

## Firuzza Stichting Policy Plan

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# 1 INTRODUCTION

The Firuza Foundation (“Firuza Foundation; “Foundation”), a beacon of philanthropy and compassion, was officially registered on August 14, 2023 under the laws of the Kingdom of Netherlands, marking the inception of a dedicated organization committed to making a meaningful impact on individuals & society. Founded by Nasib Hasanov, a stalwart in charitable endeavours, the foundation is poised to channel his longstanding commitment to improving lives into a more strategic and structured approach. With a rich history of generous contributions to various charitable causes, Nasib Hasanov's vision for the Firuza Foundation is to magnify the positive influence on individuals & communities around the world, and support them to build a prosperous, healthy & sustainable future.

## 1.1 Background

Nasib Hasanov (“Incorporator”, “Founder”), the visionary behind the Firuza Foundation, has been a steadfast contributor to societal welfare for many years. His unwavering dedication to philanthropy has touched countless lives, making a tangible difference in diverse areas. The creation of the Firuza Foundation represents a pivotal moment in its founder's philanthropic journey, as it signifies a deliberate shift towards a more institutionalized approach to his purpose-driven acts of giving back.

The Foundation derives its name from Nasib Hasanov's mother, Firuza Khanum, a paragon of altruism and compassion. Her legacy of kindness and selflessness serves as an enduring inspiration for the Foundation's mission. Firuza Khanum inspired Nasib Hasanov with her noble acts of solidarity and care for the underprivileged people, by offering a perspective having inclusiveness and sharing integral to his personal and professional life. By continuing her noble work, the Firuza Foundation not only honors her memory but also reinforces the values of empathy and benevolence that have been at the core of Nasib Hasanov's charitable actions.

The Foundation also carries to spirit of Azerbaijani philanthropists, as Zeynalabdin Tağıyev in the first place. The Foundation aims to create initiatives for development, prosperity & well-being, worldwide.

As the Firuza Foundation embarks on its mission, it seeks to uphold the spirit of giving that NH and Firuza Khanum embody. Through carefully selected focus areas and a meticulously planned strategy, the Foundation aims to create a lasting and positive impact on individuals & society. This policy plan outlines the roadmap for the Foundation's future endeavours, setting the stage for a brighter, more compassionate world.

## 1.2 Legal Structure

Firuz Foundation is registered as Stichting<sup>1</sup> in Amsterdam, Netherlands. The RSIN number (Rechtspersonen en Samenwerkingsverbanden Identificatie Nummer<sup>2</sup> in Dutch) is 865547506. The Foundation's address is Gustav Mahlerlaan 1212, 1081LA Amsterdam.

### **Vision:**

A world, where people can build a prosperous, healthy & sustainable future for themselves.

### **Mission:**

Our mission is to improve quality of life for all, and supporting a brighter, more equitable & sustainable future. We are dedicated to creating pathways to a prosperous life by helping everyone's access to quality education, healthcare, social & financial development opportunities. We believe that we can protect our planet and combat climate change through the power of science and innovation.

We provide funding to those who can make a difference – individuals and organizations – and act on our own where we can leverage our network.

### **Principles:**

- Following the teachings of Azerbaijani philanthropists, as Hacı Zeynelabidin Tağıyev being in the first place
- Always contributing to human's well-being, development & prosperity
- Being transparent, accountable & fair on every occasion
- Committed to the culture of teamwork, and collaboration among our staff, partners & stakeholders

### **Firuz Foundation's example behaviours following its vision & mission:**

- In each project, in each action we take, we follow these core principles as our north-star
- Following the universal development indicators and tracking the improvement (e.g., United Nations Sustainable Development Goals)
- Document every activity & transaction of the Foundation, implement validated impact measurement principles, and report regularly
- Create a safe and inclusive environment for our team in each occasion, support open discussion, and idea sharing culture

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<sup>1</sup> Charitable foundation

<sup>2</sup> Legal Entities and Partnerships Identification number

### **Restricted behaviours following the vision & mission:**

- Do not take actions and decisions for short-term benefits conflicting our core principles
- Do not follow an outdated development agenda; keep updating the initiatives in line with emerging universal issues
- Do not involve in non-tractable initiatives or conduct any monetary transaction without documentation
- Do not create a hierarchical culture, non-cooperative environment or silos within teams

In the light of its vision & mission, the Firuza Foundation aims to create a positive & sustainable impact in the world by focusing on core issues which are “eradicating poverty”, “supporting good health & well-being”, “providing quality education”, “supporting science & innovation”, and “preventing climate crisis”.

In the short term, foundation will focus on its charity activities in parallel with selected UN Sustainable Development Goals. In the mid to long term, foundation will embrace “from charity to change” philosophy and continue developing creative and impactful projects.

