

Appendix to the resolution of the Board of the Foundation no. 2/2021 of 18 May 2021

ARTICLES OF ASSOCIATION

OF "LIDERZY PRZEMIAN" FOUNDATION

(this is a consolidated text taking into account the amendment made by the Board of the Foundation Resolution No. 1/2021 dated May 17, 2021)

Chapter 1
General provisions

Article 1

The Foundation under the name: "**Liderzy Przemian**" **Foundation**, hereinafter referred to as the "Foundation", established by the Polish-American Freedom Foundation, hereinafter referred to as the "Founder", by the notarial deed drafted on February 3, 2016, by the assistant notary - Paweł Paliszewski, assistant to Dorota Kałowska, Notary Public in Warsaw, registered in the notary's register A no. 812/2016, operates on the basis of provisions of the Foundations' Act of April 6, 1984 (unified text: Journal of Laws of 1991, no. 46, item 203, as amended) and provisions hereof.

Article 2

1. The Foundation operates within the territory of the Republic of Poland and beyond.
2. The registered office of the Foundation is in the capital city of Warsaw.
3. To perform its core tasks, the Foundation may establish permanent and temporary local branches.
4. The Foundation may establish its branches and offices abroad, participate in organizations at home and abroad, and also participate in trading companies, cooperatives and consortia.
5. The Foundation may grant honorary titles, emblems, medals of honor and other distinctions, which may be awarded to natural and legal persons or other entities for their service towards the Foundation or promoting its objectives.

Article 3

The duration of the Foundation is indefinite.

Article 4

The Foundation may use its distinctive graphic device and equivalent of its name in other languages.

Article 5

The competent Minister in charge of the objectives of the Foundation is the Minister of Science and Higher Education.

Chapter 2
Objectives and forms of activities of the Foundation

Article 6

1. The objectives of the Foundation are the following:
 - 1) sharing experiences of the Polish political transformation and European integration with other countries,
 - 2) promoting democratic development, civil society, market economy and integration with the EU and Euro-Atlantic structures, including reforms related thereto,
 - 3) activities towards development of cooperation between the national and international NGOs, educational institutions and other public and private institutions, unofficial groups and citizens, and countries,
 - 4) promoting Poland worldwide, in particular the Polish culture and language as well as education and science,
 - 5) activities aimed at establishing friendly relations between the countries, including the support of social diplomacy development,
 - 6) activities towards development of education, improvement of skills and education quality.
2. The Foundation realizes its goals within the area of: international collaboration, science, higher education, education, propagation and protection of freedom, human rights and civil liberties, as well as the activities supporting development of democracy, European integrity and establishment of contacts and cooperation between societies, promotion of the Republic of Poland abroad, activities for the benefits of the NGOs and other entities operating for public benefit and/or local government units in Poland and abroad, activities towards economic growth, including the boost of entrepreneurship, humanitarian assistance to victims of conflicts and disasters, activities for the benefit of repressed persons, aid to the Polish communities abroad, assistance and development cooperation as well as global education.
3. The Foundation realizes its goals through the following non-profit activities:
 - 1) organization of scholarship, internship, educational, training programs;
 - 2) provision of scholarships, awards and other types of financing for foreign natural persons, who come to Poland to study, complete an internship and/or training course or to participate in a study visit;
 - 3) organization of study visits to Poland, in particular for the students and specialists;
 - 4) performance of activities for the benefit of former participants in the initiatives described in points 1-3, including the organization of meetings, informational and publishing actions, provision of subsidies to private individuals as well as organizations and projects addressed to former participants;
 - 5) collaboration with universities, NGOs, diplomatic posts, unofficial groups, public institutions at central, regional and local level in Poland and abroad, which contribute to the accomplishment of objectives of the Foundation;
 - 6) provision of subsidies and grants to external entities for the purpose of realizing the objectives of the Foundation, including in particular the implementation of tasks described in point 1-4;
 - 7) promotion and financial, substantial and organizational support of the establishment and operation of partnerships and coalitions of different organizations and institutions, for the purpose of implementing the tasks in line with the objectives of the Foundation;
 - 8) research, analytical and evaluation activities to realize the objectives of the Foundation;
 - 9) performance of informational and educational activities, projects, programs, actions and campaigns in Poland and abroad, aimed at realizing the objectives of the Foundation;
 - 10) design and maintenance of websites, portals and services aimed at propagating and accomplishing the objectives of the Foundation;
 - 11) publishing activities, including the publishing and financing of various reports and expertises as well as academic publishers and articles.

