László Bardócz
Axel Halling
Attila Turi*

b) Members of the Board of Trustees appointed for the period from 18January 2023 to 18January 2026:

Barbara ViktóriaMáté

The Board of Trustees membership term of 3 years may be repeated without limitation.

11. The appointment as Member of the Board of Trustees shall commence on the day on which the relevant Statement of Acceptance is signed; and shall terminate in the following cases:

- a) upon expiry of the designated term of office;*
- b) if the mandate is rendered subject to some condition for termination, when such condition is met;*
- c) by dismissal;*
- d) upon resignation;*
- e) upon death or dissolution of the executive officer without succession;*
- f) if the executive officer's legal capacity is limited in the scope required for discharging his functions;*
- g) upon the occurrence of any grounds for exclusion or any reason giving cause to conflict of interest.*

The person exercising founders' rights may recall a Member of the Board of Trustees before the expiry of his mandate, if he considers that the foundation's purpose is in imminent jeopardy.

Resignation from the membership of the Board of Trustees shall take effect upon appointment of the new member by the founder or, in the absence thereof, on the 60th day following its submission.

A terminating condition of the appointment may be absence from Hungary (permanent stay abroad) as well as any hindrance in the performance of obligations as a member of the Board of Trustees due to illness or work schedule.

12. Decisions and actions about all matters that the law and the Charter designate as the responsibility of the decision-making body (management body) of the Foundation shall fall within the competence of the Board of Trustees. The Chairman of the Board of Trustees shall inform the management body about his representation activities during the period between two Board of Trustees meetings. The annual report shall be approved by the Board of Trustees.

The employees of the Foundation, including the members of the Board of Trustees who are employed by the Foundation, shall be subject to the employer's rights exercised by the person (or persons jointly) designated by the Board of Trustees in a decision.

13. The Board of Trustees shall meet at least once annually. The Chairman of the Board of Trustees shall convene the meeting of the Board of Trustees by sending out invitations to the Members. The invitation shall contain the name and registered address of the Foundation, the date and place of the meeting and the agenda. The Board of Trustees shall normally hold its meeting – at the Chairman's discretion – at a suitable venue in Budapest. If the meeting of the Board of Trustees has not been convened in due form, the meeting may be held only if all Members of the Board of Trustees are present, and if they unanimously agree to hold the meeting. The meeting of the Board of Trustees shall be able to pass resolutions on matters that are included in the duly notified agenda, except if all entitled persons are present and they unanimously agree to discuss a matter that is not included in the agenda.

The Board of Trustees shall be convened at the request of any of its Member, with the purpose and the reason indicated. If so requested, the Chairman of the Board of Trustees shall take measures within eight days from the date of receipt of the request for calling the meeting. If the Chairman of the Board of Trustees fails to comply with the request, the requesting Member shall have authority to convene the meeting. The meetings of the Board are public.

14. The Board of Trustees shall form a quorum if at least 3 Members of the Board of Trustees are present. The Board of Trustees shall adopt its resolutions by the simple majority of Members present, by open voting. Each Member of the Board of Trustees shall have one vote. In the case of an equality of votes, the proposal shall be considered rejected.

If the Board of Trustees is unable to adopt a resolution during a repeated Board of Trustees meeting about a matter that the managing body is required to validly decide under the law, this shall be a reason due to which the person exercising founders' rights may recall the given Member of the Board of Trustees pursuant to Section 3:398 (2) of the Civil Code if the foundation's purpose is in imminent jeopardy.

The Board of Trustees may adopt resolutions out of session if this is initiated by the Chairman of the Board of Trustees by sending the draft resolution to the Members. Members of the Board of Trustees shall be given at least eight days from the time of receipt of the draft to send their vote to management. The above decision-making process shall be considered effective if the number of votes sent to the Chairman corresponds to at least the number of Members or founders with voting rights required to attend for a quorum if the meeting was in fact held in session. Where so requested by any Member, the Chairman shall convene the meeting of the Board of Trustees.

When making a decision without holding a board meeting, the entire related correspondence, word for word, is to be published on the Foundation's website (Point 9).

