STATUTES OF ZMĚNA K LEPŠÍMU, Z. S.

English translation

1. NAME AND REGISTERED OFFICE OF THE ASSOCIATION

1.1. The name of the association is: Změna k lepšímu, z. s. (in English: Change for the Better; also referred to as the "Association").

1.2. The registered office of the Association is in Prague.

2. PURPOSE OF THE ASSOCIATION

2.1. The purpose of the Association is to build, support and develop a sustainable economy, society and environment in the Czech Republic.

2.2. The purpose and objectives of the Association may be specified in further detail in supporting documents drawn up by the Association, in particular in the Manifesto or the Code of ethics published on the Association's website.

3. MAIN AND ANCILLARY ACTIVITIES OF THE ASSOCIATION

3.1. The main activity of the Association is to fulfill and protect the interests for the pursuit of which the Association was founded.

3.2. In addition to its main activity, the Association may also carry out an ancillary economic activity consisting of business or other profit generating activity, provided that the purpose of such ancillary activity is to support the main activity of the Association or to make economical use of the Association's assets.

4. MEMBERSHIP IN THE ASSOCIATION

4.1. There are two types of membership in the Association – regular membership (hereinafter a "Regular Member") and associate membership (hereinafter an "Associate Member").

4.2. Natural persons over 18 years of age and legal entities may become members of the Association. A condition for membership is consent to the Statutes of the Association and to the Manifesto and the Code of Ethics as published on the Association's website on the date the application is submitted; such consent shall be expressed within the application itself.

4.3. A legal entity wishing to become a member of the Association shall designate a specific natural person who will be authorised to act on behalf of that legal entity. This natural person shall be recorded in the List of Members together with the identification of the legal entity that is the member of the Association. If the legal entity does not designate a specific natural person, or if the authorisation of such natural person ceases, the legal entity shall be represented by its statutory representative entered in the public register.

4.4. The Board decides on the admission of an applicant as a member of the Association on the basis of an application.

4.5. Membership in the Association commences on the day on which the applicant for membership receives the positive decision on their admission as a member of the Association.

4.6. Membership of the Association is tied to the person of the member and does not pass to the member's legal successor.

4.7. Membership of the Association terminates:

a) by failure to pay the membership fee in accordance with Article 6.2;
b) upon delivery of the member's written notice of withdrawal;
c) upon the dissolution of a legal entity that is a member;
d) upon a legal entity being declared insolvent within the meaning of the Insolvency Act;
e) upon the death of the member;
f) by a decision on expulsion.

4.8. The termination of membership does not give rise to any entitlement to a refund of membership fees or any proportionate part thereof.

5. RIGHTS AND OBLIGATIONS OF MEMBERS

5.1. A Regular Member has the right:

a) to take part in the activities of the Association;
b) to attend the General Assembly, submit proposals to the General Assembly and vote on proposals at meetings of the General Assembly;
c) to be informed about the activities of the Association, unless the information concerned is confidential information or facts the disclosure of which could harm the Association;
d) to take part in the activities organised by the Association;
e) to approach the bodies of the Association with proposals, suggestions, comments and complaints and to request their response;
f) to inspect the documents relating to the Association's finances;
g) to nominate candidates for positions as members of the Board, subject to the condition set out in paragraph 10.15(b) of these Statutes.

5.2. A Regular Member has, in particular, the following obligations:

a) to comply with the Statutes of the Association, the Manifesto and the Code of Ethics, and to comply with the resolutions/decisions of the bodies of the Association;
b) to participate in fulfilling the objectives of the Association;
c) to take proper care of any property of the Association entrusted to them;
d) to maintain confidentiality regarding the Association's confidential information;
e) to notify the Board of any change to their details recorded in the List of Members;
f) to refrain from any conduct that would be contrary to the interests of the Association or would damage the Association's good name;
g) to pay membership fees properly and on time.

5.3. An Associate Member has the right:

a) to be informed about the activities of the Association, unless the information concerned is confidential information or facts the disclosure of which could harm the Association;
b) to take part in the activities organised by the Association, unless they are intended exclusively for Regular Members;
c) to approach the bodies of the Association with proposals, suggestions, comments and complaints and to request their response.

5.4. An Associate Member has, in particular, the following obligations:

a) to comply with the Statutes of the Association, the Manifesto and the Code of Ethics, and to comply with the resolutions/decisions of the bodies of the Association;

b) to participate in fulfilling the objectives of the Association;

d) to maintain confidentiality regarding the Association's confidential information;

e) to notify the Board of any changes to their details recorded in the List of Members;

f) to refrain from any conduct that would be contrary to the interests of the Association or would damage the Association's good name.

