

## 1. The Association

The Association is organized under the name „Franconian International School e.V.“ The seat of the Association is in Erlangen (Bay.). It is registered in the Register of Associations (Vereinsregister) at the Amtsgericht (local court) Fürth. The Association pursues charitable purposes under the paragraph “tax-privileged purposes” of the tax law (Abgabenordnung).

## 2. Purpose of the Association

- 2.1 Purpose of the Association is the support of schooling and education. This purpose shall be realized by operating an international school and an international pre-school serving the region of Nürnberg, Fürth, Erlangen and its surroundings. Lessons will be taught primarily in the English language. The Association shall be the legal and financial operator of the school.
- 2.2 The Association-operated international school shall provide its students with an international education. In addition to education and culture, a liberal and tolerant attitude towards others shall be imparted to the students. No political or religious aims will be pursued by the school.
- 2.3 The Association shall make this independent, officially approved international school accessible to the international community and to German residents living in the region. Students shall be accepted subject to policies established by the Total Board of Directors and according to educational criteria established by the Headmaster and without regard to race, creed, color, sex or nationality.
- 2.4 The Association is a non-profit organization which does not primarily pursue its own economic purposes. The financial means of the Association may only be used to further the purposes set forth in these Articles of Association. The members of the Association shall not be permitted to receive gratuities from the funds of the Association. The Association may not favor any person either through gifts or other advantages not directly related to the purposes of the Association or through excessively high remuneration.

## 3. Membership in the Association

### 3.1 Ordinary Members

Each parent/guardian of a child or children attending the Franconian International School becomes an ordinary member of the Association upon the submission of a written application for membership at the time the child/children is/are registered for attendance and admitted to the Franconian International School.

## 3.2 Associate Members

Employees of the school who are parent(s)/guardian(s) of a student of the school become associate members of the Association upon submission of their written application for membership and admission of their child/ren into the school. Due to the special nature of their status, the associate members shall not be permitted to be candidates for the Total Board of Directors or to become Total Board members.

With respect to all other matters, associate members shall have the same rights as ordinary members.

## 3.3 Supporting Members

By resolution the Total Board of Directors may admit supporting members (persons or legal entities) who will significantly support the Association by donations or otherwise.

## 3.4 Termination of Membership

Membership in the Association shall be terminated upon resignation, removal, loss of custody, death or upon departure of the child(ren) from the Franconian International School.

- a. Resignations may only be accepted with effect from the end of a school period (trimester or semester) – resignation deadlines shall be determined based on the school calendar at the time of resignation.
- b. The Total Board of Directors has the right to remove any ordinary and associate member of the Association, by resolution, if the member or his/her children have persistently acted against the objectives and aims of the Association, have persistently disturbed the peace at the school and are not willing to or are not in a position to refrain from engaging in such injurious behavior or to remedy the consequences of such acts upon the request of the Total Board of Directors or if the member is in delay with its membership contributions in spite of a written reminder by the Total Board of Directors.

The Total Board of Directors has the right to remove any supporting member of the Association, by resolution, if the supporting member no longer fulfills the requirements of membership over a longer period of time despite a reminder to this effect.

The member concerned shall have the right to a hearing before the Total Board of Directors prior to its removal. Written notice of removal shall be delivered to the member concerned.

- c. Members of the Association must notify the Association immediately of the loss of custody of a child. Membership in the Association shall terminate after the loss of custody upon the end of the current school period (trimester or semester).

Parents/guardians, whose children are leaving the Franconian International School, may continue to be or become supporting members.

## 4. Bodies of the Association

The bodies of the association shall comprise the following:

- a. The General Assembly
- b. The Registered Board of Directors
- c. The Total Board of Directors
- d. The Parents' Advisory Council (optional)
- e. The Kuratorium

## 5. Membership Meetings of the Association ("General Assembly")

5.1 The rights and duties of general meetings of the Association's members are as follows:

- a. modifications to the Articles of Association
- b. to approve the management report and the financial statements
- c. to discharge the Total Board of Directors
- d. to elect the Total Board of Directors
- e. approval of the membership fees
- f. dissolution of the Association

5.2 The general meeting shall be held at least once every year after conclusion of the fiscal year, if possible by the end of the calendar year and otherwise whenever required or at the request of at least one-third of the members. The Registered Board of Directors shall convene the meetings. An invitation to the meeting shall be in English and in German and must be mailed or e-mailed at least fourteen (14) days prior to the meeting date and shall contain an agenda.

5.3 The voting rights shall be distributed as follows:

Ordinary and associate members shall have one vote each in the meeting.

The sum of the voting rights of all ordinary and associate members shall correspond to 50 % of the total number of voting rights.

The remaining 50 % of the voting rights shall be reserved for the supporting members.

