

By-Laws

Founding Agreement

of the Jewish Museum in Prague, a special-interest association of legal persons, located at Prague 1, Jáchymova 3, established under the Founding Agreement of 22 September 1994.

Pursuant to Section 20 of Act No. 40/1964 Coll. (the Civil Code) as amended, the founders of the Jewish Museum in Prague, hereby agree to the following

BY-LAWS

I. Name and registered address of the Association

The name of the Association shall be *Židovské muzeum v Praze* (in English: Jewish Museum in Prague).

The registered address of the Association shall be Prague 1, U Staré školy 1,3.

II. Purpose and scope of activities of the Association

In accordance with Act No. 122/2000 Coll., on the protection of collections of a museum nature and on the amendment of certain other laws as amended, the main focus of activity of the Association as a cultural institution shall be to create, supplement, professionally manage, bring together and present the collections of the Jewish Museum in Prague, to create, supplement and manage the library and archival holdings, to pursue cultural, publication, publishing and educational activities, including the sale of souvenirs, promotional and other materials, publications, audio and audiovisual recordings and other items associated with the purpose and scope of the Association's activities, and also to pursue cultural and other activities related to Judaism, the Jews and Jewish history in Bohemia and Moravia. The Association's main focus of activity shall also be to carry out research (in particular, basic and applied research or experimental development) and to disseminate its results by means of teaching, publishing or technology transfer. The main activities shall also include necessary carrying out repairs and technical assessments of the rented premises in which the Museum has its registered address and presents its collections with a view to partially covering payment of the rent, and the sublease of temporarily unused spaces to third parties with the consent of their owner, that is the Jewish Community in Prague. In addition, the Association shall take care of the Jewish cultural heritage in the Czech Republic via the Federation of Jewish Communities in the Czech Republic.

III. Creation and termination of membership

1) The founders shall become members of the Association upon its foundation.

2) While the Association is in existence, it shall decide on the creation of membership in the Board of Trustees pursuant to a declaration on acceding to the Founding Agreement and the by-laws of the Association. The Board of Trustees may require the provision of a single membership contribution for the creation of membership and may determine the level thereof.

3) Membership in the Association shall be terminated in the event of:

- a) dissolution of a legal entity who is a member,
- b) an agreement concluded between all hitherto members,
- c) exclusion due to a breach of the obligations pursuant to Article IV(3) of the by-laws,
- d) resignation.

4) A member may resign from the Association if the Association does not adhere to the purpose set out by the by-laws and Founding Agreement, or if the Association may not reasonably require that the member remain in the Association. Any person whose membership of the Association is dissolved in this way shall receive a settlement share in the amount of his/her investment contribution upon foundation of the Association, which is to be reduced by the relevant amount of depreciation for the period following the foundation of the Association up until the dissolution of the membership.

IV. Rights and obligations of members

1) Members of the Association may:

- a) take part in the activities of the Association,
- b) require information about the activities of the Association from the statutory organ and other bodies of the Association,
- c) perform checks on the activities the Association,
- d) propose, appoint and dismiss members of the Association's bodies,
- e) decide on matters relating to the Association in a manner specified by the by-laws of the Association.

2) Members of the Association shall exercise their rights via the Association's bodies.

3) Members of the Association shall:

- a) contribute to the implementation of the objectives of the Association and help to develop its activities,
- b) protect the legitimate interests of the Association,
- c) develop the reputation of the Association by means of suitable promotion and educational activities,
- d) fulfil other obligations set out by the by-laws of the Association and the Founding Agreement.

V. The Association's bodies

1) The Association's bodies shall be:

- a) the Board of Trustees,

- b) the Director,
- c) the Supervisory Board.

VI. Board of Trustees

- 1) The Board of Trustees shall be the supreme body of the Association.
- 2) The Board of Trustees shall have five members. Members of the Association shall appoint trustees for a five year term in office. Two trustees shall be appointed by the Federation of Jewish Communities in Prague and one trustee shall be appointed by the Ministry of Culture of the Czech Republic.

