

IMPULS, Endowment Fund

STATUTE

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BASIC PROVISIONS

IMPULS was established pursuant to an agreement signed by the founder and came into being on 6th April 2000 upon entry into the Charities' Register in the Regional Commercial Court in Prague, Section N, File No.: 325.

The registered office of the endowment fund is Kateřinská 30, 128 08 Prague 2.
The identification number of the endowment fund is 26 16 94 28.

The founder's capital contribution to the endowment fund is 7,000 CZK (in words: seven thousand Czech crowns).

The purpose of the endowment fund is to provide support for activities in connection with the treatment of and research into demyelisatory diseases, and related activities of rehabilitation, study and education.

ORGANISATION OF THE ENDOWMENT FUND

1. Bodies of the Endowment Fund

The bodies of the endowment fund are the:

- a) Board of Trustees
- b) Inspector or if applicable the Supervisory Board

2. Board of Trustees

2.1. Scope of Authority of the Board of Trustees

2.1.1 The Board of Trustees is the authorised representative of the endowment fund.

2.1.2 Each member of the Board of Trustees is authorised to act independently in the name of the endowment fund. If the Board of Trustees undertakes actions on behalf of the endowment fund in writing, signing means that the member of the Board of Trustees affixes their signature to the written or printed name of the fund.

The Board of Trustees is authorised to regulate the conditions under which one of its members is entitled to make binding agreements for the endowment fund by means of the binding rules pursuant to Art. 2.1.4(a). However, violation of these rules does not affect the validity of the legal deed and merely establishes the liability of the member of the Board of Trustees that violated the rules."

2.1.3 The Board of Trustees manages the property and activities of the endowment fund and makes decisions on all matters pertaining to the endowment fund.

2.1.4 The following powers are reserved exclusively to the Board of Trustees:

- a) Issuing of statutes and adoption of decisions on amendments thereto, and issuing other binding rules or amendments governing the endowment fund's activities;
- b) Approval of the budget and changes thereto;
- c) Approval of the annual final accounts and the annual report on activities and financial management, and ensuring that the endowment fund's accounts and books of accounts are duly kept;
- d) Election of new members of the Board of Trustees and adoption of decisions to remove members thereof;
- e) Election of an Inspector or Supervisory Board should circumstances arise where the Board of Trustees is obliged to establish a Supervisory Board under the law, and the adoption of decisions relating to the removal thereof;
- f) Determination of the level of remuneration due for the exercising of office as a member of the Board of Trustees and Inspector or member of the Supervisory Board;
- g) Vis-a-vis the employees of the endowment fund, the exercise of an employer's rights under the applicable labour code provisions;
- h) Adoption of decisions relating to the grant of charitable contributions or to the effect that a charitable contribution has not been used in accordance with the stipulated conditions;
- i) Adoption of a decision to merge the endowment fund with another charity or endowment fund.

2.2. Membership of the Board of Trustees

2.2.1. The Board of Trustees has six (6) members.

2.2.2. Only a natural person, who is legally competent and of impeccable character and who is not employed by, or in similar relations with, the endowment fund may be a member of the Board of Trustees. For these purposes, a person is not of impeccable character if s/he has been sentenced for a wilful criminal offence and this sentence has come into legal effect. Evidence of impeccable character is provided by a police record or a similar applicable document originating in the country in which the person concerned has his/her permanent residence.

2.2.3. A natural person may not act as a member of the Board of Trustees if s/he is a recipient of funds intended for the purpose of the endowment fund. An authorised representative or a member of the supervisory body of a legal entity

may act as a member of the Board of Trustees if the funds provided to to this legal entity are intended for the purpose of the endowment fund.

- 2.2.4. The term of office of a member of the Board of Trustees begins from their election to the position and ends, without prejudice to the provisions of Art. 2.2.7(b) through (d), upon the elapsing of 6th April of the ninth year after being elected. If a board member's membership to the Board of Trustees ends before the elapsing of their term in office, the term in office of the member of the Board of Trustees who was elected in their place will end on the date on which the term of office of the member whose membership to the Board of Trustees was prematurely terminated would have expired.
- 2.2.5. Re-election of a member of the Board of Trustees is admissible.
- 2.2.6. If a board member's membership to the Board of Trustees is terminated before the term of his/her office ends, the Board of Trustees shall, within 60 (sixty) days, elect a new member to fill the position. This new member's term of office ends on the date on which the term of office of the member in whose place the new member has been elected would have ended. The lapse of the sixty-day period does not result in the expiry of the aforementioned entitlement of the Board of Trustees to elect a new member.
- 2.2.7. Membership of the Board of Trustees ends upon:
- a) Expiry of the term of office;
 - b) Resignation;
 - c) Removal, if the member:
 - (i) ceases to comply with the conditions for membership set out in clauses 2.2.2. and 2.2.3. of these Statutes or the requirements under the law;
 - (ii) commits a serious or repeated breach of Act no. 227/1997 Coll. on Charities and Endowment Funds, or the foundation charter or the statutes of the endowment fund;
 - (iii) damages the good reputation of the endowment fund;
 - (iv) has not attended meetings of the Board of Trustees for more than one year;
 - d) Death

