

# Statute of the

## "Sustainable Villages Foundation – Stiftung nachhaltige Dorfentwicklung“

### Preamble

At the time of the Foundation's establishment, almost one billion people worldwide do not have access to electricity, three billion people use unhealthy cooking equipment, 785 million people do not have reliable access to clean (drinking) water. These deficits often go hand in hand with lack of access to education and training, problems with nutrition and health, and a lack of opportunities to generate an adequate income, resulting in a growing rural exodus.

Particularly in the last 20 years, technological progress has opened up an increasing number of opportunities to change this situation in a decentralised manner with manageable resources. The Foundation aims to strengthen local forces and local added value and to make expertise and technological progress permanently available where poverty prevails, living conditions are poor and sustainable improvements are desirable and often even necessary for survival. Electrification and modern information and communication technology are the key to further development in the areas of health, nutrition, education, income generation and participation.

The Foundation's ideal is "sustainable villages", whose inhabitants lead a healthy and self-determined life, have access to education and professional training, earn an adequate living in the village environment by their own efforts and at the same time are connected to the world outside the village.

The Foundation is guided by the following Sustainable Development Goals (SDGs) of the United Nations, among others

- SDG 1: No poverty
- SDG 2: Zero hunger
- SDG 3: Good health and well-being
- SDG 4: Quality education
- SDG 5: Gender equality
- SDG 6: Clean water and sanitation
- SDG 7: Affordable and clean energy
- SDG 8: Decent work and economic growth
- SDG 9: Industry, innovation and infrastructure
- SDG 10: Reduced inequalities
- SDG 11: Sustainable cities and communities
- SDG 12: Responsible consumption and production
- SDG 13: Climate action

### § 1

#### Name, registered office, legal form

(1) The foundation carries the name:

*Sustainable Villages Foundation - Foundation for sustainable village development*

The Foundation may operate in legal relations under the short name *Sustainable Villages Foundation*.

- (2) It is a Foundation with legal capacity under civil law and is based in Potsdam.
- (3) The Foundation's financial year is the calendar year. The first financial year is a short financial year; it begins on the date of recognition of the legal capacity of the Foundation and ends on 31 December of the same calendar year.

## **§ 2 Purpose of the Foundation**

(1) The purpose of the Foundation is to find and verify a holistic model for the sustainable improvement of living conditions in rural and peri-urban settlements in developing countries, based on the concept of "smart villages", together with local forces, to continuously develop this model and to promote its dissemination. The aim of the sustainable approach is to create a locally strengthened economy in the supported settlements, which will become as independent as possible from external funding in order to maintain and further improve the living conditions. The Foundation is committed to climate protection.

The following tax-privileged purposes can be derived from the purpose of the Foundation, which the Foundation pursues with varying degrees of emphasis:

- a. the advancement of development cooperation;
- b. the advancement of upbringing, adult education and vocational training including assistance for students;
- c. the advancement of science and research.

(2) The purpose of the Foundation shall be realised in particular by

- a. the planning and implementation of training and vocational education in the fields of solar energy, water and cooking appliances, e.g. training for installation, maintenance, repair and sale of off-grid solar systems;
- b. the planning and implementation of development cooperation projects with the help of the funds available through the Foundation for immediate use, as well as with the help of further donations to be raised. The projects are listed below as examples:
  - i. Selection of an existing village or peri-urban settlement in sub-Saharan Africa with the aim of developing this settlement into a "model village".
  - ii. Planning and implementation of decentralised electrification of the model village and other villages using environmentally friendly renewable energies. This also includes the electrification of schools and health stations.
  - iii. Planning and implementation of cross-technology field tests, e.g. for cooking appliances that are not harmful to health, including the supply of the model village and other villages with the cooking appliances found to be suitable.
  - iv. Planning and implementation of the improvement of the (drinking) water supply of the model village and other villages, e.g. by building wells and water purification facilities.
  - v. Promotion of local entrepreneurship and local production or final assembly, e.g. through business start-up training in the fields of electrical and cooking equipment as well as water supply.