The distribution of the voting rights among the supporting members shall be done proportionally to the financial contributions that were granted during the prior three fiscal years of the Association. Each supporting member must receive at least one vote.

Financial contributions may be made by way of membership fees, donations in cash or kind or otherwise (e.g. services). The Total Board of Directors shall assess the value of donations made otherwise than by cash.

The Total Board of Directors shall announce the number of voting rights of each supporting member at the beginning of the general meeting.

- 5.4 Ordinary resolutions shall be taken by simple majority of valid votes cast; abstentions shall not be considered.

Votes by powers of attorney are admitted. Powers of attorney need to be given in writing for each individual meeting.

- 5.5 Minutes of general meetings must be drawn up and must be signed by the chairman of the board or, in the absence of the chairman, by the deputy chairman; another registered board member must countersign.

The minutes must be posted in the Franconian International School for at least four (4) weeks beginning two (2) weeks following the meeting and must be mailed or e-mailed to the members.

## 6. Board of Directors

- 6.1 Composition and term of the Registered Board of Directors and the Total Board of Directors

- a. The Registered Board of Directors according to § 26 BGB (German Civil Law) shall comprise the Chairman of the Board, the Deputy Chairman, the Secretary and the Treasurer. The aforementioned persons shall represent the Association in the German courts and other third parties together with another member of the Registered Board of Directors. The Chairman of the Board shall be entitled to represent the Association alone.
- b. The Total Board of Directors shall comprise the Registered Board of Directors and possible further elected members of the Total Board of Directors. The Total Board of Directors shall consist of at least 4 and up to 12 members. The number of members to be elected by the general meeting shall be proposed by the Total Board of Directors currently in office.
- c. The board chairman and a total of half of the Total Board of Directors members shall generally be elected from among the supporting members.
- d. Each elected Total Board of Directors member shall serve for a term of three (3) years. The members of the Board of Directors continue their term until a new election takes place.
- e. Total Board of Directors members may be reelected.
- f. In the event a member of the Total Board of Directors resigns during his term, cannot perform his duties any more, or if he is removed from office, the Total Board of Directors may, at its dutiful discretion, appoint a successor to serve for the remaining period of the term of the director who is leaving.

- g. The members of the Total Board of Directors do not have to be members of the Association.

## 6.2 Election of the Total Board of Directors

The members of the Total Board of Directors and the chairman of the board shall be elected by the general meeting.

- a. Any Association member may propose one or more candidates for election to the Total Board of Directors. The proposals for candidates must be submitted to the chairman of the board not later than one week before the election date.
- b. The election will occur by written and secret vote at a general meeting.

Every member entitled to vote shall have as many votes as there are vacancies on the Total Board of Directors. Supporting members may have multiple voting rights in accordance with Clause 5.3 above.

The election shall be valid regardless of the number of votes cast. The candidates with the highest number of votes shall be elected (according to sequence). In the event that two (2) or more candidates receive the same number of votes and there are not enough vacant seats on the Total Board of Directors for all such tied candidates to occupy, there shall be another election for the position to be filled.

Two (2) members will be asked to count the votes.

The result of the election shall be released immediately after the count of votes.

## 6.3 The chairman of the board

The chairman of the board shall be elected directly by the general meeting applying the rules given in Clause 6.2 above.

## 6.4 Total Board of Directors' meetings

The Total Board of Directors shall meet at least twice a year or as required.

- a. The chairman of the Total Board of Directors shall deliver to the Total Board of Directors members one week's prior written notice of a Total Board of Director's meeting. The notice shall include the agenda.
- b. The chairman of the board shall chair the meetings of the Total Board of Directors. In his absence, the deputy chairman shall fulfill these duties. The treasurer shall chair the meetings if both the chairman and the deputy chairman are absent; in case of the absence of the treasurer, the secretary shall chair the meetings.
- c. The presence of at least half of the members of the Total Board of Directors shall constitute a quorum.

- d. The secretary of the Total Board of Directors shall take minutes of all Total Board of Directors' meetings. At every meeting of the Total Board of Directors, the Total Board of Directors shall resolve to approve and ratify the minutes of the prior meeting.

## 6.5 Rights and duties of the Total Board of Directors

The Total Board of Directors shall allocate its duties among its members by mutual consent. If a duty is not delegated, it shall be performed by the chairman.

- a. The Total Board of Directors shall determine, in general and in each individual case, the guidelines according to which the school is to be operated taking into account the recommendations given by the Parent Teacher Organization and by the Kuratorium.
- b. The Total Board of Directors has the responsibility of appointment and defining the terms of employment of the headmaster.
- c. The Total Board of Directors shall define and supervise compliance with the budget of the Association and shall be responsible for the organization of orderly bookkeeping in accordance with the provisions of clause 12. of these Articles of Association.
- d. The Total Board of Directors shall execute the resolutions of the general meetings and shall report to the general meetings with respect to its activity over the preceding period.

