

RULES/REGULATIONS of Foundation SPARK

Note:

In order to keep the file size of this web version of the SPARK Rules & Regulations to a minimum, this is an unsigned version of the document.

1. GENERAL

01-01

Wherever statutes are mentioned in these rules/regulations, it is in reference to the statutes of Foundation SPARK. Any other words in these rules/regulations which are also used in the statutes have the same meaning as in the statutes.

01-02

These rules/regulations are an addition to the statutes. In case of ambiguity or inconsistency with the statutes, provisions apply as included in the statutes.

2. SUPERVISORY BOARD

Recommendation and appointment of candidates

02-1

The Supervisory Board appoints its own members. When making appointments the Supervisory Board assures that the different sections of education and (economic) development sector, as well as relevant knowledge about technical issues regarding the Supervisory Board, will be represented. The Board of Directors shall have no influence whatsoever over the appointment of new Supervisory Board Members.

02-2 Appointment

- a. In case a vacancy in an election is not filled, the Supervisory Board decides whether the vacancy can be filled on an ad-interim basis.
- b. Supervisory Board members can be re-elected after their term if there is an absolute majority of the votes.
- c. Candidates are elected based on the majority of the members present during the Supervisory Board meeting.
- d. The Supervisory Board consists of a minimum of 3 members and a maximum of 8 members. The position of secretary and the role of the financial committee can be combined by 1 person.

Reassignment Supervisory Members

02-3

According to the statutes, the members of the Supervisory Board will be appointed for a period of maximum 4 years. Each member can be re-appointed only once, for a maximum of four years, after the initial period of four years. The resignation scheme shows terms of 4 years. Every year in December, the Supervisory Board adopts the resignation scheme again if needed. The resignation scheme started per 7 June 2007 for:

Name	Function	Appointed	Re-appointed	Resigns
MSc Edo Offerhaus Managing Partner, OrangeMountain, The Netherlands	Chairman	1 October 2015		2019
MSc Hans Huijgens Managing Partner, Telling, The Netherlands	Secretary	1 October 2015		2019
MA Marjolein Lem Senior Consultant International Development, Berenschot, The Netherlands	General member	1 January 2009	2013	2017
Dr. Dukagjin Pupovci Executive Director of the Kosovo Education Center and Professor at the University of Prishtina, Kosovo	General member	18 November 2009	2013	2017
MSc Johan Bogaard EFMC Corporate Director Group Control, USG People NV	General member	24 July 2013		2017
Jok Madut Jok Executive Director of the SUDD Institute, South Sudan	General member	18 July 2014		2018

02-4

Members of the Supervisory Board can resign at any moment before the end of their term if they wish.

Division of tasks and substitution within the Supervisory Board

02-5 Chairman

- a. The chairman specifically takes care of the interests of the Foundation.
- b. The chairman takes care of notices of meetings of the Supervisory Board.
- c. The chairman presides over the Supervisory Board meetings.
- d. The chairman, together with the secretary, signs the minutes after they have been approved by the Board.
- e. The chairman ensures that decisions are executed within the agreed time limit.
- f. The chairman, approves the annual report after approval by the Supervisory Board. Also see provisions on reporting.
- g. The chairman is responsible for all activities which may be considered to belong to his/her tasks.

02-6 Secretary

- a. The secretary will assist the chairman in his/her activities and replace him/her in absence.
- b. The secretary is responsible for the minutes of the Supervisory Board meetings.
- c. The secretary, together with the chairman, signs the minutes after they have been approved by the Board.
- d. The secretary is responsible for all activities which may be considered to belong to his/her tasks.

02-7 Financial Committee

- a. The financial committee, in cooperation with the chairman, monitors that no expenditure is incurred by the secretary, General Board Members, Board of Directors, and/or Project Officers which is not approved in advance by him/her or the financial committee, with the exception of expenditure of regular returning costs and project costs. All such costs shall be covered by the Annual Plan and budget as approved by the Supervisory Board;
- b. The financial committee, in cooperation with the financial department of SPARK and the external auditor, controls the annual financial report.
- c. The financial committee is responsible for all activities which may be considered to belong to its task.
- d. The financial committee will monitor that the Board of Directors requests an annual financial audit by an independent accountant. This audit overrides any other planned expenditures and reservations on equity. The independent auditor shall report to the Board of Directors and will copy the Supervisory Board in.

02-8 All members (including General Members) of the Supervisory Board

- a. The Supervisory Board represents the Foundation SPARK and provides the Board of Directors mandates to act on behalf of the Foundation.
- b. The members of the Supervisory Board function as a "Board at a distance", which implies that the project organization, as much as possible, will be taken care of by the Board of Directors;
- c. The Supervisory Board appoints the Board of Directors;
- d. The members of the Supervisory Board monitor compliance with statutes and rules and on compliance with decisions as described in minutes of Supervisory Board meetings.
- e. The members of the Supervisory Board are in principle willing to work towards lobby- and network possibilities in their specific expertise.
- f. The members of the Supervisory Board, led by its chairman, decide the agenda points of the Supervisory Board meetings.
- g. The members of the Supervisory Board execute administrative work connected to the meetings and the execution of decisions.
- h. The members of the Supervisory Board are bound to transfer their duties in an orderly manner to the Supervisory Board after resignation.
- i. Each member of the Supervisory Board may be authorized to sign correspondence on behalf of the Supervisory Board.
- j. In cases in which it is not possible or desired that the Foundation will be represented by the entire Supervisory Board, the Supervisory Board will authorize one or more of the Supervisory Board members or members of the Board of Directors to act on behalf of the Foundation.
- k. In cases in which it is not possible for the Foundation to be represented by the Board of Directors in entering contractual obligations, the Supervisory Board will authorize one or more of the Supervisory

