

Charter of The China Social Entrepreneur Foundation

Chapter I: General Provision

Article 1: The name of the Foundation is the China Social Entrepreneur Foundation

Article 2: The Foundation is a non-public fundraising foundation.

Article 3: Mission Statement: By taking the scientific development outlook as guideline, and acceleration of building socialist harmony society as the goal, the Foundation aims:

To promote the social responsibilities of particular group of entrepreneurs in developing charity cause;

To try to explore a new model of integration of private and government resources in the efforts of poverty alleviation;

To attach equal importance to poverty alleviation at both material and spiritual levels, and push forward China's modern corporate culture and philanthropic culture development simultaneously;

To carry on the Chinese traditional virtues---Help those in danger and relieve those in need, and Honesty and Justice, and to

make a harmonious atmosphere and social morality and custom of equality, love, union and mutual aid.

Article 4: The original endowment of the Foundation is 20 million RMB

Article 5: The Foundation is officially registered at the Ministry of Civil Affairs, and operated under the sponsorship and supervision of the State Council's Leading Group Office of Poverty Alleviation and Development.

Article 6: Address of the Foundation is:

Floor 6, Da Bei Office Building

No. one, Jian Wai Nan Lang Jia Yuan

Chaoyang District, Beijing

Chapter II: Business Scope

Article 7: In observing "Law of the People's Republic of China on Donation for Public Welfare Undertakings" and "Regulations on Administration of Foundations" issued by State Council, the business scope of the Foundation are as follows:

1. To accept---by way of non-public fundraising--cash, materials and technology aid donated by institutions, organizations, individuals in and outside China who are

enthusiasm for supporting China's poverty-alleviation cause;

2. To help and support people in poverty-stricken areas in their regular education and skill training;
3. To support and improve a variety of infrastructures, as well as public facilities including education, healthcare and culture, in the poverty-stricken areas;
4. To provide various supports and services for developing and utilizing local resources in poverty-stricken areas as the positive assistance to the carry-on of the national policy in the process of industrialized poverty-alleviation;
5. To plan and implement micro-credit projects for purposes of financially supporting the creations of small-scale businesses in countryside and poverty-stricken urban areas, and the completions of universities education or conventional training programs for the poorest students;
6. To conduct a variety of charity activities to help/save the

people who are in the conditions of emergency, extremely difficulties, dangerous and the highly stressed, and to provide psychological relieves as well;

7. To conduct the philanthropic themed promotional campaign of public good, such as “Relay of Love”, “Harmonious Soul”, mutual-support, and poverty alleviation, etc. and to plan and implement a variety of cultural projects in the buildings of spiritual civilization by taking advantages of influence and power of media;
8. To provide consultancies, entrusts and other services to all organizations, institutes, enterprises, and individuals both in China and abroad who are caring for, supporting, and enthusiasm for the cause of China’s poverty-alleviation endeavor;
9. To assure the inflation proof and value-add of the funds at the principle of abide-by-law, safety and efficiency;

Chapter III: Organization and Officers

Article 8: 5 to 25 members of the Board compose of the Board of Trustees of the Foundations. Each member of the board will server a 5-year term and is entitled to be re-elected.

Article 9:Qualification and Criteria of Board Members

1. Having managerial and/or researching experience, and being enjoyed notable achievement and high reputation in certain field
- 2 . Recognizing the mission and goal of the Foundation, and willing to be voluntarily serving the Board of Trustee;
- 3 . With strong sense of responsibility of public interest, and capability in participating independently, objectively and thoughtfully the decision-make process in the manner of fairness, justice and openness
4. Being strongly capable for business counseling and decision-making and inter-personal communications, with the manner of respecting the multi-cultures

Article 10: Selection and Termination of Board Members

The board members for the first session of the Foundation are to be nominated by the sponsorship organizations, major donors and founders respectively, and appointed through

collectively discussion and coordination

When term is due, the sponsorship organizations, the Board of Trustees and major donors will set up a special committee for selection, and jointly nominate the candidates, and discuss and select the board members for next term

Any termination of the term of member or necessary supplementary of member shall be discussed and voted by the Board of Trustees before applying for the approval of the sponsorship organization.