- 2.2.8. A meeting of the Board of Trustees to elect a new member shall be held before the outgoing board member's term of office expires, or within 30 (thirty) days at the latest of the date on which the chairperson or other member of the Board of Trustees becomes aware of the membership having ended upon resignation or death.
- 2.2.9. The Board of Trustees shall adopt any decision to remove a member thereof within 1 (one) month of the date on which it becomes aware of the reason for removal, but no later than 6 (six) months of this reason having arisen. If the Board of Trustees adopts a decision to remove a member, it shall at the same time elect a new member to fill the vacated position.

2.3. Chairperson of the Board of Trustees

- 2.3.1. Members of the Board of Trustees shall elect a chairperson from amongst themselves. The chairperson calls and chairs meetings of the Board of Trustees.
- 2.3.2. The Board of Trustees may remove the chairperson at any time, provided that another member of the Board of Trustees is at the same time elected to fill the vacant position.
- 2.3.3. The chairperson of the Board of Trustees shall keep an updated list of all members of the Board of Trustees, the Inspector or the Supervisory Board. The details entered on the list are as follows; the member's name, address, national identity number or date of birth, bank details, email, telephone and any fax number where correspondence may be sent. Members of the relevant body have a duty to notify the chairperson of the Board of Trustees of such details and any changes therein as soon as practicable upon being elected or following any change.

2.4. Decision-making by the Board of Trustees

- 2.4.1. As a general rule the Board of Trustees adopts decisions at its meetings.
- 2.4.2. The Board of Trustees reaches quorum if at least one half of its members are present. If the Board of Trustees does not reach quorum, the chairperson shall call a substitute meeting of the Board of Trustees to be held within 4 (four) weeks of the date on which the original meeting was held.
- 2.4.3. All members of the Board of Trustees have equal voting rights.
- 2.4.4. The adoption of a decision requires the approval of the majority of the members present. Should the votes be cast equally the chairperson has the casting vote.
- 2.4.5. Decisions on issuance of the statute or other binding rules and amendments thereof, on recalling of a member of the Board of Trustees, on the stipulation of the value of remuneration for the discharge of a position and on merging of the endowment fund with another foundation or endowment fund requires the consent of at least two thirds of all members of the Board of Trustees.

- 2.4.6. The Board of Trustees may adopt decisions outside the scope of a meeting on the basis of a written vote or a vote sent by the means of electronic communication. In these circumstances, the chairman shall distribute the proposed decision to other members of the Board of Trustees who have a duty to make known their position within 7 (seven) days of the date on which they receive the chairman's opinion. A decision shall be adopted only if all members of the the Board of Trustees have received the proposal, none of them makes a request to discuss the matter at a meeting of the Board of Trustees, and a majority of the members thereof vote in favour of this proposal. The approval of the proposal by each member of the Board of Trustees shall be supported either by a signature affixed below the full text of the decision in question, or by an email clearly sent by a member of the Board of Trustees. A decision adopted other than at a meeting shall be attached to the minutes of the immediately subsequent meeting of the Board of Trustees.

2.5. Meeting of the Board of Trustees

- 2.5.1. The regular meeting of the Board of Trustees is held once per calendar year.
- 2.5.2. The chairman may call an extraordinary meeting of the Board of Trustees at any time; the chairman has a duty to do so as soon as practicable in the event:
- a) A member of the Board of Trustees or the Inspector resigns, is removed or dies;
 - b) At least 1 (one) member of the Board of Trustees or Inspector so requests with justification in writing.
- 2.5.3. If the chairperson fails to call a meeting of the Board of Trustees notwithstanding his duty to do so, within 3 (three) days of the date of becoming aware of his/her duty to call a meeting, this meeting may be called by any member of the Board of Trustees or the Inspector.

