



Garchen Stiftung

[Translation from the German language]

Foundation Charter

Whereas

In view of the suppression of the Tibetan people and the concomitant destruction of Buddhist monasteries and ancient cultural assets in Tibet, the Foundation aims to make a contribution towards promoting the continued existence of Tibetan Buddhist religion, philosophy and literature. In particular, it shall support the continued existence of the Drikung Kagyu Lineage.

Article 1 Foundation Name, Legal Form, Registered Office

The Foundation shall use the name **GARCHEN STIFTUNG [GARCHEN FOUNDATION]**. It is an incorporated foundation with legal capacity and with registered office in Munich.

Article 2 Object of the Foundation

- (1) Object of the Foundation is to promote Tibetan Buddhism, in particular the Drikung Kagyu Lineage of Tibetan Buddhism. Object of the Foundation is further the promotion of science and research, art and culture as well as the public health sector in relation to Tibetan Buddhism.
- (2) The object of the Foundation shall be achieved in particular by
 - a) the erection, maintenance and regular support of study centres, retreats, shrines, libraries, centres and other institutions, inclusive of personnel, which shall serve the preservation, teaching and practice of Tibetan Buddhism, in particular the Drikung Kagyu Lineage of Tibetan Buddhism.
 - b) organising events, courses and symposiums on subjects relating to the of Tibetan Buddhism and which form an integral part of Buddhism, such as logic, debate and philosophy.

- c) the erection and maintenance of treatment and care centres and hospices which are in conformance with Tibetan medicine. This shall also include the treatment and care of the sick and dying.
 - d) events and courses relating to spiritual art, ritual music and ritual dances of Tibetan Buddhism.
 - e) the preservation and restoration of sculptures, paintings, ritual utensils, relics and other objects and pictures relating to the practice of Tibetan Buddhism.
 - f) scientific research projects, publications, teaching sessions, symposiums and translations in the field of Tibetan Buddhism.
 - g) the award of scholarships pursuant to Section 3 No. 44 German Income Tax Act [“EstG”] to students and scientists performing research in the field of Tibetan Buddhism.
 - h) spreading Buddhist teaching aids and other written, oral or photographic materials of a teaching nature relating to Tibetan Buddhist Lineage and in particular to the Drikung Kagyu Lineage.
 - i) the organisation and implementation of lectures, teaching events and meditation retreats in the Drikung Kagyu Lineage.
 - j) the performance of (daily) religious rituals, teachings and pastoral care in accordance with the Drikung Kagyu Lineage of Tibetan Buddhism.
 - k) text projects, in particular the translation and printing of ancient Tibetan-Buddhist teaching or prayer texts and ancient Puja texts.
 - l) the provision of financial or material resources to other tax-privileged corporations, establishments or foundations to enable such recipients to use these resources to promote the cultivation of the Drikung Kagyu Lineage of Tibetan Buddhism.
- (3) The Foundation thus pursues solely and directly non-profit objects as defined in the “Tax-Privileged Objects” section of the German Tax Regulations ([AO]).
- (4) The Foundation shall also be entitled to raise funds to achieve the tax-privileged purposes of another domestic or foreign corporate body or to achieve the tax-privileged purposes of a public corporation (Section 58 No. 1 AO). The Foundation shall be entitled to donate its funds in part to another tax-privileged domestic or foreign corporate body or domestic public corporation to be used for tax-privileged purposes (Section 58 No. 2 AO).

Article 3 Disinterested Capacity, Legal Status of the Beneficiaries

- (1) The Foundation shall act in a disinterested capacity. It shall not pursue primarily commercial purposes. It shall not favour any legal entity or natural person by way of expenditure which is not in conformance with the object of the Foundation or by providing disproportionately high support, gifts or remuneration.
- (2) This Charter does not create any legal entitlement to benefits from the Foundation on the part of the beneficiaries of the Foundation.

Article 4 Foundation Assets

- (1) The basic assets of the Foundation shall be preserved undiminished in their value. The original basic assets are set out in the appendix, which is an integral part of the statutes. Assets may be restructured. Profits from the reallocation of assets may be used in whole or in part to fulfil the purpose of the Foundation in accordance with the statutes, whereby the value of the basic assets must be maintained undiminished.
- (2) The real estate which forms part of the basic assets may be sold or allocated to a different use pursuant to Article 2 (1), provided that the proceeds resulting from sale or lease of the properties are used to purchase or rent one or more properties which are more suitable. However, any such reallocation must not lead to any reduction in the Foundation's assets.
- (3) Additions to the Foundation (contributions to the basic assets) are permissible. Gifts to the Foundation which are not tied to a specific purpose resulting from a testamentary disposition may be added to the basic assets.