1. Result of any selection and termination of board member shall be reported to and filed as record at the Ministry of Civil Affairs
2. Direct Relatives **of board members** shall be forbidden to be working as or for the Board of Trustees

Article 11: Duties and Responsibilities

1. Members of the Board shall understand and know various regulations on internal administrative management and project operations; Shall be knowledgeable about external environment and related law system regarding the non-profit organizations; Shall play active and full play in expressing comments and opinions over the Board meeting and be of exertion of vote.

2. Members of the Board shall be entitled to question any document, paper and memorandum submitted to the Board Meeting and request for further explanation and illustration;
3. Members of the Board shall have the right to propose to the Chairperson of the Board the provisional or special conference at the need;
4. Members of the Board shall be obligated to ask for and review files and documents of the Foundations; to meet working staff of the Foundation for inquiry, learning or investigation of particular projects of the Foundation;
5. Members of the Board shall abide by “Charter of China Social Entrepreneur Foundation”, and be subject to any decision made by the Board of Trustee; shall dutifully fulfill the responsibility and protect the interests of the Foundation and the Board of Trustees; shall not by taking advantage of the authority seek for personal benefit, and shall not have any embezzlement of or inappropriate the Foundation property; shall be forbidden to conduct any activity that is harmful to the interests of the Foundation.
6. Members of the Board shall be obligated not to disclose the secrets of the Foundation in according to relevant regulations, and shall not act as the spokesperson on behalf

of the Board of Trustees and the Foundation without being authorized by the Foundation;

7. Members of the Board shall participate in the meeting of the Board of Trustees or specific meetings of the professional committees, and provide productive and professional comments for particular subject, and suggestion on regulation and policy related topics and issues;
8. Members of the Board shall read and review in detail the financial report of the Foundation, and make careful decision on financial operation and control, and play a solid responsibility for the commissioned public property;
9. Members of the Board shall have full knowledge about the competitive strength, weakness and necessary request, and be dutifully to explore resource network, and mobilize all possible social forces to provide support for a sustainable development of the Foundation, and a variety of charity efforts as well;
10. Members of the Board shall provide full support to the work of the Secretary General so as to build a health interactive relationship; shall not intervene with daily administrative and other works within the responsibility of the Secretariat;
11. Members of the Board shall have responsibility to

recommend candidates for new members of the Board;

12. Members of the Board shall be engaged in self-assessment of Board of Trustees, and provide an objective assessment over the capability and performance of the Board of Trustees;

Article 12: The Board of Trustee is the decision-making organ of the Foundation, and shall exercise the following functions and powers:

1. To make and modify the Charter, and determine the mission, strategy and goal of the Foundation;
2. To select and dismiss the Chairperson, Vice Chairperson and Secretary General of the Foundation;
3. To determine the important business plans, including fundraising, financial management and application programs; to determine the fundamentals of financial operation, strategy, distribution channels and significant investment;
4. To make annual income and expense budget and the final account; to supervise and control to a certain extent the financial procedure; to choose an independent accounting firm to conduct audit for the annual financial statement;
5. To determine various regulations, including accounting,

salary and compensation, and the administrative management policy on the major public interests projects; to assure the execution of decision, as well as the efficiency, procedure, value making and rectification capability that will be reflected during the carry-on of the decision;

6. To determine to establish departments, branches and representative offices;
7. To appoint and dismiss Secretary General at the proposal of the Chairperson of Board; to appoint and dismiss the deputy Secretary General and Financial controller at the proposal of Secretary General;
8. To listen to and discuss/review the working report by Secretary General, and inspect and examine the work of Secretary General, and provide support and performance evaluation to the work of Secretary General;
9. To make sure all performance and activities are in accordance with the law and related regulations, as well as code of ethic; to guarantee the transparency and public creditability, and avoidance of interest's conflict between the members of the Board and the Foundation;
10. To conduct effective public relations, and build sustainable and stable resource network so as to assure sufficient

sources to realize both strategic and financial goals of the Foundation;

11.To determine the separation, merge or termination of the Foundation;

12.To determine other significant issues of the Foundation

Article 13: The Board of Trustees shall hold two Board meetings every year, and the Chairperson of the Board shall call in and chair the meetings; The Board has to hold a meeting, provided one-third or more members of the Board propose; on condition that the Chairperson of the Board is not able to call in the meeting, the member(s) who propose the meeting shall select the one who serve as the caller; The Chairperson of the Board or the calling member shall notify all members of Board and supervisors of the meeting 5 days earlier than the scheduled date of the planned meeting.

