

Constitution of the China Youth Development Foundation (CYDF)

Chapter One General

Article One The official name of the foundation is the "China Youth Development Foundation" and its abbreviation is "CYDF".

Article Two Our foundation is a State-approved, national fund-raising organization with the approved areas for activities being the whole of China, and other approved countries/regions.

Article Three Our missions are: to help young people enhance capacity and to improve the environment for the development of youth by providing aid service, giving a voice to the interests of young people and carrying out social advocacy.

The values we believe in are to advocate social responsibility, to be innovative and make progress, to focus on human development, and to pursue excellence.

Article Four Our endowment funds total RMB 8 million, originating from funds raised, donations from individuals, corporations and other organizations, investment, and other income.

Article Five Our foundation is registered under and managed by the Ministry of Civil Affairs. Our supervisory work unit is the Central Committee of the All China Youth Federation.

Article Six Our address is A-1 Houyuanensi Hutong, Jiaodaokou Nandajie, Beijing 100009 PR China.

Chapter Two Scope of business

Article Seven Our scope of business is

- 1) Organize and implement projects that meet our mission
- 2) Hold fund raising activities that meet our mission in China and overseas
- 3) Organize and provide funding for activities that promote the healthy development of youth
- 4) Support and organize research related to youth and NOG development.
- 5) Recognize outstanding youth and individuals/organizations that have made outstanding contributions to youth affairs.
- 6) Launch cooperation and exchange with individuals and NGOs in Taiwan, Hong Kong, Macau, and overseas.
- 7) Investment activities as prescribed in this Constitution.

Chapter Three Organization and structure

Article Eight The Board of this foundation has 15 to 25 members. The term of service is four years and board members can be re-elected when their term of office expires.

Article Nine Qualifications for board members

- 1) Possess research or administrative experience in a particular area; outstanding contributions and a strong reputation.
- 2) Adopt the Foundation's mission and value and willing to serve on the Board.
- 3) A strong sense of public responsibility, and the ability to discuss, make objective and independent judgments based on the principles of fairness, impartiality, and openness.
- 4) Respect the diversity of the Board and possess strong decision making skills and inter-personal communications skills.

Article Ten Election and dissolution of the Board

- 1) With the consent of the supervising unit, the current Board can decide on the number,

composition, and candidates of subsequent Boards.

- 2) In principle, no fewer than 1/4 of Board members should be replaced in an election.
- 3) Dismissal and re-election of members should be approved by the supervisory unit and approved by the Board.
- 3) The results of elections should be reported to the registry.

Article Eleven Rights and responsibilities of Board members

- 1) Board members should understand the policies of our internal administration and mode of operations for projects; be familiar with the legal system and external environment of non-government organizations (NGOs); and be able to make decisions on issues.
- 2) Members can raise questions and require further information on documents submitted by the Board.
- 3) Members can request the Chairperson call special meetings.
- 4) Members can request the Foundation's documents or files to study; can request to meet with the Foundation's staff; and can request to enquire about the Foundation's projects.
- 5) Members should abide by the Constitution of CYDF; follow the decisions made by the Board; discharge his/her duties and protect the interests of the Foundation and the Board. Members should not take a personal interest in nor appropriate the Foundation's property by serving on the Board. Members should not engage in any activities that violate the interests of the foundation.
- 6) Members are obliged not to release the secrets of the Foundation; and not to speak for the Foundation or the Board without authorization.
- 7) Members should attend three to five Board meetings or professional working group meetings, the duration of which is three to six hours, per year. They should be prepared to give professional advice and opinions and put forward policy related proposals.
- 8) Members should carefully study the Foundation's financial reports and cautiously carry out financial planning and control, so as to fulfill the trust and responsibility of handling public property.
- 9) Members should fully understand the Foundation's competitive advantages, challenges and needs and are obliged to assist in networking to support the further development of the Foundation and its projects.
- 10) Members should support the Secretary General and to build up a positive mutual relationship (or mutually supportive relationship) with the Secretary General, while not interfering with the Secretary General's administration of the board and carrying out of his/her duties within his/her area of responsibility.
- 11) Members should propose new candidates for the Board.
- 12) Members should participate in self-evaluation of the Board's performance and projects.

Article Twelve Policy making authority of the Foundation rests with the Board

The Board exercises the following responsibility.

- 1) Make and amend the constitution of the CYDF and decide its mission, strategies and objectives.
- 2) Elect and dismiss the Board Chairperson, the Standing Vice Chairperson, and the Deputy Chairperson.
- 3) Decide on major business plans, including the raising of, management of, and spending of funds; operating principles, strategies, channels and major investments of the Foundation's assets.
- 4) Decide on the yearly financial budget and supervise its execution throughout the year; select an

independent accountant to conduct a financial audit.

