

Exhibit A
German Society of Pennsylvania Bylaws
Statement of Principles Governing Endowment Investment and Funds Withdrawal

The German Society of Pennsylvania holds seven funds in three categories- the categories are:

- a. The General Endowment Funds;*
- b. The Horner Memorial Library Endowment Funds; and*
- c. The Scholarship Funds.*

Category I:

1. The German Society of Pennsylvania General Endowment (GER I-1)
2. The German Society of Pennsylvania Irmgard Martino Endowment (GER I-2)

Category II:

1. The German Society of Pennsylvania Horner Memorial Library Endowment (GER II-3)
2. The German Society of Pennsylvania WAUX Library Endowment (GER II-4)

Category III:

1. The German Society of Pennsylvania Scholarship Fund (GER III-5)
2. The German Society of Pennsylvania Leon H Volgenau Scholarship Fund (GER III-6)
3. The German Society of Pennsylvania Elsa Schweikert Scholarship Fund (GER III-7)

The Purposes of the various funds:

GER I-1: This Fund is the Society's main endowment fund. Distribution from this fund is limited to 4% of the average of the fund balance over the past three fiscal years (12-quarter trailing average) in the account. Draws from this fund are to be used to support the Society's operational expenses as reflected in the Society's annual budget. The funds can also be used for capital projects. Although grants have been used for this latter purpose over the past 10 years (2010 – 2020), the Society might not be as successful as in the future in obtaining such grants. Designation to also use the fund to support capital projects provides the option to continue with infrastructure repairs or upgrades as required. There shall be no withdrawals from this Fund until the Fund balance is \$2.00 MM.

GER I-2: This Fund is a place holder for an anticipated future donation. GER I-2 is to be treated with the same restrictions as GER I-1. This fund has the same purpose as GER I-1 and is counted toward the \$ 2.00 MM goal.

GER II-3: This Fund is the main Horner Library Endowment Fund. The draws from this fund provide ongoing support to meet the Library's budget needs. There is a Board of Directors approval process for adopting the budget for Library operations. At the present time, the funds in GER II-3, to be withdrawn at 4% of the 12-quarter trailing average of the Fund balance, plus funds available from GER II-4 are not sufficient to meet the full budget needs of the Library. The Society will fund the rest of the budget and cover the cost of such items as heating, insurance etc. There is a restriction that \$3,000 a year is to be used for book restoration, as specified in a grant from the Arcadia Foundation. Furthermore, \$300 a year is to be used to support a lecture program in memory of a past member. These items are handled as line items in the Library's budget. There is a general restriction that the funds in GER II-3 will follow the books should the Society no longer wish to maintain the Library. The collection should be kept intact as other owners are sought.

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GER II-4: This Fund comprises the funds given to the Society by the Women's Auxiliary of the German Society (WAUX) when it dissolved. This Fund has the same purpose as GER II-3, and withdrawals from this Fund are added to the withdrawals from GER II-3 to support Library operations. The terms of the gift from the WAUX are that the income from the Fund is to be divided in half, one half to be used for Library purposes, and one half to be reinvested. Income is defined under Pennsylvania Trust Law as including interest, dividends, and realized capital gains. In calculating the withdrawal in any year, income as total portfolio growth - realized and unrealized - will be used and the 4% to be withdrawn cannot exceed one half of the total income of the Fund. If the Library ceases to be a part of the Society at any time, all assets are to be transferred to the General Endowment Fund (GER I-1) of the Society.

GER III-5: The purpose of this Fund is to provide yearly scholarships for qualified undergraduate college students. The original funds were a gift from the Linke Estate in 1990. Additional funds have been added over the years. Scholarships are awarded through a competitive process. The Society withdraws from the Scholarship Fund at 4% of the 12-quarter trailing average of invested funds. Should the Society decide not to award scholarships in the future, the balance of this Fund shall be combined with the General Endowment Fund (GER I-1).

GER III-6: This Fund was donated by Lewis and Hella Volgenau and named in memory of their grandson, Leon H. Volgenau. Its purpose is to provide an annual \$4,000 scholarship to an undergraduate college student pursuing German studies as a major or minor. The student receiving the scholarship is to be told that he/she has received the Leon H. Volgenau Scholarship. The scholarship cannot be divided, but must be awarded as a single \$4,000 scholarship. The Society withdraws from the Fund at 4% of the 12-quarter trailing average of invested funds. Should the fund balance not permit a \$4,000 withdrawal or it is prudent to withdraw more than \$4,000, the Finance Committee of the German Society shall determine the amount of the withdrawal and the amount of the scholarship. The donors have instructed that if no qualified student studying German can be identified, then the scholarship may be awarded to a student pursuing a STEM career. Further, should the German Society no longer award scholarships, this Fund should be given to an organization that does so, following the parameters stated herein.

GER III-7: This fund was donated in memory of Elsa Schweikert and named the Elsa Schweikert Scholarship Fund. Its purpose is to provide an annual scholarship to one or more undergraduate college student(s) whose major course of study is the German language, culture or history or a combination of these studies. A scholarship committee at the German Society will select the qualified student(s) and the scholarship amount(s). If the committee determines that no qualified student(s) are eligible in the above major course of study(s) then no scholarship(s) under the Elsa Schweikert Scholarship Fund will be awarded in that calendar year. The German Society withdraws from the Fund at 4% of the 12-quarter trailing average of invested funds to meet the annual scholarship(s) expense. Should the German Society terminate its scholarship award program, the balance of the Fund shall be combined with the General Endowment Fund (GER I-1).

In the event that the German Society of Pennsylvania should dissolve or cease to exist, then the various general funds, not otherwise subject to a specific direction as to disposition, would become part of the remaining assets of the Society. All such assets should go to a not-for-profit organization with a mission

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similar to that of the German Society of Pennsylvania. A strong preference should be shown to support an organization in Pennsylvania or if none, then one on the East Coast.

The overall objective of the investment and management of these Funds is to grow the Funds at an annual rate of 5% plus CPI. The objective is to grow for cash distribution and to avoid the depletion of the assets over time. If a withdrawal rate of 4% is found to be unsustainable due to market conditions, then a lower rate of withdrawal of 3.5% would be considered. If market conditions warrant and a higher rate of growth is deemed feasible, yet prudent, the Scholarship Funds may be invested more aggressively for faster growth, considering the continuing escalating cost of higher education.

This **Statement of Principles Governing Endowment Investment and Funds Withdrawal** is intended to be binding on the Board of Directors now and in the future in order to provide for the continuing growth of the endowments of the Society. It is, however, recognized that situations and conditions may change over time. Thus, to maintain as much stability as possible, yet provide for needed flexibility, it is resolved by the Board of Directors at a regular meeting of the Board, that this **Statement of Principles Governing Endowment Investment and Funds Withdrawal** may only be changed at a regularly scheduled meeting of the Board of Directors, at which a quorum is present, upon an affirmative vote of 85% of the Directors present. Such change may include a change in the withdrawal amount or invasion of principal if circumstance warrant. Further, The Board of Directors resolves that this **Statement of Principles Governing Endowment Investment and Funds Withdrawal** is adopted pursuant to Article III, Sec. 3.3 B of the Bylaws of the German Society as a policy to complement the Bylaws in regulating the business and affairs of the Society. Further, it is resolved that the Bylaws be amended to incorporate this restriction on changing the **Statement of Principles Governing Endowment Investment and Funds Withdrawal** in the Bylaws of the Society.

Approved by the Board of Directors May 17, 2021