Article 7

To realize its objectives, the Foundation may work together with other Polish and foreign entities, based on relevant agreements and contracts, and apply for material and financial aid from Polish and foreign institutions and organizations.

Chapter 3 **Property and income of the Foundation**

Article 8

The property of the Foundation is the founding capital of PLN 5,000.00 (say: five thousand Polish zlotys), granted in the Founder's declaration of will concerning the establishment of the Foundation, as well as other funds, proprietary rights, real estates and movables acquired in the course of operations of the Foundation.

Article 9

The income of the Foundation may, in particular, be derived from:

- 1) donations and subsidies provided by the Founder,
- 2) national and international donations, grants and subsidies from legal persons,
- 3) national and international donations, gifts and bequests from natural persons,
- 4) bank interest,
- 5) income from proprietary rights, movable and immovable property,
- 6) income from the collections within the meaning of the Act on Public Collections,
- 7) proceeds from deposits in banks and capital market institutions at home and abroad,
- 8) dividends and other proceeds due to participation in profits or legal persons and partnerships.

Article 10

1. The property and income of the Foundation shall be exclusively allocated to realize the objectives defined in Article 6 of the Articles of Association and to cover indispensable costs of the operations and maintenance of the Foundation.
2. The income from the grants, subsidies, donations, gifts and bequests may be used to accomplish any of the objectives of the Foundation, if the funds are transferred without stipulating the purpose of their use.
3. If the Foundation is eligible to inherit, then the Management Board shall make a representation on accepting or rejecting the legacy with all its obligations.
4. To ensure continued operation and enhance the institutional nature of the Foundation, the Management Board shall decide on redemption of the income from the reserve of the Foundation, from which the Foundation's expenses in the subsequent years of its operations shall be covered, including sec. 1.

Article 11

The Foundation may not undertake the following actions:

- 1) grant loans or pledge for the Foundation's liabilities with respect to the members of the Foundation Council, Management Board or employees of the Foundation as well as persons with whom they are married or in cohabitation or relative by blood or affinity in a straight line relationship or affinity in the collateral line to the second degree or related by adoption, guardianship or custody, hereinafter referred to as the "related persons",
- 2) transfer the property of the Foundation to the members of the Foundation Council, Management Board of the Foundation, or to the employees of the Foundation and their

- related persons, on grounds outside those described in relation to third parties,
- 3) use the property of the Foundation to the members of the Foundation Council, members of the Management Board of the Foundation, or to the employees of the Foundation and their related persons, on grounds outside those described in relation to third parties.
 - 4) purchase the goods or services, in which participate the members of the Foundation Council, members of the Management Board of the Foundation, or employees of the Foundation and their related persons, on grounds outside those described in relation to third parties or at prices higher than market.

Chapter 4

Bodies of the Foundation

Article 12

The bodies of the Foundation are the following:

- 1) Foundation Council,
- 2) Management Board.

