

Internationaler Naturerbe Fonds - Legacy Landscapes Fund



By-laws for the Management Board (“MB”)

Relevant Provisions of the LLF Charter	MB By-laws (as adopted by the SB, [date])
<p>§ 7 (5) The supervisory board shall adopt by-laws for the management board which may make certain transactions and projects subject to its approval.</p>	<p>Pursuant to §7(5) of the charter, the SB of the Foundation has adopted the following by-laws for the MB.</p> <p>Although the masculine form (he) is used throughout this text to make it easier to read, designations refer to all genders.</p>
<p>§ 1 Fundamental Operating Principles</p>	
<p>§ 7 (1) The MB shall manage the business of the Foundation in accordance with the law, this charter as well as the MB by-laws [...] with the reasonable care appropriate to a MB.</p> <p>§ 6 (1) All members of the MB must have special expertise and experience with regard to the tasks of the Foundation and particularly support its objectives.</p> <p>§ 5 (2) If the income situation of the Foundation permits it, the supervisory board may decide that a member or members of the MB receive an appropriate remuneration, set by the SB. Apart from that, the members of the MB also serve on an honorary basis. All members of the two bodies are entitled to compensation for costs and expenses incurred in connection with the exercise of their duties as members of the bodies.</p> <p>§ 5 (3) A member of the management board or supervisory board may not be a member of the other body at the same time.</p>	<ol style="list-style-type: none"> (1) The members of the MB shall conscientiously observe the law, the Foundation charter and these by-laws in managing the foundation. (2) In addition, the members of the MB shall take into account the “Guiding Principles of Good Practice for Foundations”, issued by the Association of German Foundations. (3) The Foundation’s Operations Manual (§ 3.5 below) shall include the detailed policies on reimbursement for costs and expenses. These policies shall be submitted to the SB for approval. (4) All members of the MB shall contribute to the success of the Foundation and undertake to carry out their duties with integrity and in an informed and responsible manner. Even if they have other obligations, they will devote the time and care necessary to carry out the Foundation's work. (5) The MB shall maintain confidentiality with regard to the non-public content of the meetings and resolutions of the MB and SB. The

<p>§ 5 (4) Members of the bodies are only liable for intentional misconduct and gross negligence insofar as they serve on an honorary basis irrespective of other provisions of the Hessen foundation law.</p> <p>§ 9 (7) Secrecy must be maintained on the content of the management board meetings.</p>	<p>members of the MB shall ensure that third parties who are engaged by them act in the same way as regards the confidentiality obligation.</p> <p>(6) The MB will perform its duties based on appropriate information, with due diligence, to the best of the foundation’s interest and in good faith.</p>
<p>§2 Nomination and Representation</p>	
<p>§ 6 (1) The MB shall consist of at least one and a maximum of three persons.</p> <p>§ 6 (4) If the MB is composed of more than one member, the SB shall elect an Executive Director and a Deputy Executive Director from among its members for the duration of the term of office.</p> <p>§ 7 (3) If the MB is composed of more than one member, the SB shall entrust the Executive Director with the day to day business of managing the Foundation. The SB may confer sole power of attorney on the Managing Executive Director and/or waive the restrictions on multiple representation pursuant to § 181 of the German Civil Code.</p> <p>§7(4) The MB shall represent the Foundation in and out of court. If only one MB member has been appointed, he represents the Foundation alone. If more than one MB member has been appointed and the Executive Director does not have sole power of attorney, the MB shall be represented by at least two of its members. One of these members must be the Executive Director or, in the event of his being unavailable, the Deputy Executive Director.</p>	<p>(1) The members of the MB are elected by the SB that also names an Executive Director and, if there is more than one member, a Deputy Executive Director. The Executive Director is responsible for day-to-day management.</p> <p>(2) The Executive Director represents the MB vis a vis the SB.</p> <p><i>Note: Refer to Section 6 of the charter for other provisions on duration of MB appointment, resignation and removal, etc.</i></p>
<p>§ 3 MB Responsibilities and Conduct of Business</p>	
	<p>§ 3.1 General Principles</p>

§ 7 (1) The MB shall ensure the permanent and sustained fulfillment of the Foundation's purpose. It shall manage the business of the Foundation [...] with the reasonable care appropriate to a MB.