Two further trustees shall be appointed by the Jewish Community in Prague, with its registered address at Maiselova 18, Prague 1. Trustees appointed by the Jewish Community in Prague shall have the same standing, term of office, rights and obligations as the trustees appointed by the members of the Association.
- 3) Members of the Board of Trustees must be individuals of unimpeachable character, 18 years of age or older and competent to perform legal acts
- 4) Membership in the Board of Trustees shall be terminated in the event of:
 - a) expiry of the term of office,
 - b) death,
 - c) resignation,
 - d) dismissal,
 - e) coming into legal force of a court decision regarding a trustee's incompetence to perform legal acts.
- 5) The grounds on which a member of the Board of Trustees may be dismissed shall be as follows:
 - a) repeated absence from meetings of the Board of Trustees without having a compelling excuse,
 - b) conduct to the detriment of the Association, in breach of the Founding Agreement or in breach of these by-laws,
 - c) a breach of the principle of civic integrity,
 - d) incompetence of a trustee to perform legal acts as determined by a court of law after the trustee's appointment.Dismissal may occur following a decision of the legal entity that appointed the trustee and on the basis of a proposal from the Supervisory Board for the aforementioned reasons.
- 6) Members of the Board of Trustees shall receive adequate remuneration for performing their duties.
- 7) The Board of Trustees shall, at its first meeting subsequent to its appointment, select a chairperson from among their number and shall decide on meetings at which minutes shall be taken. In the event of the chairperson's absence from a meeting, those in attendance shall select a temporary chairperson from among their number.

8) The Board of Trustees shall be quorate if an absolute majority of its members are present, except in cases where the by-laws require the presence of all five members for a decision to be adopted. The resolutions of the Board of Trustees shall be adopted by an absolute majority of the votes cast, unless otherwise specified under the by-laws. In the event of a tie, the chairperson or, in his/her absence, a member who has been selected to act as temporary chairperson shall have a second, casting vote.

9) Also specified in these by-laws are cases where the following is required for the adoption

of resolutions of the Board of Trustees:

a) the unanimous approval of all five members of the Board of Trustees in attendance.

b) a qualified majority of 3/5 of all five members of the Board of Trustees in attendance.

c) the votes of at least three members of the Board of Trustees; in the event of a tie, use shall

not be made of the provision of a casting vote for the chairperson or, in his/her absence, for a

member who has been selected to act as temporary chairperson.

10) The Board of Trustees shall meet in session at least four times a year. The Board of

Trustees shall be convened by the Director in a written invitation delivered by registered mail to all the members of the Board of Trustees. It shall be convened within the specified time frames or at the instigation of a member of the Board of Trustees who has the written backing of at least two other members of the Board of Trustees. The written invitation must include the name of the Association, the date, the venue and the agenda of the meeting of the Board of Trustees. Meetings shall be chaired by the chairperson of the Board of Trustees or, in his/her absence, by a member who has been selected to act as temporary chairperson.

11) The Board of Trustees

a) shall approve the by-laws of the Association or amendments thereto,

b) shall approve the budget for the Association's operations and any amendments thereto in the course of the year,

c) shall approve the annual financial statements and the annual report on the Association's operations,

d) shall oversee adherence to the purpose for which the Association was founded or shall decide on changes thereto and shall decide on the Association's financial activities,

e) shall appoint the Director for a period of office as specified in Article VII (3) of the by-laws and shall dismiss the Director before his/her term comes to an end in the event that the Director commits a particularly serious breach of his/her official duties; further, it shall determine the remuneration of the Director in accordance with the scope and quality of his/her fulfilment of his/her official

duties

- f) shall decide on the setting up of other bodies of the Association, and shall appoint and dismiss the members thereof.
- g) shall propose changes to the Founding Agreement,
- h) shall decide on the dissolution of the Association,
- i) shall decide on other matters specified by the by-laws or the Founding Agreement,
- j) shall decide on matters that it sets aside for decision-making, with the exception of matters to be decided upon by the founders.
- k) shall lay down other conditions for appointing the Director of the Association which are not covered in these by-laws,

12) In matters pursuant to Article VI (11) (a) (f) and (h) of the by-laws, the Board of Trustees shall decide by a unanimous vote by all five members of the Board of Trustees in attendance.

In other points set out in Article VI (11) of the by-laws, the Board of Trustees shall decide by a qualified majority of votes, i.e. 3/5 of the votes cast by all five members of the Board of Trustees in attendance.

The Board of Trustees shall be authorized to accept the rules of procedure which govern in more detail the particulars and terms pertaining to decision making and voting.

VII. The Director

1) The statutory body shall be the Director who shall be appointed and dismissed by the Board of Trustees of the Association.

2) The Director shall represent the Association in public, act on behalf of the Association, take on and dismiss employees of the Association, be responsible for fulfilling the tasks incumbent on the Association ensuing from the Founding Agreement, answer for the financial operations of the Association, issue the organizational rules of the Association and the rules for managing the collection and the individual collection items pursuant to the relevant provisions of Act 122/2000 Coll., appoint members of the Advisory Board for the Association's collection-building activities and, where necessary, appoint the members of the Association's other advisory bodies. In its activities, the Association shall observe valid legal regulations, the provisions of its Founding Agreement and these by-laws.

