

# **ARTICLES OF INCORPORATION OF TAIWAN FUND FOR CHILDREN AND FAMILIES**

Initially Registered on February 23, 1972

Amended on March 30, 2016

Article 1: The name of this organization is “Consortium of Juridical Person, Taiwan Fund for Children and Families, abbreviated as known as “TFCF” (Hereafter called as “TFCF”).

Article 2: TFCF is headquartered at Floor 4, No. 482, Sec. 5, Chung-Hsiao East Road, Hisn-Yi District, Taipei City. Branches offices and institutional placements in Taiwan or abroad may be established, upon approval by the authorities concerned, as the needs of the case demand.

Article 3: TFCF aims to bring wellbeing to children, juveniles, the physically & mentally handicapped, and impoverished families through:

1. Establishing branch offices to offer subsidies and welfare services to children, juveniles, the physically and mentally handicapped and impoverished families;
2. Establishing institutional placements to place the displaced and the physically and mentally handicapped children and juveniles;
3. Sponsoring the domestic and overseas needy children and youth as well as the families in Taiwan and abroad;
4. Offering children, juveniles, the physically and mentally handicapped and impoverished families welfare services entrusted by the government, and ;
5. Providing any other relevant social welfare services.

Expenditures for the aforementioned items shall not be less than seventy percent (70%) of TFCF’s annual interest income and net revenue.

Article 4: Christian Children’s Fund, headquartered in Virginia, U.S.A., established TFCF in August 1950. The initial funding from Christian Children’s Fund was NT Three hundred sixty-nine thousand and eight hundred dollars. On February 23, 1972, TFCF was registered as a juridical person. On January 12, 1995, TFCF was registered as a nationwide organization under the

supervision of the Ministry of Interior, Taiwan. The registered funds of TFCF were NT Eight hundred eighty-nine million, five hundred and twenty-five thousand and three hundred ninety-eight dollars which consists of the following:

- a. Capital assets: NT Two hundred twenty million nine hundred thirteen thousand and one hundred forty-five dollars.
- b. Fixed assets (Land & Building): NT Six hundred sixty-eight million and six hundred twelve thousand and two hundred fifty-three dollars.

The above funds could be replenished continuously by gifts from the founder or other individuals and groups.

Article 5: The Board of Directors shall consist of fifteen Directors. Among them, five Standing Directors are elected. The initial term of the Board of Directors shall be appointed by the Initial Donors. Thereafter, the eligible candidates for the next term of Board of Directors shall be nominated from those who are enthusiastic in charity affairs and public welfare, and shall be elected by the present board members by anonymous and cumulative voting. Major donors, present board members and their spouses or their blood relatives shall be consist of less than one-third of the Directors (if any foreigner is elected as the Board of Directors, he/she shall be consist of less than one-third of the Directors).

Article 6: The Directors are non-paid positions and shall be appointed for a three-year term. Directors shall be eligible to serve for consecutive terms. If a Director vacates his or her office before completion of the term, the new Director shall be elected in accordance with the regulation stipulated in Article 5 for replacement and fulfillment of the former Director's term. If the Chairman fails to hold re-election of the Bored of Directors upon expiration of the term, the majority of the Directors may designate one Director as convener to hold the board meeting for re-election after approval by the Authority through application of convener.

Article 7: There shall be one Chairman in the Board of Directors. The Chairman shall be elected and appointed among the five Standing Directors by the Board of Directors. The Chairman shall be primarily responsible for the business and matters of TFCF.

Article 8: Powers and duties of the Board of Directors are as follows:

1. Approval of the annual business proposals of TFCF
2. Approval of the annual budget, revenue and expenditure of TFCF.
3. Fundraising
4. Custody, management and supervision of the registered funds of TFCF.
5. Appointment and dismissal of CEO
6. Other powers and duties as may be prescribed by the Board of Directors from time to time.