Article 5 Foundation Resources

- (1) The Foundation shall fulfil its duties
 1. from the income generated from the Foundation's assets;
 2. by making its real estate available for use by third parties;
 3. from gifts to the Foundation unless the donor has specified that the gift is to be added to the basic assets; this shall not affect the provision pursuant to Article 4 (3) Sentence 2.
- (2) All Foundation resources may be used solely for the purposes specified in this Charter.
- (3) Reserves pursuant to German Tax Regulations may be formed, in particular if and as long as necessary to enable long-term achievement of the tax-privileged purposes pursuant to the Charter. Specific targets and time limits shall be stated for the appropriation of reserves. Reserves shall be created in particular for repair and maintenance work and for the interior redecoration of the buildings. Any surplus

income which exceeds the costs of asset management can be added to the Foundation's basic assets pursuant to the German Tax Regulations in the interests of value preservation.

Article 6 Statutory Organs of the Foundation/Renumeration

- (1) The statutory organs of the Foundation are
 1. the Executive Board of the Foundation,
 2. the Advisory Board.
- (2) The members of the Foundation Council shall be acting on an honorary basis for the Foundation, and the members of the board of directors basically also on honorary basis. Necessary and appropriate expenses are reimbursed upon representation of receipts to both organs. If justified by the scope of activities, the members of the board of directors may obtain an appropriate and necessary remuneration due to the time-exposure, the required qualification and after concluding a contract of employment, if the capital of the Foundation is sufficient. Upon conclusion of a D&O Insurance for the board of directors the Foundation has to bear the costs."

Article 7 Executive Board

- (1) The Executive Board shall comprise three to five persons, inclusive of the Founder Dr. Liane Pitsos. Dr. Pitsos shall appoint her members of the Executive Board to a term of three years. Should a member of the Executive Board resign prematurely, the new member shall be appointed only for the remainder of the term of office of the retiring member. Members may be re-elected. Successors shall be appointed immediately on the resignation of members of the Executive Board. Subject to agreement between the Chairperson and the resigning member, the resigning member shall remain in office until a successor is appointed.
- (2) Dr. Liane Pitsos shall be entitled to resign from office as Chairperson subject to reasonable prior notice. Even after resignation from the Executive Board of the Foundation, Dr. Liane Pitsos shall remain entitled to appoint and recall a successor and the other members of the Executive Board.

Dr. Pitsos' right to appoint members as above shall pass to the Executive Board as a whole only when Dr. Pitsos expressly renounces her right of appointment, becomes incapable of action owing to sickness, or dies. The Executive Board shall thereafter elect and appoint its members as follows:

The election of a new member of the Executive Board for a fixed term of three years in each case or the re-election of a member of the Executive Board for a fixed term of three years in each case shall require a unanimous resolution of all members of

the Executive Board. Should they fail to reach an agreement, the matter shall be referred to the Advisory Board (cf. Article 10 (2)).

- (3) The Founder shall be Chairperson of the Executive Board for as long as she is a member of the Executive Board. On retirement of the Founder from the Executive Board, the Executive Board shall appoint a Chairperson from amongst its members and a Deputy Chair who shall represent the Chairperson in all matters when the Chairperson is unable to perform his/her duties. Should they fail to reach an agreement, the matter shall be referred to the Advisory Board (cf. Article 10 (2)).

Article 8 Representation of the Foundation, Remit of the Executive Board

- (1) The Executive Board shall represent the Foundation in and out of court. It shall have the status of a legal representative. The Foundation shall be represented by two members of the Executive Board acting jointly in each case. The Chairperson of the Executive Board shall be entitled to represent the Foundation alone. All members of the Executive Board shall be entitled to conduct the business of the Foundation. In case of any differences of opinion, the Chairperson of the Executive Board shall decide.
- (2) The Executive Board is obliged to manage the Foundation's assets and other resources conscientiously and economically.

The remit of the Executive Board shall include in particular

1. preparing the annual budget proposal for the Foundation,
 2. deciding on the appropriation of income generated from the Foundation's basic assets and gifts which are not be allocated to the Foundation's basic assets (Foundation resources),
 3. preparing the report on fulfilment of the Foundation's object and the statements on the Foundation's revenues and expenses and statement of assets (Article 9 (1) Sentence 2).
- (3) The decisions of the Executive Board of the Foundation pursuant to Article 4 (2), Article 11 and Article 12 shall require the approval of the Advisory Board.