The Association's members shall then pass a resolution discharging the Total Board of Directors for that period.

- e. The membership fees shall be fixed by the general meetings on recommendation by the Total Board of Directors.

Contributions shall be fixed in either one-time payments or periodical payments; the latter being due at the commencement of each period as defined by the Total Board of Directors.

- f. The Total Board of Directors shall decide on the admission and exclusion of members at its dutiful discretion and in accordance with section 3.4.

If the Total Board of Directors declines membership, its decision must be issued in writing indicating the reasons therefore. The applicant may appeal the decision within one month after receipt.

The appeal has to be in writing and shall be directed to the Total Board of Directors.

The next general meeting shall then decide on the appeal. This rule shall also apply to the exclusion of members.

## 7. The Parents' Advisory Council

The ordinary and associate members may elect a Parents' Advisory Council which acts as a mediator between parents, headmaster of the school and Total Board of Directors.

Rules governing the election of the Parent Teacher Organization Board are contained in the school code.

## 8. Kuratorium

Members of the Kuratorium shall be appointed by the Total Board of Directors. The Kuratorium consists of well renowned personalities and shall advise the Total Board of Directors especially regarding organizational matters, public relations and it shall provide contacts to local and other authorities as well as business executives.

Members of the Association may be appointed members of the Kuratorium.

## 9. Headmaster of the School

9.1 The headmaster is the director of the school. He reports to the Total Board of Directors.

9.2 The headmaster shall be responsible for the performance of the day-to-day operations of the school, the educational direction and development of the school, and the employment and dismissal of teaching staff and other employees of the school in accordance with the guidelines and directives issued by the Total Board of Directors.

9.3 The headmaster shall be responsible for defining a school code, acting in agreement with the Total Board of Directors.

## 10. Amendments of the Articles of Association

10.1 The Articles of Association may be modified by general meetings upon the affirmative vote of two-thirds (2/3) of the present or represented members (ref. 5.3); for a quorum the presence of at least one-third of all members entitled to vote shall be required. If no quorum is present, the Total Board of Directors must convene a second general meeting within four (4) weeks; such second meeting shall constitute a quorum irrespective of the number of members present. This fact must be stated in the invitation (which shall be posted to each member by registered mail).

10.2 The Articles of Association shall not be modified in a manner so as to invalidate or prejudice the non-profit character of the Association. Such amendment shall be null and void from the outset.

## 11. Economic Principles of the Association

- 11.1 The Association is obligated to be economical and responsible in the use of its resources, which are to be disbursed consistent with Clause 12.
- 11.2 The Association's income will derive from
- a. government subsidies,
  - b. private subsidies,
  - c. donations in kind,
  - d. other contributions,
  - e. membership dues,
  - f. tuition fees and contributions to other costs.
- 11.3 The income may only be used for purposes consistent with the Articles of Association. Funds may be deposited in a capital fund if and as long as this is necessary to fulfill purposes consistent with the Articles of Association.
- 11.4 Members who leave the Association shall have no claim for a refund of paid dues, voluntary contributions, payment for other services or for any part of the Association's property.

## 12. Bookkeeping and Annual Financial Statements

- 12.1 The fiscal year of the Association shall commence on August 1st of each calendar year and shall end on July 31st of the following calendar year.
- 12.2 It is the responsibility of the Total Board of Directors to assure that the bookkeeping is done in accordance with generally acceptable accounting standards.
- The bookkeeping shall be in compliance with good accounting principles and presentation of accounts. Attention must be given to tax and other laws and regulations, as applicable.
- 12.3 The accounting records shall be kept analogous with statutory commercial standards for the safekeeping of records.
- 12.4 During the fiscal year an accounting system shall be kept resulting in a profit and loss account. The profit and loss account together with the auditor's report shall be submitted to the general meeting during the first general meeting that follows the end of the fiscal year.
- 12.5 Within three (3) months following the termination of a fiscal year, the Total Board of Directors together with the headmaster of the school must prepare the annual financial statements and have them audited by a certified public accountant („Wirtschaftsprüfer“) or another qualified expert.



## 13. Dissolution of the Association

- 13.1 The Total Board of Directors may suggest to general meetings that the Association be dissolved. The dissolution of the Association can only be approved by affirmative vote of a two-thirds (2/3) majority of all present or represented members' votes. Unless the meeting decides otherwise, the chairman and the deputy chairman shall jointly act as liquidators of the Association.
- 13.2 The assets of the Association can only be transferred to another organization pursuant to a resolution of the Total Board of directors. Such an organization must be recognized by the responsible authorities as a non-profit organization.

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