6. MEMBERSHIP FEES

6.1. A Regular Member is obliged to pay a membership fee. The Board shall determine the amount, due date and method of payment of the membership fee.

6.2. If a Regular Member fails to pay the membership fee properly and on time, their membership shall terminate if that Regular Member also fails to pay the membership fee within a reasonable additional period set by the Board in a payment reminder, despite having been warned of this consequence in the reminder.

7. LIST OF MEMBERS

7.1. The Board keeps a list of members (also referred to as the "List of Members"), which contains the following details:

a) name/business name;

b) registered office/place of residence (or correspondence address, if different from the registered office or place of residence);

c) Company ID (IČO)/date of birth;

d) contact telephone number;

e) contact e-mail address;

f) the person representing a legal entity in the Association, and that person's contact telephone number and e-mail address;

g) type of membership.

7.2. New members are entered in the List of Members by the Chair of the Board or a person authorised by the Chair, within 30 days of the commencement of membership.

7.3. Members are removed from the List of Members by the Chair of the Board or a person authorised by the Chair, within 30 days of the termination of membership.

7.4. The List of Members of the Association is kept electronically. Every member of the Association has the right to inspect the List. Access details for the electronic List of Members shall be provided to a member by the Chair of the Board or a person authorised by the Chair, at the member's request.

8. BODIES OF THE ASSOCIATION

8.1. The bodies of the Association are:

a) the General Assembly;

b) the Board.

9. GENERAL ASSEMBLY

9.1. The General Assembly is a body of the Association whose role is primarily consultative and community-oriented. It serves, in particular, as a platform for receiving new ideas and for engaging active individuals representing member organisations.

9.2. Every Regular Member of the Association has the right to attend the General Assembly. Members attend the General Assembly in person (legal entities through the specific natural person (representative) recorded for that legal entity in the List of Members, or through their statutory body) or through proxies acting under a power of attorney. Attendance in person at the General Assembly also includes remote attendance by means of electronic communication (e.g. a video-call application).

9.3. Only Regular Members have the right to submit proposals to the General Assembly and to vote on such proposals.

9.4. The General Assembly is convened by the Board at least once per calendar year. The Board shall convene a meeting of the General Assembly whenever requested to do so by at least one third of the Regular Members, no later than 30 days after the Board receives such a request. If the Board does not convene a meeting of the General Assembly within 30 days of receiving the request, the person who made the request may convene the meeting of the General Assembly themselves at the Association's expense; paragraph 9.6 shall apply mutatis mutandis, and the person convening the meeting shall decide on the form of the meeting and the details of how it is held.

9.5. The Board shall convene a meeting of the General Assembly in an appropriate manner at least 30 days before it is held. The invitation to the meeting of the General Assembly must state the place, time and agenda of the meeting. The Board shall send the materials for the meeting of the General Assembly to members no later than 14 days before the meeting of the General Assembly is held.

9.6. The Board may decide that a particular meeting of the General Assembly will be held with members of the Association physically present, remotely by means of electronic communication, or in a combined (hybrid) form. If a meeting of the General Assembly is held remotely or in a combined form, the Board shall determine the means of electronic communication, the voting procedure and other details of the meeting, and shall send the members of the Association the information necessary for remote attendance at the General Assembly as part of the invitation to the relevant meeting of the General Assembly.

9.7. With the consent of all Regular Members, the General Assembly may also be held without observing the procedure and time limits set out in paragraph 9.5 or 9.9 of these Statutes.

9.8. The General Assembly has a quorum if at least one quarter of all Regular Members are present when deciding on matters under paragraph 9.12(a) and (b). When deciding on matters under paragraph 9.12(c) [amendment of the Statutes of the Association], (d) [dissolution and liquidation of the Association] or (e) [vote of no confidence in the Board or a member of the Board], the General Assembly has a quorum if a simple majority of the Regular Members are present.

9.9. If the General Assembly is not quorate, the Board shall, immediately after that meeting of the General Assembly, convene a substitute General Assembly for another suitable date falling no earlier than 14 days and no later than 45 days after the original date of the meeting of the General Assembly. If the Board wishes to include other items on the agenda of the substitute General Assembly, the procedure under paragraph 9.5 of these Statutes must be followed.

