

Statutes of the German-Israeli Future Forum Foundation, Berlin

Article 1 Name, Legal Form and Seat of the Foundation

The Foundation shall bear the name "German-Israeli Future Forum". It shall be a foundation under German Civil Law with legal capacity and have its seat in Berlin.

Article 2 Object of the Foundation

- (1) The object of the Foundation shall be to enhance relations between Germany and Israel by promoting projects in the various fields of their bilateral cooperation. Such projects shall involve in particular:
 - exchanges of pupils, young people and experts,
 - city twinning arrangements,
 - activities in the field of culture, the media and journalism and promotion of young business and academic talent.
- (2) Projects supported by the Foundation shall be implemented in both Germany and Israel; implementation should take place in both countries in roughly equal proportions.
- (3) The main emphasis shall be on involving the young generation in bilateral activities.
- (4) The Foundation shall contribute to building and developing networks between actors operating in the bilateral context.

Article 3 Non-profit and charitable nature of the Foundation

- (1) The Foundation shall pursue exclusively and directly charitable objects as defined in the Fiscal Code under the title "tax-privileged purposes".
- (2) In accordance with Article 2 of these Statutes, the object of the Foundation shall be to promote international understanding.
- (3) To assist it in the performance of its tasks, the Foundation shall avail itself of the services of auxiliaries ("Hilfsperson") as defined in the second sentence of Section 57 (1) of the Fiscal Code where it does not perform them itself.
- (4) The Foundation may make a proportion of its funds available to other tax-privileged bodies as a grant to be used for tax-privileged purposes in accordance with paragraph 6 of this Article.
- (5) The Foundation shall be a charitable institution. Its operations shall not be primarily aimed at its own economic advantage.
- (6) Foundation funds may be used only for the objects laid down in these Statutes.
- (7) No person may be favoured by expenditure that is inconsistent with the object of the Foundation or by disproportionately high remuneration.

- (8) Recipients of payments from the Foundation shall have no legal claim to any grants from Foundation funds.

Article 4

Capital assets of the Foundation

- (1) The capital assets of the Foundation on the day of its establishment shall comprise a claim for the donation by the Federal Republic of Germany of the sum of EUR 24,000,000 and a claim for the donation by the Ministry of Finance of the State of Israel of the sum of USD 1,000,000. The above provision may not be amended or modified by any organ of the Foundation.
- (2) The original capital assets of the Foundation shall in principle be preserved intact at a fixed level. The Foundation's capital assets shall be invested and managed in such a way that a decline in their value appears to be ruled out and appropriate income is generated. Restructuring of the Foundation's capital assets shall be permissible in accordance with German law as it applies to all non-profit charitable foundations. In any given business year up to 3% of the capital assets as of the previous year may be used, provided the Board of Trustees has in advance adopted a decision determining that the withdrawal of this sum is urgently required to fulfil the object of the Foundation; it must be guaranteed that such a sum will be repaid within the next two business years.
- (3) The capital assets of the Foundation shall be increased by donations earmarked for that purpose. The Foundation may accept such donations provided the purpose for which they are earmarked is consistent with the tasks of the Foundation as defined in the Statutes and their acceptance does not compromise its independence. It may also add to its capital assets donations made by testamentary deposition and not earmarked for any specific purpose as well as available reserves ("freie Rücklage") as defined in Section 58 (7 a) of the Fiscal Code. The Foundation may administer trust foundations under its umbrella.
- (4) The income from the Foundation's capital assets and donations not earmarked as capital assets shall be used for the object of the Foundation.
- (5) The administrative costs of the Foundation shall be covered in advance from the income from its capital assets as well as donations not earmarked as capital assets. Annual expenditure on administration as a proportion of the Foundation's total expenditure shall be consistent with Fiscal Code requirements as well as the budgetary requirements of the founders. Annual expenditure on administration should not exceed 1% of the Foundation's capital assets. Following consultations with the relevant bodies of the founders, the Board of Trustees shall adopt a regulation giving effect to this requirement, which shall be binding on the Executive. The regulation shall define in greater detail what are deemed to be administrative costs.
- (6) Reserves may be built up provided this does not compromise the Foundation's tax-privileged status.

Article 5

Organs of the Foundation

- (1) The Foundation shall have
 - a) a Board of Trustees;
 - b) an Executive.
- (2) The members of the Board of Trustees shall act in a voluntary and unpaid capacity. Provided they are not officials of either Government, they shall nevertheless be entitled to reimbursement of any necessary expenses.
- (3) No member of one organ of the Foundation may at the same time belong to the other organ of the Foundation.
- (4) On assuming their duties the members of the Board of Trustees and the Executive and any assistants to the Executive shall undertake to pursue the object of the Foundation in good faith,

do their utmost to further its interests and refrain from anything that could be to its detriment. They shall take care to ensure the efficient and economical use of Foundation funds.