Article 14: Board meeting shall not be held without more than two-third members participating; any resolution of the Board meeting shall not be in effective without being voted in favor by more than half participating members;

Any resolution concerning the following important issues shall not be in effective without being voted in favor by more than two-third participating members;

1. Amendment of the Charter
2. Select or dismiss Chairperson, Vice Chairperson and Secretary General of the Foundation
3. Determination of most significant fundraising/donation and investment in accordance with regulations of the Charter;
4. Issues in terms of the separation and merge of the Foundation
5. Members of the Board shall have right to exercise exertion of vote through authorized trustees or via certain way of communications.

Article 15: The Board meeting shall be recorded and filed in the format of meeting minutes, and every member shall be obligated to ask for adding further illustration or explanation on his/her speeches on the meeting minutes. Whenever any resolution is agreed upon, summary report shall be developed right at the meeting and reviewed and signed by all members present. Meeting minutes shall be filed as the documents of the Foundation and kept

as long as needed;

If any resolution is by any chance against law, regulations or charter of the Foundation, all members who have voted in favor shall be responsible for any loss or damage born of such resolution; any member who has vetoed the resolution in question, which has been proved in recorded meeting minutes, he/she shall be free of responsibility.

Article 16: The Foundation shall have two supervisors, serving as same 5-year term as members of the Board, and are entitled to be re-elected;

Article 17:Members, close relatives of members, and financial officers of the Foundation shall be prohibited to become the supervisors of the Foundation;

Article 18: Appointment and Dismiss of Supervisors

1. Supervisors shall be selected and appointed by the major donators and sponsorship organization respectively;
2. The registration authority appoint its representative to serve as supervisor according to a necessary need of administrative management;

3. Changing of the supervisors shall be decided through the same procedure;

Article 19: Duties and Responsibilities of Supervisor

1. To review and check financial performance and accounting records in accordance with relevant regulations of the Charter of the Foundation;
2. To oversee and make sure all performance and activities of the Foundation are conducted within limitation of the law and the Charter;
3. To attend the Board meeting as non-vote delegate, and have the obligation to inquiry and provide suggestion to the Board of Trustees; shall provide report to registration authority, the sponsorship organization, as well as audit/accounting institutes;
4. Shall abide by regulations/law, as well as the Charter of the Foundation, and fulfill his/her duty;

Article 20: The number of paid members of the Board shall not be more than one-third of the total Board members. Supervisors and members who are not appointed for specific jobs shall not enjoy the benefit of salary from the Foundation.

The Foundation shall provide members and supervisors of

the Foundation with necessary expense and cost, including office supply, research and business travel, etc. All related expense and cost for members and supervisors should be born out of administrative management fee of the Foundation;

Article 21: Members of the Board whose personal interests are associated with ones of the Foundation shall be prohibited in decision-making process; Members, supervisors and close relatives of the members shall be prohibited to have any business deal with the Foundation;

Article 22: The elected officers of the Board of Trustees are Chairperson and Vice Chairperson; Secretary General shall be selected from the members of the Board; The Chairperson of the Board shall be responsible for governing daily decision-making process when the Board meeting is closed;

Article 23: Qualifications and criteria of Chairperson, Vice Chairpersons and Secretary General:

1. Shall enjoy high and influential reputation among the field of the Foundation business;
2. Ages of Chairperson, Vice Chairpersons and Secretary General shall not be over 70; the position of Secretary General shall be a full-time occupation;
3. Shall be in good health and able to maintain the ability to

meet the demands of this position.