The Board of Trustees shall approve the annual report in accordance with the general rules detailed under Points 13 and 14. The decisions of the Board of Trustees must be made public on the Foundation's website (Point 9), and the persons concerned must be informed by mail or, if they have given their e-mail address to the Foundation, by e-mail.

15. The responsibilities of the Chairman of the Board of Trustees:

1. convening the meeting of the Board of Trustees - this must take place no later than 8 days ahead of the scheduled meeting of the Board of Trustees;
2. representing the Foundation;
3. taking the measures that correspond to the resolution of the Board of Trustees; in the absence of a resolution, acting in line with the interests of the Foundation;
4. managing the funds of the Foundation, including the exercise of the right of remittal;
5. retaining the minutes containing the resolutions; and making sure that a register is kept of the content, date and scope of the decisions of the decision-making body, as well as of the proportion of the supporters and opponents of the decisions made.

If the Chairman of the Board of Trustees is indisposed, he may be substituted by the Member of the Board of Trustees appointed by him or, in the absence thereof, any Member of the Board of Trustees designated by the Board of Trustees.

16. The representative of the Foundation as of today until 13 November 2023 shall be TamásÁdámScsaurszki, Chairman of the Board of Trustees. Signatures on behalf of the Foundation, as a legal person, shall be valid if the Chairman of the Board of Trustees writes his name in his own hand above the pre-written or pre-stamped name of the Foundation.

17. Conflicts of interest in respect of Members of the Board of Trustees, as executive officers:

a.) The executive officer must be of legal age and must have full legal capacity in the scope required for discharging his functions. (Section 3:22 (1) of the Civil Code)

b.) Any person who has been sentenced to imprisonment by final verdict for the commission of a crime may not be an executive officer until exonerated from the detrimental consequences of having a criminal record.

c.) A person may not be an executive officer if he has been prohibited from practicing that profession. Any person who has been prohibited by final court order from practicing a profession may not serve as an executive officer of a legal person that is engaged in the activity indicated in the verdict.

Any person who has been prohibited from holding an executive office may not serve as an executive officer within the time limit specified in the prohibition order. (Section 3:22 (4)-(6) of the Civil Code)

d.) No beneficiary of the Foundation or his close relative may hold a seat on the Board of Trustees. The founder and his close relatives may not have majority in the Board of Trustees. (Section 3:397 (3)-(4) of the Civil Code)

e.) In the process of adopting a resolution the following persons may not vote:

a) any person for whom the resolution contains an exemption from any obligation or responsibility, or for whom any advantage is to be provided by the legal person;

b) any person with whom an agreement is to be concluded according to the resolution;

c) any person against whom legal proceedings are to be initiated according to the resolution;

d) any person whose family member has a vested interest in the decision, who is not a member or founder of the legal person;

e) any person who maintains any relation on the basis of majority control with an organization that has a vested interest in the decision; or

f) any person who himself has a vested interest in the decision.

(Section 3:19 §) of the Civil Code)

For a period of three years following the termination of another public benefit organization, no executive positions can be taken by persons who previously served as an executive officer in that public benefit organization for at least one year in the two-year period preceding its termination if:

(a) the organization had ceased to exist without a legal successor and failed to offset its tax and customs debt towards the state tax and customs authorities,

b) the state tax and customs authorities have revealed significant tax arrears accumulated by the organization,

c) the state tax and customs authorities have imposed a measure of business closure, or imposed a fine replacing the business termination,

d) the tax number of the organization has been suspended or withdrawn by the state tax and customs authorities in accordance with the Act on Taxation.

18. The Board of Trustees shall make decisions about the management and utilisation of the funds of the Foundation. The funds of the Foundation may be used for the implementation of the objectives of the Foundation without limitation.

The ways of utilising the funds:

1. for the costs of the activities (programmes);
2. for the operational costs of the Foundation;
3. for financial support, donations, grants, scholarships and expenses;
4. for purchasing assets, materials, goods, labour and services in relation to the activities provided for in the Charter;
5. for depositing in a bank account or for purchasing securities for a transitional period;
6. for paying wages and other emoluments to the employees and assigns of the Foundation;
7. for the statutory benefits of volunteers for public purposes.