Article 13

Foundation Council

1. The Foundation Council is a decision-making, reviewing and opinion making body of the Foundation. The Foundation Council supervises the operations of the Foundation within all areas of its activities.
2. The Foundation Council is composed of three to seven members, including the chairperson of the Council. The Foundation Council may be composed of the vice-chairperson of the Council.
3. The members of the Foundation Council are appointed for a four-year term, except for the first Foundation Council, whose term is two years.
4. The number of the members of the Foundation Council is each time defined in sec. 2 by the Foundation Council, subject to the provisions in sec. 5, sentence one.
5. The members of the first composition of the Foundation Council, including its chairperson, are appointed and recalled by the Founder. By way of its resolution, the Foundation Council appoints new members from among the candidates nominated by the members of the Council for the subsequent term (including the chairperson of the Foundation Council and its deputies), or to take the place of persons who ceased to act in this capacity, or to extend the composition of the Council during the term of office. Each member of the Foundation Council is entitled to put forward two candidatures at most.
6. The appointment of the new composition of the Foundation Council may take place not earlier than three months before the current term of the Council and not later than on a day of its expiration. The course of the new term of the selected members of the Foundation Council commences on the date of expiration of the current term of office.
7. A mandate of the member of the Foundation Council expires on the date of expiration of the term of office. A mandate of the member of the Foundation Council expires at the time of expiration of all mandates of other members of the Foundation Council in a given term.
8. A mandate of the member of the Foundation Council also expires due to death, resignation or removal from the Foundation Council by resolution adopted by the majority of votes (3/4 of votes), subject to the provision in sec. 5, sentence one. For the resignation to be valid, it must be in writing.
9. The function of the member of the Foundation Council may be performed for more than one term of office.
10. The members of the Foundation Council may not be the members of the Management

Board of the Foundation at the same time or remain subordinate to the members of the Management Board or be married to them or in cohabitation or relative by blood or affinity in a straight line relationship or affinity in the collateral line to the second degree or related by adoption, guardianship or custody.

11. The persons sentenced by a final court judgment for a crime committed intentionally, prosecuted by public prosecution, or for a tax offense, may not be appointed as members of the Foundation Council or perform any functions therein.
12. The Foundation incurs all the operating expenses of the Foundation Council. The members of the Foundation Council may receive remuneration for their participation in the meetings of the Foundation Council and/or reimbursement of the reasonable costs, if the Council so decides. The above-mentioned remuneration may not be higher than the average monthly salary in the corporate sector, announced by the President of Central Statistical Office for the previous year. The members of the Foundation Council may resign from the remuneration. The members of the Foundation Council subordinate to the Founder due to the employment relationship do not receive any remuneration for their participation in the meeting of the Foundation Council.

Article 14

1. Apart from the matters stipulated in other provisions of the Articles of Association, the Foundation Council shall also perform the following activities:
 - 1) set the guidelines for business activities of the Foundation,
 - 2) supervise and control the operations of the Foundation,
 - 3) appoint and recall members of the Management Board and President of the Management Board,
 - 4) define rules and conditions of employment of the members of the Management Board, including their remuneration,
 - 5) adopt annual and long-term action plans of the Foundation as well as annual and long-term financial plans of the Foundation,
 - 6) adopt general terms and conditions of granting scholarships, subsidies, awards and other grants by the Foundation,
 - 7) choose an expert auditor if the financial statement of the Foundation is subject to audit in compliance with the regulations or if the Foundation Council adopts a resolution on auditing the financial statement,
 - 8) evaluate the work of the Management Board of the Foundation, approve annual activity reports and annual financial statements of the Foundation, grant a vote of acceptance to members of the Management Board,
 - 9) decide on amending the Articles of Association, subject to provision of Article 20 sec. 1,
 - 10) decide on merger with another foundation or liquidation of the Foundation,
 - 11) appoint consultative and advisory bodies,
 - 12) provide opinion on matters presented for discussion by the Management Board and undertaken on its own initiative.
2. To perform its activities, the Foundation Council may inspect all the documents of the Foundation, request statements and explanations from the Management Board and employees, and review the assets of the Foundation.

Article 15

1. The Chairperson is responsible for supervising the work of the Foundation Council.
2. The Foundation Council convenes a meeting twice a year. The meeting of the Foundation Council is convened by the Chairperson on his/her own initiative or upon request of the Management Board or of at least 1/3 of the members of the Foundation Council. In case

of absence of the Chairperson of the Foundation Council, the meetings are convened and chaired by the Vice-Chairperson of the Foundation Council or other members authorized thereby.

