

**NISWARTH INTERNATIONAL FOUNDATION**

**400 CROSSING BOULEVARD**

**3<sup>RD</sup> FLOOR**

**BRIDGEWATER, NJ 08807 USA**

**PROFILE OF THE ORGANIZATION**

**INTRODUCTION**

The Foundation is a newly-incorporated non stock corporation organized under the laws of the State of Delaware. It will pursue charitable, scientific, literary, and educational purposes within the meaning of those terms as used in Section 501(c)(3) of the Internal Revenue Code of 1986 and the Regulations thereunder, as they now exist or as they may hereafter be amended (hereinafter referred to collectively as the "Code"). The Foundation will accomplish these charitable purposes either by making contributions to other organizations, including but not limited to organizations described in Code Section 501(c)(3), or directly.

The Foundation is designed to serve as a charitable-giving vehicle for Chirag Patel and his family. The Foundation's primary focus will be to support the education of Children and youth. The Foundation will undertake these efforts by making grants to existing educational institutions, and also by constructing new educational facilities in the United States and India, as well as possibly in certain African nations. The Foundation may also elect to award scholarships and make direct charitable grants to enable school-aged children to begin and continue their education.

**GRANTS TO DOMESTIC PUBLIC CHARITIES**

The Foundation will make grants to domestic public charities that engage in educational activities. Such charities may include primary and secondary schools, colleges, and universities. Such grants may be unrestricted general support grants, or they may be targeted to help fund a specific program or project of the grantee. Any grant for a specific purpose shall be made pursuant to a written grant agreement entered into by the Foundation and the grantee, pursuant to which the grantee shall agree to use the grant funds only for the agreed-upon purposes. When making grants to domestic public charities, the Foundation will verify the current tax-exempt status of such potential grantees by requesting a copy of the organization's Internal Revenue Service ("IRS") determination letter. If the grantee

cannot produce a determination letter, the Foundation will verify the tax-exempt and public-charity status of the potential grantee by consulting IRS Publication 78 and/or contacting the IRS.

#### **GRANTS TO EDUCATIONAL INSTITUTIONS IN INDIA**

The Foundation will make grants to schools and other educational institutions in India. When making such grants, the Foundation will either (i) determine that the prospective grantee is the foreign equivalent of a United States public charity, by performing an "equivalency determination" pursuant to Treasury Regulation Section 53.4945-5(a)(5), or

(ii) Exercise grant oversight and continued monitoring, in compliance with the requirements for "expenditure responsibility" pursuant to Code Section 4945(h) and the Treasury Regulations thereunder. The Foundation's expenditure responsibility standards will include conducting a limited pre-grant inquiry with respect to the prospective grantee, and awarding the grant pursuant to a written grant agreement. The grant agreement will set forth the agreed-upon purposes of the grant, and also require the grantee to repay any portion of the grant which is not used for such purposes.

Moreover, the grant agreement will mandate that the grantee submit to the Foundation full and complete annual reports on the use of grant funds; maintain records of receipts and expenditures; and make its books and records available to the Foundation. As part of the grant agreement, each grantee must commit to not use any grant funds to carry on propaganda, influence legislation or public elections, carry on voter registration drives, make grants that do not comply with the "taxable expenditure" rules of Code Section 4945(d)(3) and (4), or otherwise conduct activities that are for non-charitable purposes.

#### **CONSTRUCTION OF NEW EDUCATIONAL FACILITIES**

If the Foundation elects to construct new educational facilities in the United States, India, or African nations, it shall situate such facilities in communities that are struggling with poverty, deterioration, and blight. The construction of such facilities shall be funded by the Foundation; namely, the Foundation will hire independent third-party construction professionals. However, in no instance will the Foundation hire any construction company that is a "disqualified person" of the Foundation within the meaning of Section 4946 of the Code. Upon completion of the construction process, title to and ownership of such facilities shall be conveyed gratuitously by the Foundation to (i) a charitable organization or (ii) a local

government authority.

### **SCHOLARSHIPS**

The Foundation may make grants to existing educational institutions, and such grantees will in turn use the grant funds to award scholarships to students. Additionally or alternatively, the Foundation may elect to award scholarships to youth directly. If it does so, the Foundation shall award all such scholarships pursuant to objective and non-discriminatory criteria, including factors such as (but not limited to) financial need, prior academic performance, and community involvement. The Foundation may elect to limit the pool of potential scholarship applicants to students from a specific city, town, or geographic region. The Foundation will publicize the availability of scholarships through various media, at local educational institutions, or through direct Foundation communications in the communities that the Foundation seeks to benefit.

The number of scholarships awarded each year, and the amount of each scholarship, shall be determined pursuant to the discretion of the Foundation's Board of Directors.

Scholarships shall be awarded on the condition that the recipients maintain their status as students in good-standing, and the Foundation will reserve the right to request reports and/or transcripts from grantees to verify such status. In the event that a grantee fails to maintain his or her status as a student in good-standing, or if the Foundation discovers that Foundation funds are being used for purposes other than those agreed to by the Foundation, the Foundation shall terminate the scholarship grant and to request the return of previously-disbursed funds.

Direct Foundation scholarships shall be awarded by the Foundation's Board of Directors or by a duly-authorized committee appointed by the Board of Directors.

In addition to making financial grants to enable children to attend school, the Foundation may also provide additional supplies and resources that are necessary to enable youth to succeed in their education. Such grants may include items such as food, clothing, and books for impoverished youth who would not otherwise have adequate access to such resources.

### **GENERAL GRANT MAKING PRACTICES**

The Foundation will keep thorough written records of all grants that it awards. Such

records will include the names and addresses of grantees, the amounts distributed the purposes for which the grants were given, and the manner in which the Foundation's Board of Directors selected the grantees. The Foundation may also conduct periodic site visits or other forms of grantee oversight in order to ensure that all grant funds are used for their agreed-upon charitable purposes.

If, at any time, the Foundation discovers that any grant has been used for purposes other than charitable purposes, the Foundation may either (i) revoke the grant immediately, or  
(ii) prior to revoking the grant, offer the grantee a reasonable cure period to redirect all grant funds for agreed-upon charitable purposes.