## **2 ACTIVITIES**

Foundation has a pure charitable (non-profitable) character and activities are focused on public interest. Foundation follows universal development and human rights indicators, as well as best-in-class benchmarks to create its thematic focus. In the short-term Foundation’s agenda for 2024 is:

- building an educational facility in Nakhchivan (Azerbaijan)
- support financial needs, education & social requirements of children with critical diseases such as cancer, cardiovascular illnesses etc.
- fund research & innovation in the field of medicine to improve overall health, well-being & quality of life
- food, supply & funds support to poor families;
- setting up a prize project to motivate researchers and to award the scientists that come up with the most innovative/best ideas;
- supporting bright students in Azerbaijan with university preparation scholarships.

## **3 GOVERNANCE AND MANAGEMENT**

### **3.1 Managing Board**

The Foundation is governed by the Managing Board which consists of a number (of at least two (2) natural persons) to be determined by the Supervisory Board. In case the number of

Managing Board Members falls below the number determined by the Managing Board, the Managing Board shall continue to have full powers. The Managing Board elects a chairman, a secretary and a treasurer. The positions of secretary and treasurer can be fulfilled by one person. Furthermore, the Managing Board may mutually determine which Managing Board member will be charged with which task in particular. Such division of duties shall not affect the joint responsibility of all Managing Board Members for the entire Managing Board.

#### **Appointment:**

The Managing Board members shall be appointed by the Supervisory Board.

#### **Suspension:**

A member of the Managing Board may be suspended and removed from office by the Supervisory Board at any time. The Managing Board member concerned shall be given the opportunity to account for his actions at a Supervisory Board meeting. He may be assisted by a legal counsel.

The suspension of a member of the Managing Board shall lapse if the Supervisory Board does not decide within three months after the date on which the suspension takes effect to dismiss the member or to lift or maintain the suspension. A suspension may be maintained for no more than six months as from the date on which the decision to maintain the suspension was taken.

#### **Term:**

Managing Directors may be appointed for a certain period of time. A Managing Director who resigns by expiration of the term for which he was appointed may be reappointed immediately.

#### **Authorities:**

The Managing Board is charged with the management of the Foundation.

The Managing Board has the authority to exercise the Extensive Powers, which are within the meaning of the Dutch Civil Code:

- the power to resolve to enter into agreements to acquire, to dispose of or encumber property subject to public registration (registergoederen),
- to enter into agreements by which the Foundation commits itself as guarantor or joint and several debtor, warrants performance by a third party or undertakes to provide security for a debt of a third party;

The resolutions to perform the Extensive Powers shall be subject to the approval of the Supervisory Board.

### **Remuneration:**

Managing Board Member determining policy of the Foundation, shall only be entitled to receive an allowance for reasonable expenses incurred, subject to provision of the evidence of such costs, and an attendance fee per meeting which will not be higher than the maximized attendance fees prescribed by the Dutch Tax Authorities. If the person determining policy of the Foundation is vested with other obligations or tasks, then he/she will only be remunerated for performance of those obligations/tasks.

## **3.2 Supervisory Board**

The supervision of the policy of the Board and of the general course of affairs in the Foundation and the assets it manages is entrusted to a Supervisory Board, consisting of a number to be determined initially by the Incorporator and thereafter by the Supervisory Board itself of at least three (3) and no more than nine (9) natural persons.

### **Appointment:**

The Supervisory Board Members will be appointed, removed and suspended by the Supervisory Board. The Supervisory Board shall appoint a chairperson and a secretary from among its members.

### **Authorities:**

The Supervisory Board shall have the following duties and powers:

- the appointment, suspension and dismissal of the members of the Supervisory Board;
- determining the number of members of the Supervisory Board;
- determining the number of Managing Board Members; and

to determine the remuneration or expense allowances of the Managing Board Members and members of the Supervisory Board who, in its judgment, qualify for such remuneration or expense allowances.

## **4 FINANCIAL MANAGEMENT**

The Foundation is committed to maintaining a transparent and accountable financial management system. This section provides an overview of our financial practices, including budgeting, funding sources, and financial management procedures.

### **4.1 Budgeting**

Budgets will be prepared annually as part of our financial planning process. These budgets will be meticulously reviewed and scrutinized by our financial team to ensure they align with the

Foundation's mission and strategic objectives. The approved budget for each financial year will be presented to and approved by the Foundation's Managing Board prior to the commencement of the fiscal year.

In recognition of the dynamic nature of potential projects and unforeseen opportunities, we will also employ a rolling budget approach. This flexible budgeting strategy allows us to adapt quickly to changing circumstances and seize opportunities that align with our mission.

## **4.2 Funding Sources**

The Foundation's primary source of funding will be contributions from the founder, donations from partner companies, and potential third-party donors who share our vision and adhere to our compliance requirements. These donations will serve as the financial backbone of the Foundation and will be instrumental in driving our mission forward.

### **Assets of the Foundation.**

The Foundation will not own more assets than reasonably required to continue the anticipated activities for the pursuing of the objects of the Foundation.

## **4.3 Financial Management Procedures**

For Ensuring Transparency and Accountability:

### **Stringent Financial Controls:**

We will implement rigorous financial controls to safeguard the Foundation's assets and ensure that funds are used exclusively for mission-driven purposes. This includes clear segregation of duties, regular internal audits, and financial reporting mechanisms.