9.10. Unless these Statutes provide otherwise, the General Assembly decides by a simple majority of all Regular Members present. In matters under paragraph 9.12(c) [amendment of the Statutes of the Association], (d) [dissolution and liquidation of the Association] or (e) [vote of no confidence in the Board or a member of the Board], the General Assembly decides by a two-thirds majority of all Regular Members present. Each Regular Member has one vote.

9.11. The General Assembly may also adopt its decisions outside a meeting (per rollam). In such a case, the Board shall send the Regular Members the draft decision together with the materials needed to assess it, or with information on where these are published, to the member's registered office/residential address (or correspondence address, if different from the registered office or place of residence) or to the member's contact e-mail address, as recorded in the List of Members, and shall at the same time set a time limit within which the members of the Association are to express their position on the draft decision. This time limit may not be shorter than 7 days. The Board shall also determine the manner in which members are to express their position on the draft decision (by e-mail sent from the member's contact e-mail address recorded in the List of Members, by post to the address of the Association's registered office, or in another manner chosen by the Board). For a vote to be valid, the Regular Member must express an unequivocal position on the wording of the draft decision, stating the day, month and year on which it was made. In a per rollam vote, a decision is adopted if more than half of all Regular Members of the Association vote in favour of it. In matters under paragraph 9.12(c) [amendment of the Statutes of the Association], (d) [dissolution and liquidation of the Association] or (e) [vote of no confidence in the Board or a member of the Board], a decision is adopted if a two-thirds majority of all Regular Members of the Association vote in favour of it. The Board shall notify the members of the Association of the result of the per rollam vote in writing or in another appropriate manner and, if the decision was adopted, shall also notify them of the full content of the decision adopted.

9.12. The powers of the General Assembly include, in particular:

a) deciding on the long-term objectives and strategic direction of the Association and any changes to them. For this purpose, the General Assembly approves the vision and strategy of the Association, the Code of Ethics and the Manifesto as the documents in which the long-term objectives and strategic direction of the Association are described in detail. Drafts of these documents are submitted to the General Assembly by the Board;

b) approving the financial statements of the Association, as well as its annual report;

c) amendments to the Statutes of the Association;

d) deciding on the dissolution and liquidation of the Association;

e) passing a vote of no confidence in an individual member of the Board or in the Board as a whole; following a vote of no confidence in the entire Board, the General Assembly must elect an interim Chair of the Board for a term of 1 year, to whom the powers of the Board shall pass and who shall be its sole member. The main task of the interim Chair of the Board shall be to find candidates for membership of the Board who, in the interim Chair's view, will gain the confidence of the General Assembly, and to propose these candidates at the next General Assembly, at which all members of the Board shall be appointed.

9.13. The Chair of the Board or another member of the Board authorised for that purpose shall open the meeting of the General Assembly and arrange for the election of a chair of the meeting and a minute-taker.

9.14. The Board is responsible for ensuring that minutes of the meeting of the General Assembly are properly drawn up. The Board shall ensure that the minutes of the meeting are drawn up within 30 days of its conclusion. The minutes shall contain:

a) the name and registered office of the Association;

b) the place and time of the meeting of the General Assembly;

c) information on who convened the meeting;

d) the names of the chair and the minute-taker of the meeting of the General Assembly;

e) a description of the items discussed;

f) the results of the votes.

10. BOARD

10.1. The Board is the collective statutory body of the Association. Only a Regular Member of the Association may be a member of the Board.

10.2. The Board directs the activities of the Association and decides on all matters of the Association that are not entrusted by these Statutes to the competence of other bodies, the Director, or working or advisory groups. It also supervises the activities of the Association.

10.3. The Board has 5 to 7 members (including the Chair of the Board). The first members of the Board were elected by the Supervisory Board elected by the General Assembly. The number of members of the Board and the election of further members of the Board, upon the expiry of the term of office of any member of the Board or upon any other termination of office of a member of the Board, are decided by the remaining members of the Board. Each member of the Board may be re-elected to the office of member of the Board.

10.4. The term of office of each member of the Board is three years, with the exception of the interim Chair of the Board, whose term of office is one year. If no new member of the Board has been elected by the end of the term of office of a member of the Board, the term of office of the incumbent member of the Board shall be extended until a new member of the Board is elected. The term of office of a member of the Board also ends upon the election of a new member of the Board.

10.5. On a proposal by a member of the Board or by the Director, the Board may remove a specific member of the Board. A decision to remove a specific member of the Board requires a simple majority of the votes of all members of the Board, and the member whose removal is being decided does not vote.