- vi. Scientific monitoring of the above-mentioned measures, in particular with regard to (technical) functioning, economic aspects, social sustainability, impact and accuracy of fit, with the aim of developing recommendations This may result in the commissioning of product development projects.
- vii. Should further thematic priorities emerge in the course of the model village project, such as the improvement of agricultural cultivation methods and nutrition or the improvement of waste management and recycling, the Foundation may provide support here, e.g. by planning and implementing training on improved cultivation methods.
- viii. Encourage the partial or total transfer of the model to other settlements in all the above-mentioned aspects. These settlements may also be located outside Africa. The support corresponds to the above-mentioned points of paragraph 2 with emphasis on 2.2.a and 2.2.b points ii, iv, v, vii.
- ix. Idealistic and financial support of charitable institutions as well as corporations under public law at home and abroad, which pursue the same purpose of the Foundation.
- x. Information, education and public relations work in Germany and abroad on development cooperation issues, e.g. implementation of exchange programmes.

(3) The purpose of the Foundation is also the procurement of funds in accordance with § 58 No. 1 AO to promote the aforementioned tax-privileged purposes for the realisation of tax-privileged purposes of another corporation in Germany and/or abroad or for the realisation of tax-privileged purposes by a public corporation.

(4) Beneficiaries of the Foundation are not legally entitled to benefits under these statutes. Nor does a grant of Foundation funds already made or the mere "in prospect" does not lead to a claim to benefits.

### **§ 3 Non-profit status**

(1) The Foundation shall exclusively and directly pursue charitable purposes within the meaning of the section "Tax-privileged purposes" of the Fiscal Code of Germany.

(2) The Foundation acts selflessly and does not primarily pursue its own economic purposes. The funds of the Foundation may only be used for purposes in accordance with its Statutes. No person may be favoured by expenses that are alien to the purpose of the Foundation or by disproportionately high remuneration. The founder and his heirs or legal successors shall not receive any grants from the funds of the Foundation.

(3) The Foundation shall perform its tasks itself or through auxiliary persons within the meaning of § 57 (1) sentence 2 AO, provided that it does not act by way of procurement of funds. The Foundation may maintain special-purpose operations in order to realise the purpose of the Foundation.

## **§ 4 Assets**

- (1) The Foundation assets at the beginning of the Foundation's activities are described in the founding act document.
- (2) The assets of the Foundation consist of:
  - a. the initial assets according to the founding act document, which represent a fixed Foundation capital that is to be maintained undiminished on a permanent basis and invested securely and profitably.
  - b. consumable assets according to the founding act document, which the Foundation can use to achieve its statutory objectives if necessary, and
  - c. contributions to the Foundation's assets, which are allocated either to the Foundation's fixed capital or to the Foundation's consumable assets in consultation with the donors or contributors.
- (3) Asset regroupings shall be permissible. Reallocation gains may be used in whole or in part to fulfil the purpose of the Foundation.
- (4) The Foundation may also allocate donations without a specific purpose based on dispositions by will to the assets.
- (5) The Foundation shall fulfil its tasks from the income from the assets of the Foundation, from the consumable assets and from donations not expressly intended to strengthen the fixed capital of the Foundation, as well as from the profits from the reallocation of funds intended for this purpose. Exceptions to this are the formation of reserves or allocations to the Foundation's assets in accordance with § 62 (1) No. 3 AO.
- (6) The Foundation shall be entitled to form reserves within the framework of the provisions of the Fiscal Code of Germany.
- (7) Within the scope of what is permissible under fiscal law, the Foundation may allocate funds to the capital endowment of another tax-privileged body or a legal person under public law.

## **§ 5 Organization**

- (1) The organs of the Foundation are the Executive Board and the Board of Trustees.
- (2) The members of the organs shall work without remuneration. They shall be entitled to reimbursement of the necessary reasonable expenses incurred by them in connection with the activities of the Foundation, if the income from the fixed Foundation capital or the consumable assets allow this. No other assets may be allocated to them.
- (3) Notwithstanding paragraph 2, the Foundation Board of Trustees may decide that the Executive Board of the Foundation shall receive appropriate remuneration for its activities, insofar as the income from the fixed Foundation capital or the consumable assets permit this and the scope of the Foundation's activities so requires.
- (4) A member of one organ may not simultaneously belong to another organ.