5) Decide on organization policies, including accounting policies, human resource policies and management policies for major charity projects and ensure effective performance as well as the existence of built-in self-regulatory mechanisms.

6) Decide the establishment of operating units, branch offices and representative offices.

7) Based on the proposal of the Chairperson, appoint a Secretary General who proposes candidates for Deputy Secretary General and financial staff for the Board's approval.

8) Review the report of the Secretary General on his/her work and evaluate his/her performance.

9) Make sure that the Foundation adheres to legal and ethical requirements and ensure its work is transparent and accountable to society. The Board should avoid any conflicts of interest with the Foundation.

10) Develop public relations and build a reliable resource network, so as to ensure the Foundation has adequate financing to implement its missions and goals.

11) Enhance the social status of the Foundation in mainland China and overseas, and approve plans for publicity and media coverage.

12) Evaluate the performance of the Board and enhance its effectiveness.

13) Determine the establishment, merger, and dissolution of organizations.

14) Make decisions on other major issues.

Article Thirteen The Board should have at least two meetings per year and the meetings should be convened and chaired by the Chairperson, who otherwise can authorize a Deputy.

When requested by 1/3 or more of the Board members, a Board meeting should be convened. If the Chairperson cannot convene such a meeting, the members may elect someone else to do so.

Board meeting notices should reach all members at least five days in advance.

Article Fourteen Board meeting attendance requires a quorum of 2/3 of the members. Decisions are valid if approved by half of the members present. However, approval of 2/3 of all members is required on the following issues:

1) Amendment on the constitution

2) Election or dismissal of the Chairperson, the Standing Vice Chairperson or the Deputy chairperson. Appointment or dismissal of the Secretary General.

3) Major investment activities prescribed by this constitution

4) Establishment, merger of or dissolution of the Foundation

Article Fifteen Minutes of Board meetings should be taken and members can request his/her views be recorded in detail in the minutes. All resolutions should be recorded and approved and signed by the members. All minutes should be kept on file long term.

If the Board make any decisions in violation of the Foundation Administration Regulations or procedures stipulated in this Constitution and result in the financial loss for the Foundation, the members that take part in the decision making must bear responsibility for any related financial loss, except when the member was against the decision and had this recorded in the minutes;

Article Sixteen The Board has three Supervisors whose term is the same as the Board and who can be re-elected.

Article Seventeen Board members, their close family members and the Foundation's financial staff cannot serve as Supervisors.

Article Eighteen The appointment and dismissal of Supervisors

- 1) To be appointed by major donors and the Foundation's supervisory work unit
- 2) To be appointed by the work unit which is responsible for the registration/administration of the Foundation'
- 3) Procedures for naming a new supervisor are the same as for appointment.

Article Nineteen The rights and responsibilities of Supervisors.

- 1) To review the Foundation's financial and accounting information to ensure it is in accordance with the provisions of the constitution
- 2) To ensure the Board follows the law and the constitution
- 3) To sit in on Board meetings and raise questions and make recommendations to the Board; and to report to government work units responsible for the Foundation's registration/administration and supervision as well as to government taxation and auditing authorities.

Article Twenty No more than 1/3 of Board members should receive stipends from the Foundation. Supervisors and Board members who are not full-time Foundation staff should not receive remuneration. The Foundation will provide work-related expenses for the Supervisors and Board members, including administrative fees, research fees, and trip expenses, etc. These expenses should be recorded as part of the Foundation's administrative expenses.

Article Twenty-one Board members should not take part in the making of any decision where there is a conflict of interest between personal interests and the Foundation's interests. There should be no trading of interests between the Foundation and Board members, Supervisors or their immediate family members.

Article Twenty-two The Board has a Chairperson, a Standing Vice Chairperson, and Vice Chairpersons. The Chairperson is nominated by the Foundation's supervisory work unit and approved by the Board. The Standing Vice Chairperson and Vice Chairpersons are elected from among the Board members. The Standing Vice Chairperson is a full-time professional position.

Article Twenty-three Qualifications of the Chairperson, the Standing Vice Chairperson, and the Vice Chairpersons:

- 1) Be an influential member in society and the economy; be experienced, educated, fair and impartial, and be democratic
- 2) Be under 65 years old
- 3) Be physically healthy and able to work independently
- 4) Possess full civil behaving abilities

Article Twenty-four The following kinds of people can not be Chairperson, Standing Vice Chairperson or Vice Chairperson:

- 1) Active civil servants.
- 2) Those who had been convicted of a crime, sentenced, arrested, and completed sentence less than 5 years before.
- 3) Those who have been deprived of political rights or had been deprived of political right for life time.
- 4) Those who had been Chairperson, Deputy Chairperson, or Executive Director of any foundation for which registration had been revoked less than 5 years before due to a violation or crime, when the person in question was liable for the violation or crime.