10.6. If the General Assembly passes a vote of no confidence in the Board as a whole under paragraph 9.12(e), the term of office of all members of the Board ends at the moment the interim Chair of the Board is appointed by the General Assembly. If the General Assembly passes a vote of no confidence in a member of the Board under paragraph 9.12(e), the term of office of that member of the Board ends at the moment the General Assembly adopts the decision on the vote of no confidence.

10.7. If the number of members of the Board has fallen below half, the remaining members of the Board may co-opt substitute members. Co-option requires the agreement of all remaining members of the Board.

10.8. The Board elects from among its members a Chair and one Vice-Chair.

10.9. The Association is legally represented by the Chair of the Board acting alone, or by the Vice-Chair acting jointly with one other member of the Board.

10.10. The powers of the Board include, in particular:

a) coordinating and directing the activities of the Association, including preparing and approving the Association's internal regulations;
b) submitting proposals and preparing materials for meetings of the General Assembly, including proposals for the vision and strategy of the Association;
c) keeping the accounts and preparing the financial statements and the report on the Association's finances;
d) determining the amount, due date and method of payment of the membership fees of Regular Members;
e) electing members of the Board;
f) proposing and approving the budget of the Association;
g) appointing the liquidator of the Association;

h) appointing and removing the Director from among the candidates recommended by the Nomination Working Group;

i) setting up working groups of the Board and subsequently assigning tasks to them through the members of the Board who head these working groups;

j) supervising the activities of the Association with regard to compliance with legislation, ethics and the principles of transparency and integrity, in accordance with these Statutes, the Manifesto and the Code of Ethics;

k) overseeing the Director's performance in office and evaluating the Director, including the Director's remuneration;

l) preparing the annual report;

m) deciding disputes between members of the Association and resolving disputes between members of the Association and third parties; the Board may entrust a working group of the Board or a mediator with deciding and resolving such disputes;

n) appointing an auditor.

10.11. The Board has a quorum if more than half of its members are present. Each member of the Board has one vote. The Board decides by a majority of the votes of the members present. In the event of a tie, the Chair of the Board has the casting vote.

10.12. The Board may also adopt its decisions outside a meeting (per rollam), using electronic communication platforms, by e-mail, etc. A decision of the Board outside a meeting (per rollam) is adopted by a majority of the votes of all members of the Board. In the event of a tie, the Chair of the Board has the casting vote. More detailed rules for the proceedings of the Board may be laid down in an internal regulation.

10.13. The Board may decide that members of the Board are entitled to remuneration for the performance of their office. In such a case, the General Assembly shall decide on the amount, due date and other terms of the remuneration for the performance of office, or shall designate another body of the Association that will be authorised to decide on this.

10.14. The Chair of the Board, in particular:

a) chairs the meetings of the Board;

b) submits reports on the activities of the Association to the General Assembly.

10.15. The Board sets up working groups of the Board (hereinafter "working groups"), to which it may invite members of the Association or external advisers. Each working group may be headed only by a member of the Board, who directs its activities. A nomination working group and a finance working group must always be established.

10.16. The working groups participate in preparing proposals and materials for the Board within the meaning of paragraph 10.9(b) and other materials requested by the Board. In addition to the above, the Finance Working Group participates in preparing the financial statements and the report on the Association's finances within the meaning of paragraph 10.9(c), as well as in preparing the Association's budget.

10.17. The Nomination Working Group evaluates and recommends candidates for the office of Director and candidates for positions as members of the Board. For this purpose, it accepts nominations from:

a) members of the Board (including the interim Chair of the Board within the meaning of paragraph 9.12(e));

b) a group of members of the Association comprising at least one fifth of all members of the Association;

c) alternatively, the Nomination Working Group itself approaches suitable candidates.

10.18. The Nomination Working Group evaluates individual candidates for the office of Director or member of the Board, in particular with regard to their professional qualifications, education attained, knowledge of foreign languages, trustworthiness, ethics, managerial aptitude, knowledge and relevant experience in the management of legal entities or, where applicable, in the fields of law, human resources, auditing, economics, accounting, or finance or business. Candidates for membership of the bodies of the Association (hereinafter also "candidates") who, at the time of evaluation by the Nomination Working Group, do not have full legal capacity, are not free of debts or are not of good character shall be excluded from the evaluation without further ado. The remaining candidates shall be evaluated by the Nomination Working Group on the basis of an interview. After the evaluation has been completed, the Nomination Working Group shall vote on whether or not to recommend the candidate for election or appointment to a body of the Association, by a simple majority of the members of the Nomination Working Group present. A written record shall be made of each evaluation and each vote on recommending or not recommending a candidate for membership of a body of the Association, containing at least the date and place of the evaluation and vote, the identification of the candidate, the course of the interview and a reasoned opinion on the recommendation or non-recommendation. For the purposes of this provision:

