

**NON-PROFIT ORGANIZATIONS LAW, 5740 – 1980**  
**ARTICLES OF ASSOCIATION OF**  
**THE HAIFA FOUNDATION**

**1. NAME OF THE ORGANIZATION:** The Haifa Foundation, Organization No. 58-005-614-1.

**2. ADDRESS OF THE ORGANIZATION:** 38 Hehalutz St., Haifa 33113

**3. OBJECTIVES OF THE ORGANIZATION:**

The objectives of the Organization are:

- a. To initiate, organize, establish, implement, maintain and manage, in Haifa and the areas under its jurisdiction, cultural, social, educational, health, physical education, science, literature, religion, charity, welfare and other enrichment activities, as well as to support and participate in these activities.
- b. To initiate, foster and encourage constructing, developing, improving, expanding, populating and strengthening Haifa and the areas under its jurisdiction.
- c. To initiate, foster and encourage cooperation and understanding between the different population sectors living in Haifa and the areas under its jurisdiction, as well as between Haifa and the areas under its jurisdiction.
- d. To award grants, scholarships and prizes in order to promote the objectives of the Organization, as well as to foster and encourage all aspects of educational, cultural, spiritual and artistic creation.
- e. To establish and promote foundations, institutionalized and non-institutionalized organizations, and associations having objectives that are similar, in whole or in part, to the objectives of the Organization, to support and participate in these organizations, and to cooperate with them.
- f. To act as a representative, agent or trustee of donors and volunteers and of local or foreign, institutionalized and non-institutionalized organizations, and associations having objectives that are similar, in full or in part, to the objectives of the Organization, to manage their activities, to participate in their activities, and to help implement their objectives.

- g. The duties, activities and programs of the Foundation or those of the beneficiaries of the Foundation's donations, shall be only such duties, activities, and programs as are performed by tax exempt organizations in Israel or in the country from which the donation to the Foundation originates.

#### **4. PURPOSES AND CONTINUITY**

- a. The Organization's assets and income will only serve its objectives; profits will not be distributed among its members or fringe benefits given to them, in any form whatsoever.
- b. Should the Organization be liquidated or cease to exist for any reason whatsoever, the Organization's assets will be transferred to another public institute having similar objectives, as defined in Section 9(2) of the Income Tax Law, which will be determined by the General Meeting of the Organization according to a decision to be accepted by a majority vote of three quarters of the members present and voting; in any case, these assets will not be distributed among the Organization's members.

#### **5. GOVERNING BODIES OF THE ORGANIZATION**

##### **A. The General Meeting**

- 1. The General Meeting of the Foundation (herein "the General Meeting") will convene at least once a year on a date that will be determined by the Council or Management Committee. The General Meetings will be held only in Haifa.
- 2. The Council or Management Committee has the right to call a Special General Meeting. The Council must convene a Special General Meeting if a written request is made by 10% of the Organization's members, or if a request is made by an Auditing Committee, within 21 days from the date the request has been submitted to the Council or Management Committee.

3. Notification of convening a regular or a Special General Meeting will be sent to all members of the Organization by registered mail or by any other means determined by the Council or Management Committee, at least 10 days prior to the meeting date. The notification will include details of the location and time of the General Meeting, as well as the general nature of the topics appearing on the agenda. If one or more of the Organization's members have not received said notification to attend the meeting, the meeting will not be cancelled and the decisions accepted during this meeting will not be annulled.
4.
  - a. Every member of the Organization has the right to participate and vote in the General Meetings.
  - b. During voting, a member can vote on his own or via an appointed representative provided that the representative is also a member of the Organization.
  - c. The document giving power of attorney to a representative to vote during the General Meetings of the Organization will be signed by the individual appointing the representative.
5. The General Meeting can decide upon an amendment proposed in the Organization's regulations only based on a recommendation by the Council with a majority vote of two-thirds of the members present and voting.
6. The legal quorum required at the General Meetings will be one third of the Organization's members, and not less than seven members, either the members themselves or appointed representatives, at least two of whom must be members of the Council or Management Committee. If, after half an hour from the time the General Meeting has commenced, a legal quorum has not been reached, the members or their appointed representatives present will form a legal quorum provided that two of those present are members of the Council or Management Committee.
7.
  - a. The General Meeting will elect a Chairperson of the Organization from among its members.