2.6. Preparation for and Conduct of the Meeting of the Board of Trustees

- 2.6.1. The chairperson calls a meeting of the Board of Trustees by sending a written notice stipulating the venue, date, time and agenda of the meeting. The invitation letter shall be delivered (by post or by fax) to members of the Board of Trustees and the Inspector at least 24 hours before the meeting.
- 2.6.2. If the meeting of the Board of Trustees is being called to approve the budget or changes thereto, or to approve annual final accounts and the annual reports on activities and financial management, the principal details of these documents shall be attached to the meeting's invitation letter, together with the information to the effect of when and where such documents may be inspected by members of the Board of Trustees.

- 2.6.3. Other persons may attend the meeting of the Board of Trustees with the Board's consent. The Inspector may attend meetings of the Board of Trustees at any and all times.
- 2.6.4. Meetings of the Board of Trustees are chaired by the chairman or, in his absence, another member of the Board of Trustees authorised to do so by the Board of Trustees.
- 2.6.5. Proposals and counter-proposals of a fundamental nature relating to matters discussed at the meeting are to be made in writing.
- 2.6.6. Members of the Board of Trustees have the right to be heard in discussions on each proposal, or to suggest changes or additions thereto.
- 2.6.7. At the end of discussions, voting shall first take place on suggested amendments or additions, and thereafter on the proposal as a whole.
- 2.6.8. Voting by members of the Board of Trustees is public; however, voting shall take place by secret ballot when electing members to bodies of the endowment fund.
- 2.6.9. Minutes shall be taken to record the meeting of the Board of Trustees and the decisions adopted thereby. The minutes shall contain:
- a) The venue and time of the meeting of the Board of Trustees;
 - b) The names of the members of the Board of Trustees and any other persons present;
 - c) A description of the discussed items on the agenda, together with an overview of proposals and counter-proposals submitted, and the ways in which decisions thereon were adopted.
- 2.6.10. Written materials forming the subject of discussion at the meeting shall be attached to the minutes.
- 2.6.11. The minutes shall be signed by the chairperson of the Board of Trustees or by the member thereof who chaired the meeting.
- 2.6.12. The minutes and schedules thereto shall be deposited in the archive of the endowment fund for the endowment fund's entire duration, and for 10 (ten) years after the date on which the endowment fund ceases to exist.

2.7. Rights and Obligations of Members of the Board of Trustees

- 2.7.1. The rights and obligations of a member of the Board of Trustees are exercisable in person and hence not transferable. The right to instruct other persons to exercise some rights and obligations of the endowment fund and the right to grant the power of attorney to act on the endowment fund's behalf are not hereby affected.
- 2.7.2. A member of of the Board of Trustees shall exercise his/her office with due care and keep secret information confidential as well as circumstances relating to the endowment fund and its activities.
- 2.7.3. A member of the Board of Trustees with an interest in the specific decision of the Board of Trustees shall disclose his/her interest to the Board of Trustees before the decision is taken. This member shall not vote on the decision but shall be deemed to be present for the purposes of the Board of Trustees reaching quorum.
- 2.7.4. Members of of the Board of Trustees who have caused the endowment fund to suffer losses through violation of their lawful obligations in the exercise of the authority of the Board of Trustees are liable for such loss jointly and severally.
- 2.7.5. Without prejudice to the legal relations under any other agreements entered into in the given time between members of the Board of Trustees and the endowment fund, relations between the endowment fund and a member of the Board of Trustees in exercising the member's office comply with the provisions of the Commercial Code on mandate agreements insofar as relevant.

2.8. Inspector or the Supervisory Board, and Powers Thereof

- 2.8.1. The Inspector is the supervisory body of the endowment fund.
- 2.8.2. In particular, the Inspector:
 - a) monitors compliance with conditions for provision of charitable contributions;
 - b) monitors whether the accounts of the endowment fund are correctly maintained; for these purposes the Inspector may inspect the books of accounts and other documents relating to the endowment fund;
 - c) reviews the annual financial statements and the annual report;
 - d) monitors whether the endowment fund's activities are being taken in accordance with provisions of law, the foundation charter and the endowment's statutes;
 - e) notifies the Board of Trustees of any defects and makes proposals to remedy such defects; the Board of Trustees shall discuss such proposals at its next meeting;
 - f) At least once a year submits to the Board of Trustees a report in writing on the results of its supervisory activities; the Board of Trustees shall discuss the report at its next meeting;