(5) The members of the organs shall only be liable for intent and gross negligence.

## **§ 6 Executive Board**

(1) The Executive Board shall consist of up to three members. The members of the first Executive Board shall be appointed in the founding act document.

(2) The term of office of the first Executive Board shall be four years from the date of establishment of the Foundation. The term of office of the members of the subsequent Executive Board shall be four years. The founder shall be a lifetime member of the Executive Board. He is entitled to resign from his office at any time. During his lifetime, the founder is Chairman of the Executive Board and appoints his deputy as well as the other members of the Executive Board if the Executive Board consists of more than one person. The founder is entitled to resign from the chairmanship at any time and become a simple member of the Executive Board.

(3) After the founder has left the Executive Board, the Board of Trustees shall elect the new members of the Executive Board in good time before their term of office expires. One re-election is permissible. The members of the Executive Board elect a Chairperson and his/her deputy from among its members.

(4) The office of a member of the Executive Board shall end upon expiry of the term of office. In such cases the member of the Executive Board shall remain in office until a successor has been appointed. The office ends further by death and by resignation, which is permissible at any time. In these cases, the remaining members of the Executive Board form the Executive Board. Until the successor takes up office, they shall continue to carry out alone the Foundation's tasks of the current administration, which cannot be postponed. A retired member of the Executive Board must be replaced immediately by the Board of Trustees. The successor shall only be appointed for the remaining term of office of the predecessor.

(5) A member of the Executive Board may be dismissed by the founder, or by the Board of Trustees after the founder has left the Executive Board, at any time for good cause. This requires a majority of two thirds of the votes of the members of the Board of Trustees. The member concerned must be given the opportunity to comment before the vote

## **§ 7 Tasks of the Executive Board**

(1) The Executive Board shall decide on all fundamental matters in accordance with these statutes on its own responsibility and shall manage the current administration of the Foundation. It has the status of a legal representative and represents the Foundation in and out of court and acts through its Chairperson or, in the event of his/her being prevented, through his/her deputy.

(2) The members of the Foundation's Executive Board must implement the wishes of the founder as effectively as possible within the framework of the Foundation Law and these Statutes. They are obliged to manage the assets of the Foundation and other funds conscientiously, sparingly and economically. Tasks of the Executive Board are in particular:

- the management of the Foundation's assets,
- the use of the Foundation's funds,
- the preparation of a budget, annual accounts and activity report.

(3) For the preparation of its resolutions, the execution of its tasks and in particular the execution of current administration, the Executive Board may, with the consent of the Board of Trustees, employ a managing director or other auxiliary staff and conclude the necessary contracts or call in experts, insofar as the income from the Foundation's assets permits and the scope of the Foundation's activities so requires. Managing directors and experts may be appointed as special representatives in accordance with § 30 BGB (German Civil Code).

(4) The revenue and expenses of the Foundation shall be recorded and supporting documents collected. At the end of each financial year, the documents required for the annual accounts in accordance with the Foundation Law of the Land of Brandenburg must be prepared without delay for the Foundation Authority and submitted to it without being requested to do so within the legally prescribed period.

(5) Insofar as the financial situation of the Foundation permits, the Executive Board is entitled to establish an office in Germany and/or abroad and provide it with the necessary personnel and material resources. Furthermore, it shall be entitled to employ auxiliary personnel or to commission third parties to carry out the tasks arising free of charge or against payment.

(6) The Executive Board is entitled to set up an honorary advisory board without organ status to support it and to give it rules of procedure.

(7) The Chairperson of the Executive Board is exempted from the restrictions of § 181 BGB.

## **§ 8**

### **Meetings and resolutions of the Executive Board**

(1) The Executive Board shall meet at least once a year; otherwise as required or if two-thirds of the members of the Executive Board, stating an important reason, request this or if the Board of Trustees so requests.