4. To have full capacity for civil conduct

Article 24: Under either of the following circumstances, a person shall be prohibited to be Chairperson, Vice Chairperson or Secretary General;

1. Those who are current Public Servant;
2. Those who have been released from either of the following types of principal punishments----control, criminal detention or fixed-term imprisonment--- for no more than 5 years;
3. Those who are in the enforcement of being deprived of political rights or who had been deprived of political rights;
4. Those who used to be Chairperson, Vice Chairperson or Secretary General of any abolished foundation due to illegal conducts, and had personally borne responsibility for wrong doing of the foundation in question that had been removed for less than 5 years;

Article 25: The Foundation limits the Chairperson, Vice Chairperson and Secretary General to serving two terms with 5-year for each term; in any special case that the Chairperson, Vice Chairperson and Secretary General need to be elected for extra

term after terms service, the Board of Trustees shall hold special vote procedure, and apply to the sponsorship organization for examination and registration authority for approval;

Article 26: The Chairperson of the Board shall be the Foundation's legal person

The legal person of the Foundation shall not concurrently be the legal person of other organizations;

The legal representative shall be permanent Chinese citizen living in Mainland China

Whenever any conduct or activity that is beyond "Regulations on Administration of Foundations", as well as this Charter happens during his/her term, the legal person shall bear the responsibility; any heavy-loss or wrongdoing of the Foundation against the law due to his/her neglect of duty, the legal person shall personally bear all responsibilities;

The financial audit for his/her term(s) shall be conducted when the current legal person is off the position;

Article 27: The Chairperson of the Board shall enjoy the following responsibility and authority;

1. To call in and chair the Board meeting
2. To make and decide business plan and execution;
3. To check and follow-up the implement of the decision and resolution;
4. To sign important documents as the representative of the Foundation or issue authorization for someone to sign
5. To exercise other responsibilities authorized by the Board of Trustees

The Chairperson enjoys the right to authorize the Executive Vice Chairperson or Secretary General to have responsibilities and authorities above mentioned;

Article 28: Secretary General shall enjoy the following responsibility and authority;

1. To govern daily administrative management and implement the decision and resolutions determined by the Board meeting;
2. To plan and implement annual charitable programs;

3. To plan fundraising, management and application programs;
4. To develop the regulation and discipline for internal administrative management for approval of the Board of Trustees;
5. To conduct coordination among different departments;
6. To provide nominations for Deputy Secretary General and Financial controller for approval of the Board of Trustees;
7. To propose dismissing Deputy Secretary General and Financial controller for approval of the Board of Trustees;
8. To provide nominations for heads of different departments for approval of the Board of Trustees;
To propose dismissing heads of different departments for approval of the Board of Trustees;
9. To determine the hiring of employees for different departments;
10. To exercise other responsibilities authorized by the Board of Trustees

Chapter IV Management of the Property

Article 29: The nature of the Foundation is non-public fundraising foundation, and all income sources are from:

1. Donations of citizen (Natural Person), legal person or

organizations/institutions

2. Returns of Investment
3. Government support or appropriate funds
4. Other legal incomes

Article 30: The Foundation shall take donation in accordance with relevant regulation/law, in line with the mission of the Charter of the Foundation and within the business scope of public interest conducts;

Article 31: The property, as well as other legal incomes of the Foundation shall be protected by the law, and shall not be seized, divided and impropriated by any individual or organization;

Article 32: The Foundation shall make full use of the property of the Foundation in accordance with the mission and business scope determined in this Charter;

The Foundation shall make use of the donations in exactly the way mutually agreed upon in the donation agreement;

The Foundation shall in accordance with the law conduct public auction-off or sell-off of goods and materials that are not proper for the mission of the Foundation and all income of such

auction or sell shall be applied to the mission of the Foundation;

Article 33: The property of the Foundation is mainly for purposes of the followings:

1. Expense for Charitable projects
2. Administrative and management fee
3. Cost and expense for fundraising
4. Inflation proof and value-add
5. Necessary expense determined by the Board of Trustees

Article 34: The significant fundraising/donation and investment decision refer to:

1. The donation is equal to 50 million RMB and above
2. In addition to restricted donation, the project with a single donation is equal to 5 million RMB and above;
3. A single investment is more than 50 % and above of the balance of the total amount of funds raised in the previous fiscal year;

