Bylaws of Partnership for Transparency Europe (PTF Europe) e.V.

(as adopted by the PTF Europe Assembly Meeting of April 22, 2022)

§ 1 Name, Location and Fiscal Year

(1) The Association is called **Partnership for Transparency Europe (PTF Europe) e.V**. The Association is the European affiliate of the Partnership for Transparency Fund (PTF), based in Washington, DC (USA), a not-for-profit association registered under the laws of the State of New York (USA). Like the parent association and the regional PTF affiliates, PTF Europe exclusively pursues not-for-profit goals in line with "not-for-profit activities" under German law ("Abgabenordnung").

(2) The Association is based in Munich (Germany). It is registered in the official registry of the Munich district court.

(3) The Association's fiscal year corresponds to the calendar year.

§ 2 Mandate of the Association

The mandate of the Association is to support in particular non-governmental organizations (NGOs), mainly in developing and emerging countries, in getting an understanding of the importance of responsible and transparent governance, especially in the fight against corruption in their countries, by promoting:

(a) international development cooperation;
(b) public education in these areas;
(c) prevention of crimes in these areas.

§ 3 Achieving the Association's Mandate

(1) The Association's mandate will be achieved through the:

(a) submission of funding requests to institutions which are active in international development cooperation and, as part of said cooperation, fund projects which are in line with the bylaws of the Association.

(b) support in the preparation, consultation, implementation and evaluation of anti-corruption and responsible and transparent governance projects.

(c) organization of training programs focusing on anti-corruption and responsible and transparent governance.

(2) In addition, the Association:

(a) occasionally organizes public presentations and seminars, as part of public education, with the objective to deepen knowledge about corruption and responsible and transparent governance.

(b) cooperates closely with other organizations involved in anti-corruption and in responsible and transparent governance or complementary topics.

(c) receives active content-related support and advice from the PTF family.

(3) The prime emphasis of projects supported by the Association is, primarily but not exclusively, the fight against corruption as well as the promotion of responsible and transparent governance in the areas of politics and public administration, the judiciary, education and health, and the environment/climate change sectors. Corruption and non-transparent governance in these areas affect in the first instance the poorest of the poor and thus undermine the efforts of international development cooperation. To this end, the Association lends its support to strengthen the results of international development cooperation, reduce poverty and urge public authorities to adopt transparency, accountability and responsible governance.

(4) In addition, projects supported by the Association should increase, through education and public awareness campaigns, public understanding of the negative effects of corruption and non-transparent governance, and promote the formation of groups, especially within civil society, that will demand full transparency and responsible behavior from public authorities.

(5) To achieve its mandate, the Association aims to mobilize funding from donor organizations in Germany and foreign countries. By so doing, the Association supports worldwide efforts on the part of civil society in the areas of anti-corruption and responsible and transparent good governance.

§ 4 Financing Mechanism, Use of Grant Proceeds and Not-for-profit Activities

(1) The Association's work is primarily funded by grants received from international and national organizations which are active in international development cooperation and public education as well as from potential private donors. The Association also responds to calls for proposals in conformity with § 3 Section 5.

(2) The Association may charge a membership fee. The timing and amount are subject to an Assembly decision.

(3) The Association's financial resources shall only be used for purposes that are in conformity with these bylaws. This may include expenses, including travel and related administrative expenses, which are incurred during project evaluation as well as the supervision of approved projects by the Association. Similarly, the costs incurred for bookkeeping, tax declarations and potential audits shall be covered by the Association's resources.

(4) Association members shall not receive any remuneration from the Association. Members are entitled to compensation only for reasonable expenses incurred during official Association business (e.g., travel, accommodation, telephone and office supplies).

(5) Expert Association members, who are not operating in their voluntary capacity, as well as expert non-members can be contracted to perform duties against adequate remuneration in compliance with provisions under § 3 of these bylaws.

(6) The Association shall not cover expenses of or remunerate any person or institution for tasks that are not in conformity with the Association's mandate or are excessive in amount.

(7) The Association operates altruistically. It does not pursue any economic interests and instead acts exclusively on a not-for-profit basis.

§ 5 Membership

(1) Any natural or legal person willing and suited to promote the Association's mandate and who is invited by the Board to join the Association, can become a member.

(2) Membership applications should be addressed to the Association. The Board decides on said membership.

(3) The members of the Board shall be members of the Association.

(4) Membership in the Association comes to an end:

(a) when a member cancels such membership. The notice of cancellation must be sent to a member of the Board by postal mail or in text format in line with § 126 b) of the German Civil Code (BGB). Such cancellation is only valid at the end of the Association's fiscal year.

(b) in case of death.

(c) by exclusion of the member through the Board, in case the member has damaged the reputation or the interests of the Association. Prior to the exclusion, the member shall be heard orally or in writing. The reasons for the exclusion shall be communicated in writing to the member by registered mail. Within one month of receipt of the exclusion notification, the member can submit a written appeal to the Board. The Membership Assembly shall rule on the appeal. In case the member does not make use of his right to appeal within the prescribed time period, the member is considered to have accepted the exclusion decision.