(2) As a rule, the Executive Board shall take its decisions at meetings. It shall constitute a quorum if the Chairperson or, if he/she is prevented from attending, the Deputy Chairperson has issued a written invitation to the meeting with two weeks' notice, stating the agenda, and at least two-thirds of the members are present. A violation is irrelevant if all members of the Executive Board are present and no member of the Executive Board complains about the violation. A member of the Executive Board may be represented at the meeting by another member of the Executive Board. No member of the board may represent more than one other member of the board. Participation by video conference or telephone conference is permitted for good cause.

(3) Unless otherwise provided for in these statutes, the Executive Board shall take its decisions by simple majority of the members present. In the event of a tied vote, the vote of the Chairperson shall be decisive; in the event of absence, that of the Deputy Chairperson.

(4) Except in the cases of § 6 paragraph 5 and § 12 of these Statutes, resolutions of the Executive Board may also be adopted by written circulation by letter, fax or e-mail, provided that no member of the Executive Board objects to this type of resolution. The observance of notice periods and form can be waived unanimously. At least two thirds of the members of the Executive Board must participate in a written vote.

(5) Minutes shall be taken of the meeting and signed by the Chairperson or, in his/her absence, by the Deputy Chairperson, and by the keeper of the minutes. Resolutions passed by written circulation procedure must be recorded in writing in minutes. The votes must be attached to these minutes. Minutes and resolutions are to be brought to the attention of all members of the Executive Board and the Chairperson of the Board of Trustees.

(6) The Executive Board may, with the consent of the Board of Trustees, draw up its own rules of procedure.

## **§ 9 Board of Trustees**

(1) The Board of Trustees shall consist of at least three and no more than seven members. The members of the first Board of Trustees shall be appointed by the founder within the first eighteen months of the Foundation's existence. Until then the tasks of the Board of Trustees shall be assumed by the Executive Board.

(2) If a member of the Board of Trustees resigns, the Board of Trustees shall elect a successor in good time before the end of the term of office. The Executive Board has a right of nomination. Re-elections are permissible. The term of office of the first Board of Trustees shall be four years from the establishment of the Foundation. The term of office of the subsequent Boards of Trustees shall be four years. The Board of Trustees shall elect a Chairperson and a Deputy Chairperson from among its members.

(3) The Board of Trustees should, if possible, include persons who have particular expertise and experience with regard to the fulfilment of the tasks of the Foundation. One member should be an expert in financial and economic matters.

(4) The office of a member of the Board of Trustees shall end upon expiry of the term of office. In such cases, the member of the Board of Trustees shall remain in office until a successor is appointed. The office ends further by death and by resignation, which is permissible at any time. In these cases, the remaining members of the Board of Trustees shall form the Board of Trustees. Until the successor takes office, they shall continue to perform the duties that cannot be postponed. A retired member of the Board of Trustees is to be replaced immediately by a new member to be elected by the Board of Trustees.

(5) A member of the Board of Trustees may be dismissed by the Board of Trustees at any time for good cause in a joint meeting with the Executive Board. The decision to dismiss requires a two-thirds majority of the members of the Executive Board and the Board of Trustees (in both bodies a two-thirds majority of the votes cast is required). The member concerned is excluded from voting in this vote. He/she must first be given the opportunity to comment.

**§ 10**  
**Tasks of the Board of Trustees**

(1) The Board of Trustees advises supports and monitors the Executive Board of the Foundation within the framework of the Foundation Law and these Statutes in order to fulfil the founder's wishes as effectively as possible. Its tasks are in particular:

- Recommendations to the Executive Board of the Foundation's assets,
- Recommendations to the Executive Board on the use of the Foundation's funds,
- Approval of the budget, annual accounts and activity report
- Election of the members of the Executive Board (after the founder has left the board),
- Discharge of the Executive Board,
- Dismissal of a member of the Executive Board for good cause.

(2) The Board of Trustees may call upon experts to prepare its decisions.

(3) The Board of Trustees shall be informed by the Executive Board at any time at its request.

**§ 11**  
**Meetings and resolutions of the Board of Trustees**

(1) The Board of Trustees shall meet at least once a year, otherwise as required or if two members of the Board of Trustees, stating an important reason, or the Executive Board so requests.