3. The Foundation Council makes decisions in the form of resolutions. The Foundation Council adopts resolutions in the presence of at least half of its members provided that the provisions hereof do not stipulate otherwise.
4. Provided that the provisions hereof do not stipulate otherwise, the resolutions of the Foundation Council are passed by an absolute majority of votes cast. If the number of votes is equal, the vote cast by the Chairperson of the Foundation Council shall be decisive.
5. The resolutions of the Foundation Council may be also adopted in writing, including electronic or safe means of distance communication if all members of the Foundation Council have been duly informed on the content of the resolution.
6. (deleted)
7. The resolutions of the Foundation Council must be signed by all members of the Foundation Council, who participated in the voting procedure. The resolutions adopted by means of electronic or safe means of distance communication must be signed by the Chairperson of the Foundation Council or a member authorized thereby.
8. The Foundation Council may adopt its regulations, in which it shall define the organization and rules of procedure of the Foundation Council.

Article 16

Management Board

1. The Management Board is composed of one to five members, including the President of the Management Board, appointed and recalled by the Foundation Council, except for the first composition of the Management Board and first President thereof, appointed and recalled by the Founder. The Management Board may be composed of Vice-Presidents.
2. The number of the members of the Management Board is each time defined in sec. 1 by the Foundation Council, subject to the provisions in sec. 1, sentence one.
3. The members of the Management Board are appointed for a four-year term, except for the first Management Board, whose term is two years. A mandate of the member of the Management Board appointed during a given term expires at the time of expiration of all mandates of other members of the Management Board.
4. The function of the member of the Management Board may be performed for more than one term of office.
5. The mandate of the member of the Management Board expires when the Foundation Council approves the financial statement for the last full financial year of performing the function of member of the Management Board in a given term.
6. The mandate of the member of the Management Board also expires due to death, resignation or recall of the member from the Management Board by the Foundation Council, subject to provision in sec. 1, sentence one. For the resignation to be valid, it must be in writing.
7. The persons sentenced by a final court judgment for a crime committed intentionally, prosecuted by public prosecution, or for a tax offense, may not be appointed as members of the Management Board or perform any functions therein.
8. Any member of the Management Board may be recalled at any time by means of the resolution of the Foundation Council, subject to provision in sec. 1, sentence one.

Article 17

1. The Management Board is responsible for managing the activities of the Foundation and representing the Foundation outside.

2. The Management Board shall:
 - 1) manage current activities of the Management Board,
 - 2) accomplish the objectives stipulated in the Articles of Association of the Foundation,
 - 3) prepare and implement annual and long-term action plans of the Foundation as well as annual and long-term financial plans of the Foundation,
 - 4) manage the assets of the Foundation, in particular make decisions on the performance and financing of the activities stipulated in Article 6 hereof,
 - 5) approve the regulations and by-laws of the Foundation,
 - 6) approve the rules of granting scholarships, subsidies, awards, etc. to private individuals under the programs implemented by the Foundation and submit them for approval by the Foundation Council,establish and close branches, offices and other units of the Foundation and make decisions on the creation or joining of the trading companies, cooperatives, consortia, foundations, associations and other organizations, as well as on the cooperation with other entities and conditions of such cooperation,
 - 8) employ staff on the basis of employment contracts and persons working with the Foundation on the basis of civil and law contracts, and determine their remuneration,
 - 9) request the Foundation Council to amend the Articles of Association,
 - 10) request the Foundation Council to merge or liquidate the Foundation,
 - 11) decide on any matters for which responsibility is not given exclusively to the Foundation Council.
3. The Foundation Council must give its permission if the Foundation wants to establish another foundation, join a trading company, cooperative, consortium, foundation, association or other organization.
4. Two members of the Management Board have to act together to make declarations of will on behalf of the Foundation. If the Management Board is composed of one person only, the President of the Management Board shall be authorized to solely represent the Foundation and make declarations of will on its behalf.
5. Within six months after the end of the calendar year, the Management Board shall draw up and submit with the Foundation Council the annual activity report and financial statement of the Foundation prepared in compliance with the accounting principles.
6. The members of the Management Board may be employed by the Foundation on the basis of the employment contract or other legal relationship, or may receive remuneration for their participation in the meetings of the Management Board, unless a member of the Management Board and the Foundation Council decide otherwise.
7. The Management Board may appoint representatives to manage a separate area of issues or programs that belong to the activities of the Foundation.
8. The Foundation incurs the expenses related to serving on the Management Board by a member thereof.
9. In contracts executed by and between the Foundation and member of the Management Board as well as in litigation, the Foundation is represented by the Foundation Council, on behalf of which acts its Chairperson, and in case of his/her absence - the Vice-Chairperson of the Council Foundation or another member of the Foundation Council authorized thereby.
10. The Management Board may adopt its regulations, in which it shall define the organization and rules of procedure of the Management Board.