Article 9 Management, Financial Year

- (1) The Executive Board shall keep records of the Foundation's revenues and expenses and collect the relevant vouchers. Within the first six months of each financial year, it shall prepare a report on fulfilment of the Foundation's object, statements on the Foundation's revenues and expenses for the preceding financial year, and a statement of the Foundation's assets.

- (2) The Executive Board shall have the Foundation audited by a chartered account or other party authorised to issue an equivalent audit statement. The audit shall also include preservation of the Foundation's basic assets and verification that the Foundation's resources have been appropriated in conformance with the provisions of this Foundation Charter.
- (3) The business year is the calendar year.

Article 10 Advisory Board

- (1) The sole remit of the Advisory Board is to advise and support the Executive Board, in particular (but not exclusively) in spiritual matters.
- (2) The Executive Board shall seek the vote of the Advisory Board when nominating and appointing a member of the Executive Board. If the Advisory Board exercises its veto against the appointment of a certain person to the Executive Board, that person cannot be appointed to the Executive Board.
- (3) The Advisory Board shall comprise two members. These are the lineage holder of the Drikung Kagyu Lineage, H.H. Chetsang Rinpoche (the spiritual leader of the Drikung Kagyu Lineage in exile, Jangchubling Monastery, Dehradun, India) and H.E. Garchen Rinpoche (teacher and meditation master of Tibetan Buddhism, Abbot of Gar Monastery in Cham, East Tibet). After their death, successors on the Advisory Board are always the recognized reincarnations of H.H. Chetsang Rinpoche and H.E. Garchen Rinpoche, as soon as they reach legal age. Until reaching legal age of each recognized reincarnation the following shall apply:

On the death of H.H. Chetsang Rinpoche, his regent, H.E. Tritsab Rinpoche, shall be his successor on the Advisory Board until the recognized reincarnation of H.H. Chetsang Rinpoche has reached legal age. Should the regent H.E. Tritsab Rinpoche die before H.H. Chetsang Rinpoche or during regency, the next ranking tulku (recognized incarnated master), that will be appointed as head of the main monastery Jangchubling in Dehradun, shall simultaneously be his successor on the Advisory Board until the recognized reincarnation of H.H. Chetsang Rinpoche has reached legal age.

On the death of H.E. Garchen Rinpoche, his successor in the Gar Monastery, H.E. Namrol Rinpoche, shall simultaneously be his successor on the Advisory Board until the recognized reincarnation of H.E. Garchen Rinpoche has reached legal age. Should H.E. Namrol Rinpoche die before H.E. Garchen Rinpoche or during regency, the next ranking tulku, that will be appointed as head of the Gar Monastery, shall simultaneously be his successor on the Advisory Board until the recognized reincarnation of H.E. Garchen Rinpoche has reached legal age.

As soon as the recognized reincarnation of H.H. Chetsang Rinpoche or H.E. Garchen Rinpoche will have reached legal age and thus has become a member of the Advisory Board, the person serving on the Advisory Board on an interim basis as successor of H.H. Chetsang Rinpoche or H.E. Garchen Rinpoche shall resign.

If one of the elected or born successors is not willing or not able to take office on the Advisory Board, the Executive Board shall appoint a successor as a substitute.

Article 11 Amendments to the Foundation Charter, Transformation and Termination of the Foundation

- (1) Amendments to this Foundation Charter shall be permissible insofar as they appear advisable in the interests of adjusting to changes in circumstances. They must not impair or cancel the tax privileges of the Foundation. Insofar as any amendments could affect the tax privileges of the Foundation, they shall be submitted to the competent financial authority for its opinion.
- (2) Amendments to the object of the Foundation shall be permissible only if it becomes impossible to fulfil the object or if circumstances change to such an extent that fulfilment of the object of the Foundation no longer appears advisable. Transformation and termination of the Foundation shall be governed by the statutory provisions.
- (3) Resolutions pursuant to the above (1) and (2) shall require the consent of all members of the Executive Board and the Advisory Board. The resolutions shall come into effect only when approved by the government of Upper Bavaria (Article 13).

Article 12 Devolution of Assets

On the termination or dissolution of the Foundation or on the cessation of its tax-privileged objects, the remaining assets of the Foundation shall fall to UNICEF Deutschland. The aforesaid organisation shall use these assets directly and solely for non-profit and charitable objects, paying due attention to the object of the Foundation.

Article 13 Supervision of the Foundation

- (1) The Foundation shall be subject to the supervision of the government of Upper Bavaria.
- (2) The supervisory authority shall be notified of any change of address, powers of representation and / or composition of the statutory organs of the Foundation.

Article 14 Entry into Force

The Foundation Charter comes into force on approval by the Government of Upper Bavaria on 14.09.2020.

Schneverdingen, September 14, 2020