(5) To avoid that members who are no longer interested or no longer active maintain membership, the Association may send an email to the last known email address of inactive members with a request for them to confirm their interest in maintaining their membership in the Association. In the absence of a response within a reasonable time period (four weeks), their membership shall be canceled at the end of the fiscal year.

(6) Upon exclusion from the Association, the member has no rights as regards the Association's assets.

§ 6 Organs

The organs of the Association are:

(a) the Membership Assembly; and
(b) the Board.

§ 7 Membership Assembly

(1) The Membership Assembly is responsible for all matters which are not assigned to other organs by these bylaws. In particular, it is responsible for:

(a) the election of the Board;
(b) the exoneration of the Board;
(c) deciding on amendments of the bylaws and the dissolution of the Association; and
(d) the election of the Treasurer ("Kassenprüfer").

(2) The Membership Assembly takes place once a year.

(3) The Board can convene extraordinary assembly meetings and shall do so if it has been requested by at least 10% of the membership, with an indication of the reasons for such a request.

(4) The invitation for an assembly meeting shall be issued by the Board in written form or text format in line with § 126 b) of the German Civil Code (BGB) at least 3 weeks prior to the meeting date; the meeting agenda shall be part of the invitation.

(5) Any assembly meeting dutifully called for has a simple majority decision-making authority regardless of the number of members present. The provisions of § 9 Section 2 and § 10 Section 2 do not apply. All members physically or virtually present as well as all members represented by another member are entitled to vote. Legal entities may be represented by a non-member. Each member has one vote at the assembly meeting. A vote by an authorized member is admissible. The member voting on behalf of another member must present the original written power of attorney which demonstrates that he/she has been mandated to vote on behalf of the member whom he/she represents. Such power of attorney can also be sent in text format in line with § 126 b) of the German Civil Code (BGB); it should be addressed to the Chairperson. A vote by a substitute power of attorney is not permissible. The representation of a member by a person external to the Association is not permissible.

(6) Decisions by the assembly must be recorded in writing and shall be signed by the presiding officer of the assembly meeting as well as by the recording secretary.

(7) The chairperson of the Board chairs the Membership Assembly; in his/her absence, another member of the Board will take over.

(8) The Membership Assembly may take place in person, in form of a teleconference or via Internet. The Association shall ensure that all meeting participants are members of the Association who are entitled to vote. If personal identification is not possible (especially through face or voice recognition in case of video conferences), identification will be handled through a password. The password is valid only for the meeting in question and will be communicated electronically prior to the meeting. It is sufficient to send the invitation to each member's most recent e-mail address as known to the Board of the Association. All members are required to keep the password confidential and to not share it with third parties.

§ 8 The Board

(1) The Board consists of up to 5 people, among them:

(a) the Chairperson;
(b) the Deputy Chairperson; and
(c) the Treasurer.

(2) The Association is represented in judicial and other matters by two members of the Board.

(3) The Board is charged with the management of the Association. The Membership Assembly may appoint an Association Manager. The prerogatives and responsibilities of the Manager shall be determined by the Assembly. In managing the Association, the Board and Manager are subject to the Assembly's directives.

(4) The Board members are elected by the Membership Assembly for a two-year term. Block voting is permitted; re-election is possible. The Board remains in office until a new Board is elected.

(5) In case a member of the Board resigns during his/her term, the Assembly elects a replacement.

(6) The Board has decision-making power when at least two board members are personally or virtually present. The Board decides with a majority of the votes cast, unless the bylaws provide for a different majority.

§ 9 Amendments of the Bylaws

(1) A decision to modify the bylaws requires a three-quarter majority of the votes cast.

(2) The Assembly can decide on an amendment of the bylaws only if at least half of the members are personally or virtually present. In case the Assembly does not have the required quorum, a new assembly meeting must be convened without delay to deal with the agenda item "Amendment of the Mandate of the Association". Such a meeting can then take decisions regardless of the number of members present. Said meeting may take place on the same day. The invitation to the assembly meeting must make specific reference to this provision. In line with § 7 Section 8, modifications to the Association's mandate may be voted on during a Membership Assembly that is held by teleconference or over the Internet.

§ 10 Dissolution of the Association

(1) The dissolution of the Association takes place at the request of the Board and through a decision by the Membership Assembly. The decision requires a three-quarter majority of the votes cast.

(2) The Membership Assembly has a quorum when at least half of the members are personally or virtually present or represented. In case the Assembly does not have the required quorum, a new assembly meeting must be convened without delay. Said assembly meeting, which may take place on the same day, can decide the dissolution of the Association regardless of the number of members present. The invitation to the assembly meeting must make specific reference to this provision.

(3) In case of the dissolution of the Association or the discontinuation of its not-for-profit status, the assets of the Association shall be turned over to PTF USA, which shall use it immediately and exclusively for not-for-profit purposes. Decisions on the future use of assets shall be made only with the approval of the German tax authorities.

§ 11 Formal Amendment of Bylaws

The Board is permitted to make amendments to the bylaws which the registering court might require.