Article 6

The Board of Trustees

- (1) Das Kuratorium besteht aus 12 Persönlichkeiten aus Wissenschaft, Forschung, Kultur, Wirtschaft und Politik, die über besonderes Profil im Bereich der deutsch-israelischen Beziehungen verfügen (ordentliche Mitglieder). Je 6 ordentliche Mitglieder des Kuratoriums werden von der Regierung der Bundesrepublik Deutschland (im Folgenden als "Bundesregierung" bezeichnet), vertreten durch das Auswärtige Amt, und von der Regierung des Staates Israel – diese vertreten durch das Außenministerium des Staates Israel – benannt. Ein von der Bundesregierung benanntes ordentliches Mitglied des Kuratoriums muss als Vertreter der Bundesregierung benannt werden; dieses Mitglied soll Inhaber einer Funktion im Auswärtigen Amt sein. Ein von der Regierung des Staates Israel benanntes ordentliches Mitglied des Kuratoriums muss als Vertreter des Staates Israel benannt werden. Weitere, zusätzliche Mitglieder des Kuratoriums, insbesondere namhafte Zustifter, können im Einvernehmen beider Regierungen, vertreten durch die oben genannten Stellen, ernannt werden (außerordentliche Mitglieder).
- (2) The Board of Trustees shall consist of twelve representatives of the academic, research, cultural, business and political communities who are prominent in the field of German-Israeli relations (full members). Six full members of the Board of Trustees shall be appointed by the Government of the Federal Republic of Germany (hereinafter referred to as "the Federal Government"), represented by the Federal Foreign Office, and six by the Government of the State of Israel, represented by the Ministry of Foreign Affairs of the State of Israel. A full member of the Board of Trustees appointed by the Federal Government shall be appointed as its representative; this trustee shall hold a post in the Federal Foreign Office. A full member of the Board of Trustees appointed by the Government of the State of Israel shall be appointed as the representative of the State of Israel. Additional members of the Board of Trustees (associate members), including notably prominent donors, may be appointed provided both Governments, represented by the above-mentioned persons, so agree.
- (3) Full members of the Board of Trustees shall continue to serve, even after expiry of their term, until their successor takes over their duties. In the event of their premature departure (e.g. death or resignation), the remaining trustees shall, pending the appointment of a successor, conduct on their own such business of the Foundation as cannot be postponed.
- (4) The Board of Trustees shall have the following functions:
 - a) It shall lay down guidelines for the Foundation's activities, notably as regards the use of Foundation funds.
 - b) It shall decide in accordance with the criteria specified in Article 2 above on expenditure to promote projects in the various fields of bilateral cooperation (international understanding). The Board of Trustees may authorize the Executive to decide on its own responsibility on projects involving funding up to and not exceeding EUR 30,000.
 - c) It shall decide on amendments to the Statutes and on any dissolution of the Foundation. Amendments to the Statutes adopted by the Board of Trustees may only be put into effect with the consent of the oversight authority in Berlin.
 - d) It shall approve the budget and work plan prepared by the Executive.
 - e) It shall advise, support and supervise the Executive with respect to its activities. In particular the Board of Trustees shall decide on
 - recommendations regarding the management of the Foundation's capital assets,
 - the use of the Foundation's capital assets,
 - the annual report of the Foundation,
 - the formal approval of the actions of the Executive.

- (5) The Board of Trustees shall draw up its own rules of procedure. It shall elect one of the trustees as chairperson, who shall chair its meetings. It shall take decisions by simple majority vote; in the event of a tie, the chairperson shall have the casting vote. The Board of Trustees may take no decisions, however, that are opposed by the representative of the Federal Government or the representative of the State of Israel. Decisions regarding amendments to the Statutes or any dissolution of the Foundation shall be taken in response to a proposal submitted by the Executive and require a two-thirds majority of the trustees. Minutes shall be kept of the meetings of the Board of Trustees. Its decisions shall be recorded word for word.
- (6) The Board of Trustees shall constitute a quorum if at least two thirds of the trustees are present or represented at the meeting. Trustees may in writing appoint another trustee, but not a member of another organ of the Foundation, to represent them and exercise their voting rights, provided they were approved prior to their appointment by the Government which appointed the original trustee or, in the case of associate members, by both Governments. Government officials and other civil servants may likewise transfer their voting rights to another staff member of the institutions they represent. No trustee may exercise voting rights for more than two persons.
- (7) The Board of Trustees shall hold a general meeting at least twice a year. An extraordinary general meeting shall be convened at the request of at least one quarter of the trustees. The Executive shall attend these meetings if requested by the Board of Trustees.
- (8) Unless otherwise agreed, meetings of the Board of Trustees shall take place in Berlin. The chairperson shall convene the meetings, giving at least four weeks' written notice of the date and the agenda.
- (9) In urgent cases decisions of the Board of Trustees may be taken by circular letter (decision of the Board of Trustees by letter) subject to the approval of three quarters of all trustees. Under this procedure the chairperson submits a motion in writing (letter or fax) to all other trustees, to which they must give a written response within four weeks. At least three quarters of the trustees must take part in this procedure for the outcome to be valid. This procedure is inadmissible for decisions regarding the dissolution of the Foundation, amendments to its Statutes or the annual report pursuant to Article 9 below.