- b. The Chairperson of the Organization will be elected at the General Meeting for a period of two years and preside as chairperson over every General Meeting during his/her term of office as Chairperson of the Organization. If the Chairperson of the Organization is unable to act as chairperson at the General Meeting, a deputy or acting chairperson will preside as chairperson over the General Meeting, and if he/she is unable to serve in his/her place as chairperson, the General Meeting will choose a chairperson from among the members of the Organization present.
8. A proposal submitted for a general vote will be decided upon by raising hands unless three or more members request a secret ballot.
9. If any vote is tied, whether the voting is open or secret, the Chairperson presiding over the General Meeting will make the final decision.
10. The General Meeting has the right, upon recommendation by the Council, to determine differing rights for differing categories of members, as decided upon from time to time. Such decisions shall constitute an amendment to the regulations, with all such entails in terms of the manner of their approval, according to these Articles and the Non-Profit Organizations Law.

## **B. The Council**

1. The Council will comprise at least three members and no more than 21 members (including the Chairperson); the members will be elected during the annual General Meeting from among the Organization's members.
2. The Chairperson of the Organization will also serve as Chairperson of both the Council and Management Committee. The other members of the Council and Management Committee will be elected during the General Meeting for a period of two years. The Chairperson and other members of the Council and Management Committee will terminate their positions in office if they cease to be members in the Organization, for any reason whatsoever.
3. The legal quorum for meetings of the Council will be the majority of its members. However, a written decision signed by all members of the Council will oblige the Organization with the same authority as a Council decision made during a meeting that was legally convened and held.

4. The Council has the right from time to time to set fees for joining the Organization, as well as ongoing membership fees and manner of payment, but only if this is approved during the next General Meeting.
5. New members will be accepted to the Organization only according to a decision made by the majority of members of the Council or during the General Meeting by a majority vote of individuals present and voting.
6. All voting taking place in the Council will be decided by a majority vote, and if the vote is tied, the Chairperson will make the final decision.
7. The Council has the right to allow any other member of the Organization to join in place of a member of the Council whose position on the Council has become vacant for any reason whatsoever, and this member will serve as a member on the Council until the end of the term of office of the member who has been replaced. Each case of this type will be brought up for approval during the upcoming General Meeting.
8. The General Meeting has the right, upon the recommendation by the Council or Management Committee or of its own accord, to dismiss any member on the Council from his/her position during his/her term of office by a majority vote of two-thirds of the members present and voting.

### **C. The Management Committee**

1. The Management Committee will comprise the Chairperson of the Organization, Acting or Deputy Chairperson, a Treasurer, and additional members from among the Council's members, and will include a total of no less than three members and no more than nine members (including the Chairperson). The General Manager of the Organization will be invited to every meeting and will participate *ex officio*, without voting rights.
2. The Management Committee will appoint the General Manager of the Organization. The Deputy or Acting Chairperson and the Treasurer will be appointed by the Management Committee from among its members. The Management Committee will inform the Council of these appointments, which, based on a majority vote of two-thirds of the members present and voting, will have the right to invalidate any appointment.

3. The legal quorum for meetings of the Management Committee will be three of its members. However, a written decision signed by all members of the Management Committee will oblige the Organization with the same authority as a Management Committee decision made during a meeting that was legally convened and held.
4. The Management Committee has the authority to determine the salaries and other terms of employment of position-holders and service providers within the Organization subject to law.
5. The General Manager of the Organization will not participate in any discussion or decision by the Management Committee regarding his salary or work conditions, unless he is requested by the Management Committee to provide facts prior to any vote being taken.
6. The Management Committee can from time to time appoint subcommittees comprising members of the Council and other individuals; and transfer to these subcommittees the authority to deal with elements of the Organization's activities. In all of such activities, the subcommittees will have the powers vested in them by the Management Committee. The Management Committee has the right to terminate these subcommittees or change their powers. Each subcommittee will be constituted by no less than three members. The Management Committee will inform the Council about its approval of the appointment of the subcommittees, but the subcommittees can commence their activities beforehand.
7.
  - a. The Management Committee will be the representative and managing body of the Organization, and have all powers required to carry out its objectives, including those detailed in Section 10 below.
  - b. The Management Committee has the right, without derogating from the generality expressed above, to buy, sell, rent or acquire in any other way fixed or moveable assets, as well as to sell, lease, rent, mortgage, use as collateral, and/or transfer these assets in any other way in the name of the Organization in accord with the Organization's objectives.