3) The Director shall be appointed for a period of five years by the Board of Trustees on the basis of a proposal from a member of the Association or on the basis of a proposal from a member of the Board of Trustees. The Director's five-year term of office shall end in the event of:

- a) expiry of the term of office
- b) death,
- c) resignation,
- d) dismissal on grounds set out in Article VI (11)(e)

e) coming into legal force of a court decision regarding the Director's incompetence to perform legal acts

In the event of the Director's term of office ending by resignation or by expiry of the term of office, the Director shall continue to perform his/her duties of office until a new Director is appointed.

4) The Director may not be a member of the Association's Board of Trustees or of the Supervisory Board or an employee of the founder or a member of its statutory body.

5) In the performance of the duties of his/her office, the Director shall be responsible to the Board of Trustees. The Director's responsibility pursuant to regulations concerning employment relations and other generally binding legal regulations shall not be affected by this.

6) In the event of the Director's absence, he/she shall be fully represented by the representative of the statutory body. Documents shall be signed by the representative of the statutory body in the same manner as by the Director of the Association

7) The representative of the statutory body shall be appointed by the Director for an indefinite period of time. His dismissal shall be decided by the Director of the Association.

VIII. Supervisory Board

1) The Supervisory Board shall be the Association's supervisory body.

2) The Supervisory Board shall have three members. The founders and the Jewish Community in Prague shall each appoint one member of the Supervisory Board for a period of five years. A member of the Supervisory Board may not be a member of another body of the Association.

3) Members of the Supervisory Board must be individuals of unimpeachable character, 18 years of age or older and competent to perform legal acts.

4) Members of the Supervisory Board shall receive adequate remuneration for performing their duties.

5) Membership in the Supervisory Board shall be terminated in the event of:

a) expiry of the term in office,

b) death,

c) resignation,

d) justifiable dismissal by the Board of Trustees,

e) coming into legal force of a court decision regarding a Supervisory Board member's incompetence to perform legal acts.

6) Pursuant to Article VIII (5)(d), a member of the Supervisory Board may be dismissed if:

- a) he/she has not been involved in the activities of the Supervisory Board for a period of more than one year,
- b) he/she has received a sentence for a premeditated criminal act.

7) The Supervisory Board:

- a) shall oversee the activities of the Director,
- b) shall check that the decisions of the Director and the Board of Trustees are in accordance with the Association's by-laws, Founding Agreement and generally binding legal regulations,
- c) shall oversee that the Association is carrying out its activities in accordance with the purpose specified by the Association's by-laws and Founding Agreement.
- d) shall call for a cancellation of any decision of the Board of Trustees or the Director that has not been made in accordance with the Association's by-laws, Founding Agreement and generally binding legal regulations.

The Supervisory Board shall decide on meetings at which minutes shall be taken. It shall be quorate if an absolute majority of its members are present, except for meetings at which it selects a chairperson from among the members and when the presence of all members is required. The resolutions of the Supervisory Board shall be adopted by an absolute majority of the votes cast.

8) The Supervisory Board shall meet at least twice a year. The Supervisory Board shall be convened by the Director of the Association.

IX. Financing operations of the Association

1) The income of the Association shall comprise mainly:

- a) donations, contributions and grants from third parties,
- b) income from the Association's financial activities

2) The Association manages its own assets, in addition to assets provided by third parties.

3) The Association shall manage the assets entrusted by third parties with due care and shall ensure that they are not stolen, subject to excessive wear and tear, damaged or lost. The Association shall use all available and effective means to protect, guard and evaluate the entrusted assets.

4) The Association shall keep separate accounting for its primary, non-economic activities, as specified in Section 3.1.1. of the Community Framework for State Aid for Research, Development and Innovation, in order to prevent cross-financing of the Association's economic activities. All of the profits from its primary, non-economic activities that have made use of public funds shall be put back into research and development or shall go towards disseminating the results of such activities by means of publications and teaching.

X. Management of the collection, alienation, encumbrance and other handling of assets

1) The collection recorded in the Central Register of Collections shall be managed in accordance with Act No. 122/2000 Coll., through the implementing decree for this Act, No. 275/2000 Coll., pursuant to the rules for managing the collection and individual collection items (hereinafter “the Rules”) issued by the Director. Loans of collection items to other legal entities or individuals in the Czech Republic and abroad pursuant to the afore-mentioned Act shall be decided by the Director. Any loan for a period longer than two years shall require the prior approval of the Board of Trustees. The Association shall supplement the collection on the basis of its strategy for collection-building activities and shall preserve it together with the accompanying documentation.