Article 7

The Executive

- (1) The Executive shall consist of one person. The first Executive shall be appointed by the Federal Government represented by the Federal Foreign Office. Subsequent Executives shall be appointed by the Board of Trustees.
- (2) Minutes shall be kept of the meetings of the Executive. Decisions of the Executive shall be recorded word for word.
- (3) The Executive shall be appointed for five years and may be re-appointed. He or she may be dismissed at any time.
- (4) The Executive shall continue to serve, even after expiry of his or her term, until a successor takes over his or her duties.
- (5) The Executive shall represent the Foundation in legal and non-legal matters. He or she may be exempted from the restrictions pursuant to Section 181 of the Civil Code if the Board of Trustees so decides.
- (6) The Executive shall manage the Foundation, conduct its business in accordance with the Statutes and be accountable to the Board of Trustees. The functions of the Executive shall be in particular:
 - to manage the Foundation's capital assets,

- to draw up an annual budget and work plan,
 - to prepare the decisions of the Board of Trustees, including notably decisions on the expenditure of Foundation funds, as well as to take such decisions where authorized to do so,
 - to draw up reports on the Foundation’s activities and present its accounts and to prepare a report on activities undertaken in fulfilment of the Foundation’s object,
 - to implement decisions of and perform tasks assigned by the Board of Trustees,
 - conduct the Foundation’s day-to-day business.
- (7) In matters of particular importance the Executive shall obtain the approval of the Board of Trustees. Further details shall be laid down in the rules of procedure.
- (8) The Executive shall convene at least twice a year prior to the general meetings of the Board of Trustees.
- (9) The Executive shall receive appropriate remuneration for his/her work.

Article 8
Conduct of business

- (1) The Executive shall be aided by one or more assistants. The relevant contracts shall be subject to the approval of the Federal Government, represented by the Federal Foreign Office. The first assistant(s) to be recruited following the Foundation’s establishment shall be appointed by the Federal Government, represented by the Federal Foreign Office. Each assistant shall receive appropriate remuneration for their work.
- (2) When reviewing incoming project applications the Executive may draw on the expertise of institutions already active in the field of German-Israeli relations.

Article 9
Budget and work plan, annual report

- (1) The Foundation shall operate in accordance with the budget and work plan approved by the Board of Trustees. It shall record all transactions in accordance with sound accounting principles and rules (Grundsätze der ordnungsgemäßen Buchhaltung – GOB).
- (2) Its business year shall be the calendar year.
- (3) The Executive shall render the Foundation’s accounts in accordance with commercial accounting rules and prepare an annual financial statement as required by the German Commercial Code. At the end of the business year a report on activities undertaken in fulfilment of the Foundation’s object shall also be prepared. The Executive shall submit the annual financial statement and report to the members of the Board of Trustees no later than six months after the end of the business year.
- (4) The Executive shall arrange for the Foundation to be audited by a chartered accountant or a recognized accountancy firm that is independent of the Foundation and not linked to it in any way. The auditing order shall also cover the preservation of the Foundation’s capital assets and the proper use of Foundation funds (earned income and donations) in accordance with its Statutes, requiring the preparation of an auditor’s report (“Prüfungsbericht”) within the meaning of Section 8 (2) of the Foundations Act of Land Berlin.
- (5) The Board of Trustees shall examine and approve the documents prepared pursuant to paragraph 4 above, together with an annual report prepared by the Executive on activities undertaken in fulfilment of the Foundation’s object, as the annual report of the Foundation.
- (6) The Federal Court of Audit may, notwithstanding the aforementioned arrangements, audit the Foundation’s budgetary and economic management.

Article 10
Dissolution of the Foundation

In the event of the Foundation's dissolution, which shall be decided in particular if its tax-privileged status is terminated or the fulfilment of its object proves impossible, its capital assets shall be transferred to the Federal Republic of Germany on condition that they be used exclusively and directly to promote international understanding between Germany and Israel. Decisions on the use of the capital assets following the dissolution of the Foundation may be implemented only with the approval of the relevant tax office.

Article 11
State oversight

- (1) The Foundation shall be overseen by the Senatsverwaltung für Justiz (Senate Department for Justice) of Land Berlin in accordance with the provisions of the Foundations Act of Land Berlin as currently applicable.
- (2) The Executive shall seek the approval of the oversight authority for any acts requiring the authority's permission. The Executive shall comply with all other statutory notification and reporting obligations. It shall immediately notify the oversight authority of any change in the composition of the Foundation's organs.
- (3) The Executive shall submit the Foundation's annual report to the oversight authority no later than eight months after the end of the business year.

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