- g) Calls an extraordinary meeting of the Board of Trustees if the interests of the endowment fund so require but the chairperson thereof has not done so.
- 2.8.3. If the value of property belonging to the endowment fund is greater than 5,000,000 CZK, the Inspector's duties shall be assumed by a 3 (three) member Supervisory Board which shall be called by the Board of Trustees within 2 (two) months of the date on which the property value threshold is exceeded.
- 2.8.4. The term of office of the Inspector, or members of the Supervisory Board, is 3 (three) years.
- 2.8.5. Re-election of the Inspector is admissible.
- 2.8.6. The Inspector is entitled to attend meetings of the Board of Trustees and has the right to speak if s/he so requests.
- 2.8.7. The Inspector cannot concurrently act as a member of the Board of Trustees or as a person authorised to act as a representative of the endowment fund.
- 2.8.8. The provisions of clauses 2.2.2 and 3.2.3 apply to the Inspector mutatis mutandis.

RULES FOR THE MANAGEMENT OF THE ENDOWMENT FUND

3. Property of the endowment fund

- 3.1. The property of the endowment fund comprises the founder's capital contribution and charitable gifts from third parties in order to achieve the purpose for which the endowment fund has been established.
- 3.2. The property of the endowment fund may comprise cash, securities, real estate and moveable items as well as other property rights and values that are unencumbered by lien.
- 3.3. Property belonging to the endowment fund cannot be used other than in accordance with the purpose and conditions stipulated in the foundation charter or in these statutes as a charitable contribution, and to cover costs incurred in connection with the administration of the charity or endowment fund.
- 3.4. Costs incurred in connection with the administration of the endowment fund shall be recorded separately from records of charitable contributions.
- 3.5. Costs relating to the administration of the endowment fund in particular include the costs of maintaining and valuing property belonging to the endowment fund, costs relating to the provision of charitable contributions and monitoring how such contributions are made, costs of promoting the purpose of the charitable fund and those incurred in connection with the operation thereof, costs of keeping accounts and documents, issuing an annual report and any auditing costs, as well as remuneration for

persons acting as members of the Board of Trustees, Inspector or members of the Supervisory Board.

3.6. In any one calendar year, the aggregate costs incurred in connection with the management of the endowment fund as against the aggregate value of charitable contributions granted in the given year shall not exceed:

a) 50% of any figure not more than 1,000,000 CZK;

b) 10% of any figure more than 1,000,000 CZK.

The above rule shall remain unaltered for a minimum of 5 (five) years.

3.7. The endowment fund shall not participate in financing political parties or political movements.

3.8. The endowment fund shall not participate in the business of third parties.

3.9. The endowment fund shall not engage in business in its own name, save to

a) lease real property;

b) organise lotteries and raffles;

c) arrange public collections and cultural, social, sporting and educational events.

3.10. Property belonging to the endowment fund shall not be mortgaged or pledged, or form the subject-matter of any other securing obligation.

3.11. Upon the sale of property or a let of real estate belonging to the endowment fund, such property cannot be purchased or leased by a member of the the Board of Trustees, the Inspector or member of the Supervisory Board nor any person closely connected therewith, nor any legal entity if a member of such an entity's statutory body is a member of

a) the Board of Trustees of the endowment fund; or

b) the Inspector or a member of the Supervisory Board.

4. Accounts and Annual report

4.1. The endowment fund shall ensure that accounts are duly kept in accordance with separate provisions of law and, in particular, with accounting regulations. The annual final accounts shall be compiled in accordance with such legal provisions and shall be audited in respect to the calendar year in which the aggregate costs or income shown by the endowment fund exceed 3,000,000 CZK or if the value of property belonging the endowment fund exceeds 3,000,000 CZK.

4.2. The accounting period is a calendar year.

- 4.3. The endowment fund shall compile an annual report within 6 months at the most from the end of calendar year.
- 4.4. The annual report shall set out an overview of all activities of the endowment fund during the period under consideration, and an assessment of such activities, in particular:
- a) A review of the endowment fund's property and liabilities;
 - b) Vis-a-vis each charitable gift made to the endowment fund of more than 10,000 CZK, a review of the persons making the gift; if the donor wishes to remain anonymous, anonymity shall be observed;
 - c) A review of how the endowment fund's property is being used;
 - d) A review of persons to whom charitable contributions of more than 10,000 CZK have been granted for purposes for which the charitable fund has been established, together with an assessment of whether and in what way such charitable contributions have been used; if a charitable contribution was made to a natural person on health or other humanitarian grounds and this natural person wishes to remain anonymous, anonymity shall be observed;
 - e) An assessment of whether, in the course of its operation, the endowment fund has observed the rule stipulated for the limitation of administrative costs (3.6.);
 - f) An assessment of the basic details set out in the annual final accounts and any statement of the auditor, together with any significant information from the auditor's report; the annual final accounts shall be attached to the annual report.
- 4.5. If, after publication of the annual report, circumstances arise that justify amendment of the annual report, the endowment fund shall make and publish such changes as soon as practicable.
- 4.6. Within 30 (thirty) days following approval of the annual report by the Board of Trustees, the endowment fund shall lodge the annual report or the amended version thereof at the registration court.
- 4.7. Every person may inspect the annual report and make copies thereof or extracts therefrom.
- 4.8. The annual report is publicly available at the non-profit organisation's Information Centre or from any other body that provides information services for organisations in the non-profit making sector and, where possible, is also published on the Internet.