- (1) The Executive Director shall deal with the ongoing business of the Foundation. In particular, he/she shall be responsible for the selection and management of the employees and service providers, public relations and communication, general representation, administration of the Foundation and implementation of the grant program.
- (2) The Executive Director shall keep the other members of the MB (if any) informed of important measures and events on an ongoing basis.
- (3) Responsibility of MB members (if more than one MB member):
 - a) The MB is a collective body so that all members jointly bear the responsibility.
 - b) The MB may decide on a division of responsibilities whereby its individual members are assigned certain ongoing tasks to be dealt with independently. For all legally binding transactions, the rules of representation (§7(4) of the charter opposite MB by-laws §2 above) apply.
 - c) The Management Board shall document significant matters which fall within its decision-making authority by resolution. All measures and transactions which are of exceptional importance to the Foundation or involve an economic risk outside of the agreed authority of the individual management board members require the prior approval of the entire Management Board. Such agreed authorities and desired specifications of matters of exceptional importance may be determined by resolution or in appropriate policy documents or manuals of the Foundation.
 - d) Each MB member is obliged to call for a resolution of the entire Board if s/he is concerned about the actions of other Board members and the concerns cannot be solved by a discussion with the other members of the Board.

	<p>(4) In order to prepare its decisions, the MB may consult experts and set up committees. The MB shall document the terms of reference for experts and committees in writing.</p> <p>a) At least one member of the MB shall be a member of each committee. If a special representative has been appointed to deal specifically with the topic to be dealt with by the committee, the special representative for that topic shall be a member of the committee.</p> <p>b) The MB shall notify the SB of its proposal to create a committee and identify its proposed initial members and changes to the committee's composition over time. Upon SB request, MB will submit the proposed terms of reference to the SB for review. The SB can require changes to terms of reference and may veto the appointment of any committee member.</p>
<p>§ 9 (1) The management board, if composed of more than one member, shall be convened by the Executive Director or his deputy as often as is necessary, but at least four times a year. The meeting shall be convened by giving at least two weeks' notice and stating the agenda. Meetings shall also be convened if two members of the management board or the supervisory board so request it.</p> <p>§ 9 (2) Decisions of the management board are usually taken at meetings. The management board shall be deemed to have a quorum if more than half and at least two members are present or represented at a properly convened meeting.</p> <p>§ 9 (4) The management board shall pass resolutions by a simple majority of the votes cast.</p>	<p>§3.2. Conduct of meetings</p> <p>The Executive Director shall convene and chair the meetings of the MB. If necessary, he/she shall ask for written, electronic or electronic voting by circulation.</p> <p><i>Note: Refer to § 9 (5) and § 9 (6) of the charter for detailed provisions regarding minutes, telephone and video meeting, voting by circulation, etc. .</i></p>

<p>§7 (1) The MB is in particular responsible for:</p> <p>b. building up, developing and positioning the Foundation as agreed with the SB,</p>	<p>§ 3.3 Cooperation of the MB with the SB</p> <p>(1) The MB and the SB cooperate in a close and trusting manner for the benefit of the Foundation.</p> <p>(2) The boards respect the distinctive role of each body: While the SB provides oversight and strategic guidance, the MB is responsible for decision-making and day-to-day management.</p>
<p>§7 (1) The MB is in particular responsible for:</p> <p>d. implementing the measures to achieve the purpose of the Foundation, in particular the allocation of the available funds as envisaged in line with the budget plan and the grant guidelines,</p> <p>g. appropriate measures to ensure compliance, prevention of corruption and risk management,</p> <p>§ 11 (1) The supervisory board [...] has in particular the following tasks:</p> <p>- Adoption of [...] the grant guidelines;</p>	<p>§ 3.4 Grant Making</p> <p>(1) The MB shall develop grant guidelines setting forth the strategic priorities and requirements (e.g. required co-financing) and outlining the basic operating principles and procedures of the Foundation’s grant operations (e.g. calls for proposals). The grant guidelines shall be submitted to the SB for approval.</p> <p>(2) The MB shall also develop a manual setting forth detailed procedures relating to the grant-making activity of the Foundation (“Grant Procedures Manual”). The Grant Procedures Manual will include requirements and/or information on eligibility of grantees, protected areas, grant application procedures, co-financing, grant reporting and audits, evaluation and monitoring procedures, and the like. The MB shall bring the initial version as well as any significant amendment of the Grant Procedures Manual to the attention of the SB. The SB can require changes to the manual, which the MB will implement expeditiously.</p> <p>(3) The overall concept proposal and maximum Euro amount for all project grants shall be submitted to the SB and require SB approval (§ 3.8). Following SB approval, the MB shall negotiate and sign the respective grant agreements for approved concepts. Substantial deviations from the approved concepts shall be resubmitted to SB, it being understood that a reduction in the grant amount shall not as a rule be considered a substantial deviation.</p>