In order to achieve the objectives laid down in the present Charter, the foundation may provide support for other legal entities, including other foundations, given that it does not become their co-founding member through providing the particular support.

The foundation may accept support from other foundations in line with its purpose, given that, by doing so, the latter do not become its co-founding members.

18/A The basic duty of the Foundation's Supervisory Board to supervise the objectives set out in the founding charter of the Foundation, as well as the financial and asset management of the Foundation.

The Supervisory Board consists of a chairman and two members appointed by the founder for three years, who may not hold other senior management positions simultaneously during their term of office. The term of office may be extended. The Supervisory Board meets at least once a year and is convened by the Chairman. Decisions are made by open vote. The meetings of the Supervisory Board shall have a quorum if two of the members entitled to vote have attended. Decisions are taken by a simple majority of votes. In the event of a tie, no decision will be made, and the question is to be discussed again at the next Supervisory Board meeting.

The members of the Supervisory Board may participate in the meetings of the Board of Trustees with consulting rights.

The members of the Supervisory Board are required to comply with the conflict of interest requirements set by Act CLXXV of 2011 on the Freedom of Association, Non-Profit Status and the Operation and Support of Non-Governmental Organisations (Civil Society Act).

The founder appoints Hanna Sztripszky as the Chairman of the Supervisory Board (1016 Budapest, 75 Krisztina körút, B Building, 3rd Floor, Door2a), MiklósKis (1173 Budapest, 33Sima u., 2nd Floor, Door9) and TímeaVáci (1092 Budapest, 32 Ráday u., 3rd Floor, Door3).

The meetings of the Supervisory Board must be convened at least 8 days prior to the date of the given meeting in writing or electronically, with the notice sent to the e-mail address provided by the members, including prior notification of the planned agenda.

19. The Foundation does not conduct any direct political activities, it is independent from all political parties and it does not provide financial support to any political parties. The Foundation may only indirectly pursue political activities (lobbying or influencing the legislative process) and only if:

- it is requested by the Government or Parliament in writing,
- it concerns an Act/Decree that has an adverse effect on its operation,
- it contains general and unbiased analysis,

Megjegyzés [T1]: Itt nem írtam át az emeleteket az angol megfelelőre, de az emeletek talán nem is kellénének bele...

- it considers all facts and circumstances and is received by all stakeholders.

The Foundation may only pursue business/enterprise activities adjunctively, in the interest of and without jeopardising the implementation of its objectives provided for herein. The Foundation may not distribute the profit of its operations in any way and shall use it for the implementation of its objectives provided for herein.

20. The Foundation shall cease to exist if:

- a) the Foundation has fulfilled its purpose, and a new objective has not been determined by the founder;
- b) fulfilment of the Foundation's purpose is no longer possible, and amending the purpose or merging with another foundation is not feasible; or
- c) the Foundation is not pursuing any activity with a view to fulfilling its purpose for a period of three years.

21. If the Foundation is terminated, after the satisfaction of creditors, the founder can bestow the remaining assets of the Foundation only to a civic, nonprofit organisation for charitable and public benefit purposes.

The founder, any new member, other benefactor or their family members may not receive the remaining assets pursuant to Section 3:404. (1) of the Civil Code.

1. 22. In accordance with Section 3:396 of the Civil Code, the founder may transfer the founder's rights and obligations by means of a contract in the form of a private deed of full probative value and/or may assign the exercise of the founder's rights to a person appointed pursuant to Section 3:394 of the Civil Code by means of the amendment of this Charter, as appropriate, provided that the new person vested with the founder's rights or appointed to exercise the founder's rights accepts the obligations associated with the founder's rights in a written declaration.

In accordance with Section 3:394 of the Civil Code, the founder hereby designates MátéVarga (residing at 2092 Budakeszi, Jókaiutca 73) to exercise the founder's rights in the event of the founder's death, legal incapacity or indisposition due to serious illness.

The founder shall immediately inform the Board of Trustees about the transfer of the founder's rights as per Section 3:396 of the Civil Code or the assignment of the exercise of the founder's rights as per Section 3:394 of the Civil Code and shall amend the Charter