Board Members or members of the Board of Directors to act on behalf of the Foundation or sign contracts.

l. Every authorization as described above will be written either via written correspondence or via minutes and will be signed by the chairman.

n. The Supervisory Board invites the Board of Directors to send in policy proposals for the yearly meeting (annual report, policy and budget).

o. The Supervisory Board approves the Annual Report, including the Annual Financial Statement, submitted to them by the Board of Directors. After the approval of the Supervisory Board, the Annual report, including the Financial Statement, shall be published online.

02.9 Division of tasks according to main activities

a. All Supervisory Board members are assigned to one of the three main SPARK activities. This will ensure that each member has the opportunity to develop in depth knowledge of one specific activity.

b. The three main activities are: the International Business College Mitrovica (IBCM), the MFS II project cycle and Finance together with HR. They are subject to change when large projects end or new important projects start.

c. Each of the three main activities will be covered by at least one member and the number of members covering each main activity will be as balanced as possible.

d. All other activities remain tasks of all Supervisory Board members.

e. The three main tasks are assigned according to preferences. In case of conflicting preferences, the chairman will mediate and come to a decision.

f. The Supervisory Board members will ideally focus on their assigned activity throughout their term or until the end of the activity (in case the activity is a project).

g. The Supervisory Board members can request to change their assigned main activity. The chairman will make a decision keeping in mind that each main activity needs to be covered by at least one member and the number of members covering a specific activity shall be as balanced as possible.

h. When the term of a Supervisory Board ends and he/she is replaced by a new member, the new member will inherit the main activity from his/her predecessor with the possibility to submit a request for change to the chairman.

Supervisory Board meetings

02-10 Invitation for meetings of Supervisory Board

a. The chairman or the secretary takes care of the invitation of the members to the meetings of the Supervisory Board at least seven days before the meeting. This may be delegated by the chairman to the executive board.

b. The invitations will be in writing

c. The Supervisory Board meets as often as desirable for the chairman or its members, but at least 3 times per year.

02-11 Agenda of meetings of Supervisory Board

a. Agenda and documents for the meetings of the Supervisory Board have to be delivered a minimum of 3 days before the meeting

b. During the annual meeting of the Supervisory Board, the following agenda points will be discussed:

- Annual report (narrative) and financial report.
- Strategic year plan and budget current year.
- Evaluation of functioning of Board of Directors'.

02-12 Chairing Supervisory Board meetings

The meetings of the Supervisory Board are chaired by the chairman or, in his/her absence, by the secretary. If the secretary is absent as well, the meeting will take care of chairing themselves.

02-13 Voting on (not statutory) matters within Supervisory Board

a. Voting takes place as defined in statutes and according to provisions below.

b. Voting takes place by call or show of hands.

c. The chairman decides in all disputes about the voting.

02-14 Decisions without meeting

The Supervisory Board can make decisions without a meeting if there is demonstrable proof, i.e. correspondence that all members of the Supervisory Board agree with the decision. The written proof will be added to the minutes.

02-15 Invitees

- a. The Supervisory Board can decide to invite persons for (specific agenda points of) the Supervisory Board meeting, for example an expert, the external auditor, or a member of the Board of Directors, or a Project Manager to ask for advice.
- b. Every member of the Supervisory Board can, without formalities, invite experts for meetings.
- c. The Supervisory Board can ask the invitee for advice, but the invitee cannot vote in case of voting, and the Supervisory Board is not obliged to take the advice into consideration for the decision.

02-16 Minutes of the Supervisory Board meetings

- a. The secretary is responsible for orderly archiving of the minutes.
- b. Minutes will be made by the secretary or another member of the Supervisory Board (after consultation)
- c. The minutes should contain:
 - Names of members present;
 - Approval or disapproval of previous minutes;
 - Agenda points, documents for the meeting;
 - Report of decisions;
 - Report of proposals;
 - Report of advice of an invitee.
- d. The minutes of the meeting are presented for approval in the next meeting. If needed, the chairman or secretary will make remarks or adjustments in the minutes or in the next minutes.
- e. The minutes are signed by the chairman and the secretary.

02-17 For information on decisions of Supervisory Board

The minutes and meeting documents, although public, will only be handed over upon request. If desired, Project Officers will be informed verbally or via memos about relevant decisions.

Costs Supervisory Board

02-18

Supervisory Board Members receive a compensation for reasonable costs they have made for the foundation after consultation with the chairman or financial committee, in principle before making the costs.

If costs are made by the chairman, he/she will consult the financial committee and vice versa.