	<p>(4) The MB shall have the authority to amend previously approved grants, provided that the purpose of the grant is not substantially altered from that set forth in the concept note. Additional expenditures may also be authorized by the MB provided they are for substantially the same purposes approved in the initial concept proposal for the grant and do not exceed an amount equal to 5% of the grant amount.</p>
<p>§ 7 (1) The MB is in particular responsible for</p> <ul style="list-style-type: none"> a. managing the Foundation's assets according to the Foundation's purpose, this charter and the MB by-laws, as well supporting the SB in seeking addition endowment and other donations, c. deciding on the creation and dissolution of reserves in line with the budget plan, f. establishing a budget for the coming financial year, g. appropriate measures to ensure compliance, prevention of corruption and risk management, 	<p>§ 3.5 Financial and Operating Principles</p> <ul style="list-style-type: none"> (1) The MB shall be responsible for the proper administration of the Foundation. (2) The MB shall submit by the end of each financial year a budget for the following year that sets forth the planned expenditures and income. Until the approval of the new budget, the Foundation can continue to cover running costs on the basis of the previous year's budget and existing planned grant commitments but cannot make new grant commitments. (3) The MB shall develop an Operations Manual regulating the detailed administrative procedures of the Foundation, including such matters as sources of the foundation's budget, financial management (including budgeting and administrative expenses) accounting, banking and bank accounts, financial statements and reporting, auditing, human resources, procurement policies that ensure transparency and fairness, and the like. (4) The MB shall develop with support of experienced experts an Environmental and Social Management System (ESMS) for its operations according to international standards. (5) The MB shall bring the initial versions as well as any significant amendments of the Operations Manual and the ESMS to the attention

	<p>of the SB. The SB can require changes to such documents, which the MB will implement expeditiously.</p> <p>(6) The MB shall develop, in cooperation with the SB, a fundraising strategy.</p>
<p>§ 7 (1) The MB is in particular responsible for</p> <p>a. managing, under on its own responsibility, the Foundation's assets according to the Foundation's purpose, this charter and the MB by-laws.</p>	<p>§ 3.6 Investment Objectives and Investment Policy</p> <p>(1) The MB shall develop investment guidelines setting forth the strategic priorities and requirements (e.g. return objectives) and outlining the basic operating principles and procedures of the Foundation’s investment operations (e.g. investment decision making structure with advisors and committees and the socially responsible investment policy). The investment guidelines shall stipulate a diversification of investments and include limitations on the percentage of the Foundation's assets that can be invested in particular asset classes (such as stocks, bonds, real estate, etc.), countries or geographical regions, currencies or industries or companies. The investment guidelines also contain further details on the organization of the investment activity and on investment controlling. The investment guidelines shall be submitted to the SB for approval.</p> <p>(2) The MB shall, with the approval of the SB, engage an experienced investment advisor who will assist with appointing a custodian, mandating asset managers and/or investments in investment funds or similar vehicles.</p> <p>(3) With the support of the investment advisor, the MB shall develop more detailed policies and procedures to implement the investment guidelines and provide reasonable measures to control risk. The MB shall bring the initial version as well as any significant amendment of such policies and procedures to the attention of the SB. The SB can require changes thereto, which the MB must implement expeditiously.</p>