8. All votes taking place in the Management Committee will be decided by a majority; if a vote is tied, the Chairperson presiding over the Management Committee meeting will make the final decision.
9. The Management Committee has the right to allow any other Council member join as a member of Management Committee in place of a member of Management Committee whose position in Management Committee has become vacant for any reason whatsoever, and this member will serve as a member of the Management Committee until the end of the term of office of the member whose position has become vacant. Any new addition of this kind will be brought up for approval by the Council in its next meeting.

## **6. MEMBERSHIP IN ORGANIZATION**

- a. The number of members in the Organization will be no less than nine.
- b. Any adult individual or corporation who has requested of the Council or Management Committee to be accepted to the Organization, and whose application has been duly approved by the Council or the General meeting, as set forth above, be a member of the Organization.
- c. The General Meeting has the right, upon recommendation by the Council or Management Committee, to terminate the membership of any member in the Organization for the reasons described below – after he/she has been given a proper opportunity to voice his/her claims:
  - (i) A member who has not attended four meetings in a row of the General Meeting, either in person or through an appointed representative, unless the Council decides to maintain his/her membership in the Organization.
  - (ii) A member who has been convicted of a criminal offense, or has behaved disgracefully, as determined by the Council, in a decision made by a majority vote.
- d. A member has the right to resign from the Organization; such resignation will take effect upon the submission of written notification to the Council in its head office, provided reasonable advance notice of said resignation has been given..

## **7. RIGHTS OF THE MEMBERS**

Every member of the Organization has the right to:

- a. Participate in all activities of the Organization.
- b. Participate in the General Meetings and in voting.
- c. Choose and be chosen to serve on governing bodies of the Organization.

## **8. OBLIGATIONS OF THE MEMBERS**

Every member of the Organization will be obliged to:

- a. Uphold the interests of the Organization and act to promote them.
- b. Invest time, effort and ability to promote the activities of the Organization either through active participation or by fundraising for activities of the Organization.

## **9. WINDING UP THE ORGANIZATION**

- a. The General Meeting of the Organization has the right, during a regular or unscheduled meeting, to decide upon voluntarily winding up the Organization and appointing a receiver or receive. Such a decision requires a majority vote of two-thirds of the members present and voting, each member having been given 21 days' advance notice of the General Meeting and the intention to propose winding up at said meeting.
- b. In the case of liquidation, the Organization's assets will be allocated according to Section 4(b) above.

## **10. POWERS OF THE ORGANIZATION**

The Organization is a legal entity and, as such, has the right, among other things, to purchase and sell assets, take any action regarding its fixed or moveable assets, hold fundraising campaigns, collect monies, sue and be sued in court, legal tribunals or other legal settings, appear in court, represent and be represented before all bodies, governmental institutions and bodies, municipal and other offices, appoint counsel or counsels to represent it, and, among other things, has the following powers:

- a. Accept gifts, donations and bequests, either in cash or in kind, as well as privileges and fringe benefits either from an individual, a member, or a governmental institution or local authority.
- b. Lend money for the Organization's needs and, to this end, mortgage or use the Organization's property as collateral, as well as provide loans and guarantees to whomever the Organization deems appropriate, and receive appropriate securities in return for the loans and the guarantees.
- c. Insure the Organization's assets.
- d. Hire clerks and various employees, as well as retain the services of others and pay them wages, salaries and other remunerations.
- e. Donate funds and assets towards objectives that are similar to those of the Organization to organizations and institutes dealing, among other things, with objectives that are similar to those of the Organization's, as well as participating in any manner in the activities of these organizations and institutes.
- f. Establish and manage foundations and subsidiaries in order to further the objectives of the Organization, in all or in part, including foundations and subsidiaries that handle and maintain the Organization's activities and assets, as well as foundations to award grants, scholarships and prizes.
- g. Invest the Organization's monies in bank securities or other investments as the Council shall deem fit.
- h. Open bank accounts for the Organization, manage them and carry out transactions.
- i. Take any action required or deemed effective in attaining the objectives of the Organization.

## **11. AUDITING AND BALANCE SHEETS**

- a. The Organization will establish an Auditing Committee or an auditing body that will inspect the financial affairs of the Organization and present their recommendations to the General Meeting regarding their approval of the financial reports.
- b. The Auditing Committee or an auditing body will be elected during a regular General Meeting and will include no less than three members and no more than five members. A member of the Auditing Committee or an auditing body who is not a member of the Organization and is not an accountant will only be able to serve in this position with the approval of the Registrar of Non-Profit Organizations.
- c. An individual cannot serve simultaneously as a member of both the Council or Management Committee, and the Auditing Committee or auditing body.