(2) The Board of Trustees shall normally take its decisions at meetings. It shall constitute a quorum if the Chairperson or, if he/she is prevented from attending, the Deputy Chairperson has issued a written invitation to the meeting with two weeks' notice, stating the agenda, and at least two thirds of the members are present. A violation is irrelevant if all members of the Board of Trustees are present and no member objects to the violation. Participation by video conference or telephone conference is permitted for good cause. The members of the Executive Board and the Managing Director, if any, are entitled to attend the meetings of the Board of Trustees in an advisory capacity. Experts and other third parties may also attend in an advisory capacity.

(3) The provisions of Article 8 (3) to (5) of these Statutes apply accordingly.

(4) The Board of Trustees may adopt its own rules of procedure.

(5) Should joint meetings of the Executive Board and the Board of Trustees with the adoption of resolutions become necessary, the Executive Board and the Board of Trustees shall be convened for a meeting by the Chairperson or Deputy Chairperson of the Executive Board, stating the agenda and giving two weeks' notice. Resolutions shall be passed if there is a simple majority of the members present in each of the two bodies, unless other majorities are specified in these Statutes.

**§ 12**  
**Amendment to the Articles of Association**

(1) Amendments to the Foundation Statutes which do not affect the purpose of the Foundation are permissible if the original structure of the Foundation is not changed or if the fulfilment of the purpose of the Foundation is substantially facilitated by the amendment. The charitable status of the Foundation may not be impaired or revoked.

(2) If, as a result of a significant change in circumstances, the fulfilment of the purpose of the Foundation no longer appears possible or reasonable, the purpose of the Foundation may be changed. Further Foundation purposes may be pursued if the expansion does not jeopardise the permanent and sustainable fulfilment of the original purpose, in particular if the income from the Foundation's assets is only partially required for the realisation of the original purpose and/or donations can be raised for further Foundation purposes. The charitable status of the Foundation may not be impaired or revoked.

(3) The Foundation organs may decide to associate or merge the Foundation with another tax-privileged entity or to dissolve the Foundation if the purpose of the Foundation has become impossible or if circumstances have changed in such a way that the permanent and sustainable fulfilment of the purpose of the Foundation no longer appears possible and the permanent and sustainable fulfilment of a changed purpose in accordance with para. 2 is also out of the question.

(4) Resolutions on paragraphs 1 to 3 can only be adopted at joint meetings of the Executive Board and the Board of Trustees. An amendment resolution requires a two-thirds majority of the members of the Executive Board and the Board of Trustees (a two-thirds majority of the votes cast is required in both organs). The resolutions are to be immediately forwarded to the Foundation Authorities. Amendments to the Statutes only become effective upon approval by the Foundation Authorities.

**§ 13**  
**Transfer of assets**

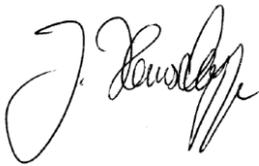
In the event of the dissolution or cancellation of the Foundation or if tax-privileged purposes cease to apply, the assets of the Foundation shall be transferred to a legal person under public law or another tax-privileged body for the purpose of using them for the advancement of development cooperation. The Executive Board and the Board of Trustees of the Foundation shall determine in a joint meeting which legal person under public law or other tax-privileged body fulfilling the condition laid down in this paragraph shall be elected. The decision requires a two-thirds majority of the members of the Executive Board and the Board of Trustees (in both bodies a two-thirds majority of the votes cast is required).

**§ 14**  
**Legal supervision**

(1) The Foundation is subject to state supervision in accordance with the Foundation Law of the State of Brandenburg in its currently valid version. It also regulates which authority is responsible for supervising the Foundation.

(2) Upon request, the Foundation Authority shall be informed at any time about the affairs of the Foundation. Notifications of changes in the composition of the Foundation's organs authorised to represent the Foundation must be notified to the Foundation Authority without delay.

Berlin, the 29.10.2020



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Joachim Hauschopp

**REMARK ON THE ENGLISH VERSION:**

This document is a translation of the German original with the title **Satzung der „Sustainable Villages Foundation - Stiftung nachhaltige Dorfentwicklung“**. The German version was officially accepted by the Foundation Authorities of the State of Brandenburg. In case of contradictions or deviations, the German version prevails.