Article Twenty-five The Chairperson and Standing Vice Chairperson should be residents of

mainland China. The Vice Chairpersons can be residents of Hong Kong, Macau, Taiwan or foreign nationals but should reside in China for not less than three months each year.

Article Twenty-six Terms of service for the Chairperson, Standing Vice Chairperson, and Vice Chairpersons is four years and people serving in these positions can be re-elected.

Article Twenty-seven The Chairperson is the Foundation's legal person and can not be the legal person of any other organization.

If the legal person acts in ways that go beyond the limits of or fail to perform duties and result in financial losses for the Foundation, the legal person must bear individual responsibility for any related financial loss.

A financial review should be conducted when the legal person resigns from this position.

Article Twenty-eight Job description of the Chairperson:

- 1) Convene and chair the Board meeting
- 2) Formulate and implement the work plan for the Board
- 3) Monitor the work of Board members
- 4) Oversee the implementation of the decisions made by the Board
- 5) Communicate between the Board members and the General Secretary
- 6) Sign documents on behalf of the organization or authorize someone to sign such documents
- 7) Other responsibilities as prescribed by the Board

The Chairperson can designate the Standing Vice Chairperson perform the above duties.

Article Twenty-nine The Board will create working groups and professional groups. The establishment and adjustment of these working groups and professional groups will be carried out upon proposal by the Chairperson and approval by the Board. These groups are accountable to the Board and have no decision making power.

- 1) Working group – the Standing Vice Chairperson will convene the working group. The group is responsible for the general business of the Board, including preparations for Board meetings, drafts of the agenda, preparations and implementation of the budget for the Board, recruitment of new Board members, organization of self-evaluation of the Board and execution of other duties assigned by the Board. When the Board is not in session, the working group, with the approval of the Chairperson, can handle emergency duties and give reports during Board meetings.
- 2) Professional groups - - the Board can set up various professional groups which will be convened by the Vice Chairperson. These groups allow for an internal division of work for the Board and should conduct studies and research on issues and give advice to the Board.
- 3) Both the working group and professional groups can invite experts from outside the Board or senior staff of the Foundation to join.

Article Thirty Honorary Board members, Honorary Board Chairperson, Honorary President

- 1) Based on need, the Board may invite people either from mainland China or overseas who have supported the Foundation over a longer period of time or made tremendous contributions to the Foundation to be Honorary Board Members. They can participate in Foundation' activities, make recommendations and assist in creating networks and resources for sustainable development of the Foundation and its business.
- 2) The Board may invite respectable individuals be Honorary Board Chairperson.
- 3) Honorary president and honorary vice president are members of the supervisory work unit

Article Thirty-one The General Secretariat will implement the decisions of the Board and look after

daily operations.

The General Secretariat has a Secretary General and several Vice Secretary Generals who will carry out the work of the General Secretariat. The Secretary General will be recommended by the supervisory work unit, nominated by the Chairperson and approved by the Board. Each term of service is four years and the person serving in this position can be re-elected.

Vice Secretary Generals are nominated by the Secretary General and approved by the Board. If need arise, part-time Vice Secretary Generals may be invited.

Article Thirty-two Qualifications of the Secretary General

- 1) Be an influential member in Foundation's area of business; be a publicly respected NGO leader, and possess the required professional knowledge.
- 2) This is a full-time job, so the candidate should not be more than 60 years old.
- 3) Be physically healthy
- 4) Possess full civil behaving abilities.

Article Thirty-three People from the following areas cannot take on the role of Secretary General:

- 1) Active civil servants.
- 2) Those who had been convicted of a crime, sentenced, arrested, and completed sentence less than 5 years before.
- 3) Those who have been deprived of political rights or had been deprived of political right for lifetime.
- 4) Those who had been Chairperson, Deputy Chairperson, or Executive Director of any foundation for which registration had been revoked less than 5 years before due to a violation or crime, when the person in question was liable for the violation or crime.

Article Thirty-four Duties of the Secretary General:

- 1) Support daily operations and implement decisions made by the Board
- 2) Formulate and implement the business development plan and other major projects.
- 3) Serve major clientele groups as determined by the Board, and create a sustainable and mutually supportive relationship with these clientele groups.
- 4) Implement financial targets and ensure the reliability of donations and the reasonableness of expenditures.
- 5) Take on responsibility for managing capital according to the principles created by the Board; ensure the security of capital and ensure its value stays the same or increases.
- 6) Build a socially responsible and effective administrative team within the General Secretariat.
- 7) Develop an effective human resources policy to ensure the competency, enthusiasm, and professionalism of staff.
- 8) Develop an institutional culture, advocate for and cultivate professionalism.
- 9) Communicate with Board members, work together with the Chairman and Standing Vice Chairman, ensure information sharing and provide support for decision making by the Board.
- 10) Provide periodic business and financial reports to the Board and accept monitoring from the Board.