CONDITIONS FOR MAKING CHARITABLE CONTRIBUTIONS

5. Charitable Contributions

- 5.1. Special purpose charitable contributions are made, in particular, in cash and/or in kind, by assigning or granting of rights (including rights to use moveable items, real estate or non-residential premises, intellectual property rights and the like) to legal entities or natural persons operating premises exclusively or predominantly involved in:
- a) treatment of demyelisatory diseases;
 - b) rehabilitation of persons suffering from a demyelisatory disease;
 - c) scientific research or development relating to demyelisatory diseases; or
 - d) studies or educational activities relating to demyelisatory diseases.
- 5.2. The person in receipt of a charitable contribution from the endowment fund compatible with a purpose for which the fund was established has a duty to use this contribution in accordance with the conditions specified by the endowment fund. If s/he does not do so, s/he shall return the contribution to the fund or reimburse the fund in cash within the period specified by the endowment fund.
- 5.3. It is inadmissible to make a further contribution to a person who has used an earlier charitable contribution contrary to specified conditions.
- 5.4. A person to whom the endowment fund makes a charitable contribution shall, if requested to do so by the endowment fund, provide evidence of how the contribution has been used and the purpose for which the contribution has been applied.
- 5.5. Charitable contributions are not available to existing or former members of the Board of Trustees or the Inspector of the endowment fund, or to any legal entity in circumstances where a member of such entity's authorised representative or supervisory body also acts as a member of the Board of Trustees or the Inspector.
- 5.6. The grant of charitable contributions shall be governed by the following principles:
- a) The reasons in the application for a charitable contribution and in the decision to provide the contribution shall be consistent with the purpose of the endowment fund;
 - b) The conditions for use of the charitable contribution, report on the results of the use thereof and monitoring methods shall be governed by an agreement to provide a charitable contribution;
- 5.7. Charitable contributions are made exclusively on the basis of an application in writing setting out the reasons.
- 5.8. The decision on whether to make a charitable contribution shall be taken by the Board of Trustees, which may request an independent expert to assess the application.

- 5.9. The of the Board of Trustees on whether to make a charitable contribution shall set out reasons and shall be recorded in the minutes of the meetings of the Board of Trustees.
- 5.10. No charitable contribution will be made until the endowment fund has entered into an agreement in writing with the legal entity or natural person that operates the premises defined in clause 5.1.
- 5.11. An agreement to make a charitable contribution shall specify the:
- a) form of the charitable contribution (the cash amount or the nature of the contribution in kind);
 - b) manner and time in which the contribution will be paid or returned (in the case of a loan);
 - c) conditions under which the contribution shall be used (specification of the premises, methods or persons for whom the contribution is intended);
 - d) duty to report on the manner, purpose or result of the use of the contribution.
- 5.12. If the recipient of the contribution is a legal entity, an employee thereof shall concurrently be identified by name as having exclusive authority to deal with the subject-matter of the charitable contribution (including dealings with the account to which funds will be transferred) and bearing responsibility for the use of such contribution in accordance with the purpose set out in the agreement.
- 5.13. As regards the provision of a charitable contribution, the conditions of use thereof, reports on results and monitoring methods shall be governed by a contract.
- 5.14. Materials setting out applications for charitable contribution, decisions of the Board of Trustees thereon, finalised agreements and reports on results of use and monitoring shall be kept for the duration of the endowment fund and will be made available upon request at the endowment fund's registered office, and published if possible in a manner allowing remote access.

FINAL PROVISIONS

This statute comes into validity and effect on the date of validity and effectiveness of the foundation charter as amended, so that the provisions of the statute comply with the foundation charter.

These statutes shall be deposited at the registered office of the endowment fund and any person who so requests may inspect them, and make copies hereof or extracts herefrom.

In Prague, 2 February 2005

Board of Trustees of the Endowment Fund IMPULS