Article 18

1. The President of the Management Board manages the work of the Management Board and chairs its meetings, and in case of his/her absence - the Vice-President or member of the Management Board appointed by the President.
2. The meetings of the Management Board are held as needed, at least once per quarter.

3. The President of the Management Board convenes the meetings of the Management Board, and in case of his/her absence - the Vice-President or member of the Management Board appointed by the President.
4. The Management Board makes decisions in the form of resolutions, in the presence of at least half of its members.
5. The Management Board adopts resolutions at its meetings. The Management Board may also pass resolutions in writing, including electronic or safe means of distance communication if all members of the Management Board have been duly informed on the content of the draft resolution.
6. The resolutions are adopted by a majority of votes. If the number of votes is equal, the vote cast by the President of the Management Board shall be decisive.
7. If the Management Board is composed of one person only, all responsibilities of the Management Board are carried out solely by the President of the Management Board.

Article 19

1. The resolutions of the Management Board and Foundation Council are adopted in an open ballot.
2. A secret ballot is held to examine the motions in personal matters, including in particular the appointment and recall of the member of the Management Board or Foundation Council, and in other matters defined by the Management Board and Foundation Council.

Chapter 5 Amendment to the Articles of Association and objectives of the Foundation

Article 20

1. By the time of expiration of the first term of office of the Foundation Council, the amendment to the Articles of Association may be made by the Founder, and after this date - by the Foundation Council, on its own initiative or upon request of the Management Board of the Foundation.
2. 3/4 of votes, in the presence of at least 2/3 of the members of the Foundation Council, are required to adopt a resolution on the amendment to the Articles of Association by the Foundation Council.

Chapter 6 Merger with another foundation

Article 21

1. The Foundation may merge with another foundation with similar objectives defined by the interested parties.
2. The Foundation Council adopts the resolution on the merger by a majority % of votes, in the presence of at least 2/3 members of the Foundation Council.

Chapter 7 Liquidation of the Foundation

Article 22

1. Only the Foundation Council may decide on the liquidation of the Foundation due to reasons indicated in the Act on Foundations.

2. The Foundation Council adopts the resolution on the liquidation by the majority 3/4 of votes, in the presence of at least 2/3 members of the Foundation Council. The resolution on the liquidation may be passed only upon prior notification of all members of the Foundation Council about such motion and delivery of the draft resolution.
3. At the time of opening of the liquidation, the Management Board shall cease all its operations. The liquidation procedure is performed by the liquidators appointed by the Foundation Council. The present members of the Management Board may perform the functions of the liquidators.

Article 23

The assets remaining after the liquidation of the Foundation may be used for objectives in line with the objectives of the Foundation defined in Article 6 and establishment of a new foundation or may be donated to NGOs with similar goals operating in Poland.

Chapter 8

Final provisions

Article 24

1. The Foundation maintains financial management and keeps its books according to the rules defined in the applicable Polish law.
2. The Foundation submits its annual activity report for the previous calendar year, approved by the Foundation Council, with the Minister supervising the Foundation and with the Founder.
3. The report mentioned in sec. 2 shall be made public by the Foundation.
4. In matters not regulated herein, the provisions of the Polish law, in particular the Act on Foundations, shall apply.