Article 35: The Foundation shall assure the inflation proof and value-add of the funds at the principle of abide-by-law, safety and efficiency;

Article 36: The annual expenses and costs on public interests activity shall be no less than 8% of the balance of total funds of the previous year; amount of employees salary, compensation and overhead expense of the Foundation shall not be more than 10% of total expense of the year;

Article 37: The Foundation shall publicize to the public types of the charitable/donating projects, as well as the procedures of projects application, appraise and review;

Article 38: The donors are privileged to inquiry the current status of application and management of donated property, and bring forward with comments and suggestions;

In case of any wrongdoing with the donated material beyond the donating agreement, the donors shall have the right to ask the Foundation to follow the principle of donating agreement, or appeal to local People's Court to withdraw donation and terminate the donating agreement;

Article 39: The Foundation shall sign the agreement with the beneficiary to define terms of way of donating, amount of donating,

purpose and means of usage, etc. The Foundation shall have be obligated to oversee and supervise the status of the carry-on of the donation; the Foundation shall have the right to terminate the terms of the agreement under either any circumstance of improper usage of the donation or any other wrongdoing out of line with the terms of the agreement by beneficiary;

Article 40: The Foundation shall enforce the national standard accounting system, and build complete internal accounting control and supervision system so as to assure business accounting and bookkeeping in line with related regulations and law, and accounting documents and materials legal, truthfulness, accurate, and complete;

Article 41: The Foundation shall employ the qualified accountant with professional certification; this full-time accountant shall not be concurrently cashier; the accountant shall complete the procedure of hand-over with successor before he/she quits job or be shifted to other position;

Article 42: The Foundation shall determine the day of Jan. 1st as the beginning of both business and fiscal year and Dec.

31 as the end; The Board of Trustees shall review and determine the following issues before March 31 of each fiscal year:

1. Business report and final accounting of revenue and expenditure of previous year
2. Business plan and budget of revenue and expenditure of the current year
3. Property inventory

Article 43: The Foundation shall conduct financial audit under one of the following circumstances: annual renewal, expiration of terms, changing of the legal person and property inventory;

Article 44: The Foundation shall be annually examined by the registration authority in accordance with the related terms of “Regulations on Administration of Foundations”;

Article 45: The Foundation shall publicize its annual report on the media assigned by the registration authority after the annual examine is passed for purpose of being supervised and inquired by the public;

Chapter V Termination and Aftermath of the Property

Article 46: Whereabouts any of the following circumstances, the Foundation shall be terminated:

1. Conduct anything against the mission of the Charter
2. Not be able to conduct public interests activities in line with the mission of the Charter
3. When separation or merge happens

Article 47: Resolution on the termination of the Foundation shall be submitted to the sponsorship organization for review and approval within 15 days after it is voted by the Board meeting; the Foundation shall apply to the registration authority for cancellation registration within 15 days after approval of the sponsorship organization;

Article 48: The Foundation shall assign an inventory team under the guidance of the registration authority and sponsorship organization to finish the inventory; the Foundation shall apply to the registration authority for cancellation registrations within 15 days after completion of the inventory; The Foundation shall be forbidden to conduct any activities except the inventory during the period of inventory;

Article 49: The Foundation shall make use of the left-over property for events and activities that are in line with the mission of the Foundation under the supervision of the sponsorship organization and registration authority; the Foundation shall make public announcement on these events and activities; in any case that the above mentioned solution is not doable, the registration authority shall donate the left-over property to these similar public interests organizations that share the same mission and goal with the Foundation, and make public announcement on this conduct;

Chapter VI Amendment

Article 50: Any amendment of the Charter shall be submitted to the sponsorship organization for review and approval within 15 days after it is voted by the Board meeting; it shall be submitted to and approved by the registration authority after approval of the sponsorship organization;

Chapter VII: Supplementary

Article 51: The Chapter was passed by the Board of

Trustees with overwhelming vote on May 12, 2007

Article 52: The Foundation shall reserve the right of final explanations of the Charter

Article 53: The Charter shall enter into force as of the day when it is approved by the registration authority