Article 9: The Board of Directors shall meet once every three months. If requested by the Chairman or received at least half of the Directors' motions, the provisional meetings shall be called. During recess, the Standing Directors should exercise their power by conventions and shall submit their proposals to the Board to determine by resolution. Resolution of the Board of Directors shall be adopted by a majority vote of the directors at the meeting attended by a majority of the Directors, provided however that for the following material matters, the resolution shall be adopted by a affirmative vote of at least two-third of Directors present at the meeting attended by at least two-third of the Directors, and the approval by the authority in charge is required for implementation:

1. Any amendments to the Articles of Incorporation
2. Acquirement, disposal, pledge and change of purpose for major assets and real property
3. Dissolution of TFCF or alterations of the purpose of TFCF
4. Appointment and dismissal of CEO

Notice of each meeting shall be given to each Director and the authority in charge at least ten days prior to the date of the meeting. The authority in charge may send representative(s) to attend the meeting.

Article 10: The Chairman shall summon the meeting of the Board and chair the meeting. In the absence of the Chairman or if the issues discussed are related to the benefit of the Chairman, one of the Standing Directors shall be appointed to chair the meeting.

Article 11: If any Director is not able to attend the meeting of the Board for some reason, he shall assign a proxy among the Directors in writing. A Director may be appointed as a proxy for one absent Director only. The number of the proxies shall not be more than one-third of the Directors present at any meeting.

Article 12: There shall be one CEO and may be one to three Deputy CEOs in TFCF. They shall be responsible for implementing the policies and strategies established by the Board and perform such other powers and duties in accordance with the Articles of Incorporation. The CEO shall be nominated by the Chairman and appointed after approval of the Board of Directors. The CEO shall be designated for a three-year term and shall be eligible for re-election. The resolution shall be submitted to the authority in charge for approval. If deemed necessary, the officers may be appointed. The Deputy CEOs and Chief Officers of TFCF shall be nominated by the CEO and appointed through approval by the Board of Directors. If deemed necessary, Consultants to the Board may be nominated by Chairman, and appointed through approval by the Board of Directors.

Article 13: Whoever has criminal records and is sentenced to limited imprisonment shall not be elected or appointed as the Directors of Board or any officer in TFCF. The negligent crime is excluded.

Article 14: The fiscal year of TFCF shall be the calendar year, which is from January 1 to December 31 every year.

Article 15: TFCF practices the accrual basis in accounting for which the account books are required. TFCF shall make a true and accurate accounting on the financial transaction. The account of revenues and expenditures shall be presented with legal vouchers and receipts in order to be checked by the authority in charge. The aforementioned account books and vouchers on revenue & expenditure shall be audited and certified by an accredited and licensed accountant.

Article 16: The registered funds of TFCF shall be deposited in financial institutions. Any other revenues except allowance shall be deposited in banks. For any financial investments, TFCF shall apply for formal approval from the authority in charge in advance.

Article 17: TFCF shall project the annual business proposal and the annual budget of next year before the end of January every fiscal year. The proposals and budget should be submitted to the authority in charge after the approval of the Board.

Article 18: Within five months after the end of every fiscal year, TFCF shall complete annual accounts and prepare and submit to the authority in charge after the approval of the Board:

1. The statement of activities for the previous year
2. Financial statement
3. Inventory of property
4. Certificate of deposit of the funds
5. An audited financial report certified by an accredited and licensed accountant.

Article 19: Only the interest, rather than the principal, of the registered funds of TFCF may be used and shall be used exclusively for the purposes as described in Article 3.

Article 20: Upon the dissolution of TFCF, all of TFCF's remaining assets shall be distributed to local government where TFCF's main office or the branch office(s) is located.

Article 21: Issues that are not regulated in this Articles of Incorporation shall be in accordance with all prevailing and applicable laws and regulations.

Article 22: The Articles of Incorporation and any amendments shall be executed after the approval of the authority in charge and the completion of legal procedures.

The above translation was completed to the best of my knowledge in languages and belief.

Translator : Carol Shuling Huang