a) Being free of debts means that the candidate has no recorded arrears, with the exception of arrears for which a deferral of payment or payment in instalments has been granted, with the authorities of the Financial Administration of the Czech Republic and the authorities of the Customs Administration of the Czech Republic; in public health insurance premiums and penalties; or in social security premiums and penalties and contributions to the state employment policy. Freedom from debts is demonstrated by certificates from the competent tax office, the competent customs office, the competent health insurance company and the competent district social security administration, which may not be older than 3 months prior to the date of evaluation;

b) Good character means that the candidate has not been convicted of an intentional criminal offence, an economic criminal offence or a criminal offence against property, unless the candidate is deemed never to have been convicted. Good character is demonstrated by an extract from the Criminal Records Register, which may not be older than 3 months prior to the date of evaluation.

11. DIRECTOR

11.1. The Director is the executive body of the Association and performs this office in accordance with the vision and strategy of the Association approved by the General Assembly. The Director need not be a member of the Association.

11.2. The Director has the powers that these Statutes, legislation or decisions of other bodies of the Association do not entrust to another body of the Association, for the purpose of ensuring the day-to-day, ordinary running of the Association. In addition, the Board may, by resolution, entrust the Director with performing specific activities falling within the competence of the Board, with the exception of the activities listed in paragraph 10.9(d), (h), (i), (j) and (k). The Board may reserve the right to give prior approval to certain activities with which it has entrusted the Director.

11.3. The Director is appointed to office by the Board from among the candidates recommended by the Nomination Working Group, for an indefinite period. The Board is obliged to create conditions for the Director to perform their office properly, i.e. to perform the activities falling within their competence under paragraph 11.1, paragraph 11.2 and other provisions of these Statutes.

11.4. The Director is obliged, in accordance with the Board's instructions, to prepare proposals for the vision and strategy of the Association, which the Director then submits to the Board for approval or comments. The final version of the proposals for the vision and strategy of the Association is then submitted by the Board to the General Assembly for approval.

11.5. The Director is accountable for the performance of their office to the Board, which evaluates the Director and may remove the Director in accordance with these Statutes.

11.6. In the course of their activities, the Director may have access to the internal materials of the Association, including confidential information and facts the disclosure of which could harm the Association (information relating to business development, strategic documents, etc.). The Director is therefore obliged to maintain confidentiality regarding confidential information.

11.7. Within the scope of their competence, the Director is authorised to act on behalf of the Association externally, to build relationships with third parties and to recruit new members and supporters.

11.8. The Director is authorised to set up an advisory council (the "Advisory Council") and to discuss with it internal matters of the Association and the external presentation of the Association, to prepare expert opinions and materials for the Board or the General Assembly in cooperation with it, or to entrust the Advisory Council with preparing such documents, whether at the request of a body of the Association or on the Director's own initiative, in particular on matters of business development (business development, networking) and the external presentation of the Association (public relations, public affairs). The Advisory Council need not be composed of members of the Association. The materials of the Advisory Council are prepared, drawn up and checked for accuracy – where possible – in electronic form.

11.9. In the course of their activities, members of the Advisory Council may have access to the internal materials of the Association, including confidential information and facts the disclosure of which could harm the Association (information relating to business development, strategic documents, etc.). Members of the Advisory Council are therefore obliged to maintain confidentiality regarding the Association's confidential information. In case of doubt as to what is and what is not confidential information, the Director's opinion shall prevail.

12. DISSOLUTION OF THE ASSOCIATION

12.1. The Association ceases to exist:

a) by a decision of the General Assembly;
b) by a final decision of the competent public authority.

12.2. If the General Assembly decides to dissolve the Association with liquidation, it shall entrust the Board with carrying out the liquidation under the conditions laid down by law.

13. FINAL PROVISIONS

13.1. The Statutes are binding on all members of the Association.

13.2. The Statutes may only be amended by a decision of the General Assembly of the Association.

13.3. Matters not governed by these Statutes are subject to generally binding legislation.

13.4. The Statutes take effect on the date of their approval by the General Assembly.

This is an English translation of the Czech original. In case of any discrepancy, the Czech version prevails.