02-21

Representation cost (including costs for presents) made by Supervisory Board Members will not be compensated, unless previously agreed upon with the chairman or the financial committee.

If costs are made by the chairman, he/she will consult the financial committee and vice versa.

3. Board of Directors

03-01 Appointment

- a. When making a profile for a vacancy for the Board of Directors, the Board of Directors ensures that the different sections of entrepreneurship/ education and the development aid sector, as well as relevant knowledge about technical issues regarding the operation of a development NGO, will be represented;
- b. The members of the Board of Directors are appointed by the Supervisory Board for a definite period of time unless legal obligations mandate otherwise;
- c. The appointment of the Board of Directors can be terminated by the Supervisory Board in case of:
 - Fraud or otherwise acting unlawfully.
 - Repeated bad performance which causes serious damage to the Foundation.
 - Eminent interests of the business, i.e. existence of a situation in which the Foundation does not have the financial means to maintain paid Board of Directors.

03-02 Tasks and responsibilities

- a. The Board of Directors supervises the implementation of its policies;
- b. The Board of Directors is limitedly authorized and jointly authorized to represent the Foundation: The limited authorization is set at the Chamber of Commerce and concerns the representation of the Foundation in project proposals and reports concerning grant providers and donors. The Board of Directors is also authorized to enter financial obligations in the context of projects, and make limited costs with the use of equity of the Foundation, when these cannot be done from project

financing, but which are necessary for the execution of general activities, daily management and coordination of projects or the survival of the Foundation.

c. The Board of Directors is responsible for the execution of the policy adopted by the Supervisory Board.

d. The Board of Directors has to present policy proposals during the annual meeting of the Supervisory Board.

e. The Board of Directors has the mandate to develop new projects, submit project grant applications and/or terminate projects as a consequence of changes in priority setting by the Foundation (incl. policy accents) or by the grant providers.

f. The chairman of the Board of Directors, in cooperation with the treasurer of the Board of Directors, takes care of the receipt and payment of funds by the Foundation;

g. The chairman, in cooperation with the treasurer, takes care that no expenditure is incurred by the secretary, Supervisory Board Members, Board of Directors, and/or Project Officers which is not approved in advance by him/her or the treasurer, with the exception of expenditure of regular returning costs and project costs.

h. The secretary, in cooperation with the treasurer and the chairman, takes care of the composition of the annual report that is published after the approval by the Supervisory Board. Also see provisions on reporting.

i. The treasurer, in cooperation with the chairman, takes care of the receipt and payment of funds by the Foundation, as far as approved by the Supervisory Board.

k. The Board of Directors is responsible for the Human Resource policy, as recruiting project staff.

l. The treasurer is responsible for the internal financial control of the Foundation and makes adjustments if needed.

m. The Board of Directors appoints all SPARK staff;

n. Directors, Project Management and Project Officers are appointed based on a definite period which in principle does not exceed the period of the project(s) for which they are hired, unless legal obligations mandate otherwise.

o. The treasurer of the Board of Directors will request an annual financial audit by an independent accountant. This audit overrides any other planned expenditures and reservations on equity. The independent auditor shall report to the Board of Directors and will copy the Supervisory Board in.

p. The salaries of the members of the Board of Directors will be published in the SPARK Annual Report.

q. The Board of Directors seeks approval from the Supervisory Board for functions outside of SPARK.

4. FINANCIAL CONTROL

04-1.

The Foundation maintains an internal financial control system, developed and monitored by the Treasurer.

04-2

The Supervisory Board has to follow the provisions "Costs Supervisory Board" (02-20, 02-21 and 02-22).

04-3

If not required by the grant provider(s), but desired and considered possible by the Supervisory Board, the Supervisory Board will invite an independent accountant to do a check on the (project) administration and provide a statement.

04-4

In case of dissolution of the Foundation, allocation of surplus of the Foundation will be determined by the Supervisory Board. The allocation of the surplus should reflect the objectives of the Foundation.

5. PROJECT REPORTS & ANNUAL REPORTS

Project reports

05-1

The Board of Directors have the mandate of the Supervisory Board to take care of the financial and narrative project reports to the donor(s).

05-2

The Foundation publishes a narrative and financial report of each project, also when this is not a requirement of the donor(s).

Annual reports

05-3

The secretary and the treasurer of the Board of Directors are responsible for the composition of the annual report. The secretary focuses on the narrative part and the treasurer on the financial part.

05-4

The annual report will be published on the website and further distributed after approval of the Supervisory Board.

6. ADJUSTMENTS IN RULES

06-1

Changes to these regulations are only possible when accepted in a general Supervisory Board meeting with at least two thirds of the valid votes and two thirds of the members of the Supervisory Board are present.

06-2

The provisions in these regulations are judged annually in light of the most important policies stated by the Foundation in the annual report.

If needed changes and additions are made (following the conditions mentioned in provision 06-1)

7. UNFORESEEN CIRCUMSTANCES

07-1 In situations for which these rules/regulations do not provide information, the Supervisory Board decides.

On behalf of Supervisory Board SPARK, Edo Offerhaus, chairman:

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Place and date: Amsterdam, 24-11-2015