### **Regular Financial Reporting:**

The Foundation is committed to providing regular financial reports to the Managing Board and relevant stakeholders. These reports will include income statements, balance sheets, cash flow statements, and a breakdown of expenses. Reports will be made available for review and scrutiny, ensuring transparency in financial matters.

### **Compliance and Ethical Standards:**

We will uphold strict compliance with all applicable laws and regulations governing nonprofit organizations and financial management. Additionally, we will adhere to the highest ethical standards, avoiding any conflicts of interest and maintaining the integrity of our financial practices.

### **Donor Transparency:**

We will maintain open lines of communication with donors, providing them with periodic updates on the impact of their contributions and how funds are utilized. Donor confidentiality

and preferences will be respected, and we will ensure that their donations are used for the specific purposes they designate.

#### **Annual Audits:**

The Foundation will conduct annual external audits by reputable auditing firms to verify the accuracy and transparency of our financial records. The audit reports will be made available to the Managing Board and donors upon completion.

The Foundation is dedicated to the principles of transparency, accountability, and ethical financial management. By adhering to these procedures and practices, we aim to build trust among our stakeholders and maximize our impact on the community we serve.

## **5 COMPLIANCE AND REPORTING**

### **5.1 Commitment to Dutch Laws and Regulations**

The Foundation is firmly committed to operating in full compliance with all applicable Dutch laws and regulations governing charitable organizations. We recognize that adherence to these legal frameworks is essential for maintaining the trust and confidence of our stakeholders, including donors, partners, and the public. Our commitment to compliance extends to the following key areas:

#### **Legal Structure:**

We will maintain the legal structure prescribed by Dutch law for charitable foundations, ensuring that our governing documents, such as our statutes, align with legal requirements.

#### **Transparency:**

The Foundation will uphold transparency in all its operations, including financial management and governance. We will fully disclose our activities and financial information to the relevant authorities, in accordance with Dutch legal requirements.

#### **Tax Compliance:**

We will diligently fulfill our tax obligations as a charitable foundation, including filing required reports and tax returns in a timely and accurate manner.

#### **Governance Practices:**

Our governance practices will adhere to Dutch governance codes and standards for charitable organizations, ensuring transparency, accountability, and ethical conduct at all levels.



## **5.2 Reporting to Stakeholders**

The Foundation is committed to providing clear and comprehensive reporting on its activities and financial performance to its stakeholders, which include donors, partners, relevant authorities, and the public. Our reporting practices include:

### **Annual Reports:**

The Foundation will publish annual reports that provide an overview of our activities, achievements, and financial performance. These reports will be made available to the public on our official website and submitted to the regulatory authorities as required by law.

### **Financial Statements:**

In addition to annual reports, the Foundation will publish audited financial statements that include income statements, balance sheets, and cash flow statements. These statements will provide transparency into our financial health and stewardship of resources.

### **Donor Reporting:**

Donors will receive regular reports detailing how their contributions have been utilized and the impact of their support. We will respect donor preferences for anonymity or recognition, and donor confidentiality will be maintained.

### **Government and Regulatory Reporting:**

The Foundation will fulfill all reporting obligations to relevant government bodies and regulatory agencies, ensuring compliance with Dutch laws and regulations governing charitable organizations.

### **Public Transparency:**

We will maintain a public website with up-to-date information on our mission, programs, financial reports, governance structure, and contact details. This information will be easily accessible to the public.

The Foundation views compliance with Dutch laws and regulations as fundamental to its operations and is committed to a culture of openness and accountability. We aim to build trust among our stakeholders by providing transparent and accurate reporting on our activities and financial performance.

## **6 ETHICAL GUIDELINES AND VALUES**

At Furuza Foundation, we uphold unwavering ethical principles that guide our actions and decisions:

- Integrity and Honesty: We act with honesty, transparency, and diligence in all our endeavors.
- Accountability and Transparency: We maintain clear financial records, provide transparent updates to stakeholders, and foster a culture of accountability.
- Respect and Inclusion: We treat all individuals with respect, regardless of background, and promote diversity and inclusion.
- Impact-Driven Approach: We focus on achieving tangible societal impact through rigorous monitoring and evaluation.
- Ethical Fundraising: We conduct ethical fundraising, respecting donor preferences and privacy.
- Social Responsibility: We actively engage in social responsibility initiatives, contributing to the betterment of society.
- Continuous Improvement: We embrace a culture of continuous improvement, actively seeking feedback and ongoing learning.

Firuza Foundation is committed to ethical conduct, responsible stewardship, and a values-driven approach in all our initiatives.

## **7 DISSOLUTION**

In the event of dissolution, any credit balance left will be distributed in accordance with the resolution of the last full Strategic Board and in such a manner that this credit balance will be distributed to an institution for public benefit as referred to in the Dutch State Tax Act or another regulation in its stead, of which institution the objects are in conformity with the Foundation's objects, or to a foreign institution which exclusively or virtually exclusively serves the general interest and which has similar objectives as the Foundation.