	<p>(4) The MB is responsible for ensuring the management of the Foundation's financial assets in accordance with the investment guidelines and any additional policies and procedures.</p> <p>(5) The investment strategy will be evaluated regularly by the MB with the support of the investment committee and the advisor to ensure that the risks assumed are prudent and are designed to maximize consistent long-term returns on investment.</p>
<p>§ 7 (1) The MB is in particular responsible for</p> <p>e. reporting to the SB as contemplated by the MB by-laws</p> <p>h. producing an annual report on the fulfillment of the purpose of the Foundation, and</p> <p>i. preparing a financial statement compliant with regulatory requirements within six months of the end of the financial year in question. The annual financial statement must be audited by an independent auditor and must contain the following contents:</p> <ul style="list-style-type: none"> • Balance sheet showing the assets and reserves as of the beginning and end of the fiscal year • Earnings from the Foundation assets • Any additional contributions to the endowment capital • Any donations of third parties in furtherance of the Foundation's purpose <p>§ 7 (2) The audited financial statements, including the balance sheet and the report on the fulfillment of the purpose of the Foundation, shall be submitted to the SB and the Supervisory Authority for Foundations within nine months after the end of the financial year.</p>	<p>§ 3.7 Reporting Obligations</p> <p>(1) Annual Accounts: The MB shall, within nine months after the end of each financial year, submit to the SB (and the Foundation Authority) annual financial statements audited by an independent auditor as well as an annual report.</p> <p>(2) Regular reports: At each meeting of the SB, the MB shall present a report on the state of business and the situation of the Foundation. The SB can determine whether the report shall be presented orally or in written.</p> <p>(3) Special reports: The SB can ask for special reports concerning the pursuit of the foundation's mission and the implementation of the current grant guidelines. The special report has to be submitted within three months.</p>

<p>§ 7 (1) j. At the request of the SB, preparation of special reports on the fulfillment of the Foundation’s purpose as well as the implementation of the applicable grant guidelines, which are to be submitted to the SB within three months of the request.</p> <p>§ 11(2) Each individual member of the supervisory board has a comprehensive right to information and examination. At the request of at least two members of the supervisory board, the supervisory board through its Chairman may require special reports from the management board on the fulfillment of the foundation’s purposes and the implementation of the then applicable grant guidelines.</p>	
<p>§ 7 (5) The supervisory board shall adopt by-laws for the management board which may make certain transactions and projects subject to its approval.</p> <p>§ 11 (1) The supervisory board [...] has in particular the following tasks:</p> <ul style="list-style-type: none"> • Adoption of the by-laws for the management board and the grant guidelines; 	<p>§ 3.8 Transactions subject to Prior Authorization</p> <p>(1) The MB requires the consent of the SB for the following transactions:</p> <ol style="list-style-type: none"> a) Adoption or amendment of the grant guidelines and investment guidelines (which set forth the strategic priorities and outline the basic operating principles of the Foundation’s operations in each of these areas as described above). b) Announcement of a call for proposals and setting of any regional or thematic focus of a call. c) Approval of grant projects (approval of the overall concept proposal and maximum Euro amount) and termination of approved projects or amendments to grant projects outside the authority of the MB. d) Conclusion, amendment or termination of the terms of non-grant contracts (employment contracts, consulting or other service provider contracts, etc.) which are not budgeted in the annual financial plan or which, in the individual case, commit the Foundation to an amount in excess of Euro 50,000 per year. e) Non-grant spending in any given year that exceeds by more than 5% the approved budget for non-grant spending for that year.

	<p>f) Acceptance of donations or contributions to the Foundation of any kind.</p> <p>(2) The SB may also grant the MB revocable consent for individually specified matters in advance.</p>
	<p>§4 Conflicts of Interest</p> <p>(1) Each member of the MB shall immediately disclose conflicts of interest to the SB and inform the other members of the MB accordingly.</p> <p>(2) No MB member shall vote on, or participate in the decision-making process of any matter in which such MB member has an interest.</p> <p>(3) All transactions between the Foundation on the one hand and the members of the MB and related persons or organizations on the other must comply with industry standards. Insofar as they are not otherwise subject to approval under charter or these by-laws, significant transactions with the aforementioned persons or organizations require the consent of the SB.</p>