Chapter Four Management and use of assets

Article Thirty-five This Foundation is a State-approved fund raising foundation. Its income sources

include:

- 1) funds raised from the public
- 2) donations from individuals, legal representatives, and other organizations
- 3) returns on investments
- 4) government subsidies and/or grants
- 5) other legal income

Article Thirty-six This Foundation should observe the requirements of the law, the Foundation's constitution, and legitimate business areas while conducting fund raising or receiving donations.

Article Thirty-seven In carrying out fund raising, this Foundation should announce to the public proposed charity projects and detailed plans for the use of funds. Major fund raising activities should be reported to the supervisory work unit and the work unit responsible for registration/administration.

Funds raised cannot be appropriated by staff.

Article Thirty-eight The assets and income of the Foundation are protected by the law and can not be misused or appropriated by any organization or individual.

Article Thirty-nine The Foundation should use funds based on the principles stated in the Foundation's constitution and the business scope of charity activities. If donation contracts have specified the use of funds, then these contracts should be observed.

If donated items cannot be used, they should be auctioned or sold and all proceeds should go towards the donation.

Article Forty Foundation funds will mainly be used for :

- 1) business operations
- 2) administrative costs
- 3) fund raising expenses
- 4) capital reserves and growth
- 5) other expenses

Article Forty-one Major fund raising and investment activities include :

- 1) Fund raising activities that require approval as specified by the government
- 2) Major investment activities that require approval as specified by the government

Article Forty-two This Foundation will achieve capital preservation and growth by adopting the principles of legality, safety, and effectiveness.

Article Forty-three No less than 70% of income from the previous year should be used for charitable activities the subsequent year.

No less than 10% of total expenditures should be used for central administration and staff salaries and benefits.

Article Forty-four The Foundation should openly and clearly announce to the public the nature, application process and review process of all new charity projects.

Article Forty-five All donors have the right to enquire about the use of money donated and give suggestions.

In such cases as the Foundation violates a donation agreement, the donor can request the Foundation abide by the agreement or apply in court to have the agreement annulled.

Article Forty-six This Foundation can sign an agreement with the beneficiary of the donation on the mode and amount of donation, and the use of the funds.

The Foundation has a right to monitor the use of donations. In case the beneficiary does not use the funds as specified in the agreement or violates the agreement in other ways, the Foundation can have the agreement annulled.

Article Forty-seven This Foundation abides by the "Accounting Principles for NGOs" and will conduct audits as well as create an effective internal auditing system, to ensure the legality, accuracy, and completeness of all financial information.

This Foundation accepts tax and accounting monitoring from tax and accounting departments.

Article Forty-eight This Foundation has professional accounting staff; accounting personnel and cashier personnel should be separated. In case of a change in accounting staff, all handovers should be complete before the person leaves his/her job.

Article Forty-nine The fiscal year is from January 1 to December 31. The Board should review the following areas before March 31 each year :

- 1) The business and financial report of the previous year,
- 2) The business plan and financial budget for this year,
- 3) Financial..

Article Fifty A financial audit should be conducted at the following times: yearly review, change of board, change of legal person and liquidation.

Article Fifty-one This Foundation accepts the annual review of its supervisory work unit as specified in the Foundation Administration Regulations.

Article Fifty-two After the annual review by the supervisory work unit, this Foundation will publish its annual review report and annual work plan in designated media spots for general public review.

Chapter Five Dissolution of the foundation and disposal of remaining assets

Article Fifty-three The Foundation will be dissolved in the following cases:

- 1) It fulfills the mission specified in the constitution
- 2) It fails to discharge the mission of the constitution to implement charity activities
- 3)

Article Fifty-four In case of dissolution, the Board should seek the approval of the supervisory work unit within 15 days of the decision to dissolve the Foundation. Application for de-registration should be made with the work unit responsible for registration/administration within 15 days of receiving approval from the supervisory unit.

Article Fifty-five This Foundation should set up a clearing unit under

Article Fifty-six This Foundation, under the instruction of the supervisory work unit and the work unit responsible for its registration and administration, should use any remaining assets for activities related to its mission.

Items that cannot be handled according to the above principle should be donated by the registry to charitable organizations whose nature and mission are similar to CYDF and then be announced to the public.

Chapter Six Amendments to the constitution

Article Fifty-seven The Boards should seek approval from the supervisory work unit within 15 days of making a decision about any amendment to the constitution; and then should seek approval from the work unit responsible for its registration and administration.

Chapter seven By-laws

Article Fifty-eight This constitution has been adopted by the Board

Article Fifty-nine The explanation of this constitution rests with the Board.

Article Sixty This constitution is effective upon the approval of registration.