2) Movable assets that comprise documents accompanying the collection or part of the study fond shall be kept by the Association in a special register in accordance with the principles laid down in the Rules.

3) Movable assets that are kept in the register of accompanying documentation for the collection or in the register of study materials pursuant to Article X (2) may be alienated and encumbered only with the prior approval of the Board of Trustees. Loans of these items to other legal entities or individuals in the Czech Republic and abroad shall be decided by the Director. Any loan for a period longer than two years shall require the prior approval of the Board of Trustees.

4) In the event of a sudden need to limit or halt operations in the Museum’s exhibitions, which are the main source of income for the Museum, the Museum’s bank account must always have a reserve at the amount of the minimal funds which is sufficient to cover the basic functions in accordance with the Association’s purpose and scope of activity for a period of five months, and to pay the rent for properties used by the Museum for a period of five months. The amount of this reserve shall be set at CZK 31,857,000 for ordinary operations and CZK 15,625,000 for rental payments. Starting in 2007, the above-mentioned amounts will be increased in line with the rate of inflation as announced by the state.

Funds in the Museum’s accounts representing the above reserves may be used only with the prior approval of all five present members of the Board of Trustees

5) The Jewish Museum in Prague has a development fund as a permanent instrument for its financial activities, particularly investments. This fund is implemented on the basis of a decision of the Board of Trustees by means of a yearly allocation from profit, reduced by a contribution to the care fund pursuant to point 7, or by another transfer of financial resources from its own capital.

6) The Jewish Museum in Prague has a social fund which is implemented on the basis of an annual decision of the Board of Trustees by means of an allocation of 3% from gross salaries paid out in the previous year.

7) The Jewish Museum in Prague has a fund for the care of the Jewish cultural heritage via the Federation of Jewish Communities in the Czech Republic. The establishment and management of this fund shall be subject to the by-laws and separate rules. These rules have been noted by the Museum's Board of Trustees, which shall be notified in advance of any changes thereto. The fund for the care of the Jewish cultural heritage via the Federation of Jewish Communities in the Czech Republic comes from two sources:

- a) From the Museum's annual net profit – a maximum 75% of the Museum's net profit (from the amount after deduction of 3% from paid gross salaries to the Museum's Social Fund).
- b) By reducing the Museum's share capital on the basis of an assessment of the amount of the Museum's disposable cash as at the first of April of the relevant year, while the disposable cash as at this date after the reduction of the financial reserve pursuant to Article 10 (4) and after the reduction of the amount pursuant to Article 10 (7) as approved by the Museum's Board of Trustees for the year in question for transfer into the fund for the care of the Jewish cultural heritage via the Federation of Jewish Communities in the Czech Republic, may not fall below CZK 17 million.

In both cases pursuant to this paragraph, the specific amount must be decided by the Board of Trustees. Such a decision must be adopted by at least three members of the Board of Trustees. In the event of a tie, use shall not be made of the provision of a casting vote for the chairperson or, in his/her absence, for a member who has been selected to act as temporary chairperson.

8) Entities that may apply influence on the Association as participants or members may not have priority access to the Association's research capacities or to the results of the latter's research and development work.

XI. Other assets

1) Other movable assets may be alienated within the framework of the Association's financing operations.

2) Real property owned by the Association may be alienated, encumbered or transferred for use (including the rent of non-residential premises) only with the approval of the absolute majority of the members of the Board of Trustees.

XII. Dissolution and termination of the Association

1) The Association may be dissolved by:

a) a unanimous decision of the Board of Trustees;

b) a decision of a court of law, provided that more than a year has elapsed from the expiry of the last term of office of the statutory body or the Board of

Trustees; and
c) other acts stipulated by law.

2) The Association shall be terminated on the date the record of the Association is deleted from the register kept by the authorized administrative body. On the date of the resolution of the Board of Trustees to dissolve the Association, the Association shall be wound up in compliance with its by-laws and generally binding legal regulations. The members of the Association shall unanimously decide on the disposal of the liquidation balance, which shall either be transferred to a legal entity continuing the activities carried out by the Association or distributed among the members of the Association in proportion to their contributions subject to the librarian holdings and collections remaining undivided.

In Prague, 14 January 2009

Ministry of Culture of the Czech Republic

Federation of Jewish Communities in the Czech Republic

Board of Trustees of the Jewish Museum in Prague

[Signed by Jiří Daníček]

[Signed by PhDr. Jan Munk]

[Signed by Mgr. Petr Svojanovský]

[Signed by PhDr. Eva Sedláková]

[Signed by Mgr. Verona Miletinová]