

STATUTES OF THE FOUNDATION ESTONIAN NATIONAL COMMISSION FOR UNESCO

GENERAL PROVISIONS

1. The name of the foundation is the Foundation Estonian National Commission for UNESCO (hereinafter referred to as *the Foundation*).
2. The location of the Foundation is the Republic of Estonia, Tallinn.
3. The founder of the Foundation is the Republic of Estonia on whose behalf the rights of the founder are exercised by the Ministry of Culture.
4. The Foundation has its official seal and logo; the design and the procedure for use of them shall be approved by the supervisory board of the Foundation.
5. The Foundation has its own budget.
6. In its activities, the Foundation shall adhere to the laws in force in the Republic of Estonia, these Articles of Association, the resolutions of the Supervisory Board of the Foundation (hereinafter referred to as *the Supervisory Board*) and the resolutions of the Management Board of the Foundation (hereinafter referred to as *the Management Board*).
7. The Foundation is founded for an unspecified term.

THE OBJECTIVES OF THE FOUNDATION AND THEIR ACHIEVEMENT

8. The objectives of the Foundation are:

8.1 to serve as a liaison and coordinative unit between UNESCO and the persons, institutions and organizations concerned with the activities of UNESCO in Estonia;

8.2 to create possibilities for the main institutions interested in educational, scientific and cultural matters in Estonia to be connected with the work of UNESCO.

9. To achieve its objectives, the Foundation shall:

9.1 introduce in Estonia the objectives, functions and programmes of UNESCO by developing a cooperation network in the fields of education, science, culture, environment protection, human rights, communication and computer sciences and by spreading the relevant information;

9.2 inform the relevant officials, institutions and organizations of the resolutions adopted by UNESCO General Conference, Executive Board or on the conferences held under the auspices of UNESCO and of other documents issued by UNESCO;

9.3 coordinate the formation of the delegation of the Republic of Estonia to UNESCO General Conference;

9.4 assist and advise the Government of the Republic of Estonia in the preparation of and the participation in the sessions of UNESCO General Conference and other intergovernmental meetings organized by UNESCO;

9.5 designate the representatives of Estonia to events organized under the auspices of UNESCO and make contacts, mediate information and develop cooperation with the organizations acting under the auspices of UNESCO;

9.6 inform UNESCO of the needs and priorities of Estonia in the fields of education, science, culture, information, communication and environment protection;

9.7 promote cooperation with other national commissions of UNESCO, in particular in its own region, and participate in joint programmes and studies that are important for Estonia;

9.8 recommend Estonian representatives for vacancies and trainings in UNESCO.

RIGHTS AND RESTRICTIONS OF THE FOUNDATION

10. The Foundation shall have the right to:

10.1 own economic and moral rights and to discharge obligations and to be a party in legal proceedings;

10.2 enter into contracts with natural and legal persons of the Republic of Estonia and foreign states both directly and through intermediary organizations, to develop cooperation with them and to be a member of foreign and international organizations;

10.3 organize trainings, informal education events, charitable and educational activities (auction, fundraising initiatives);

10.4 develop publishing;

10.5 perform, in accordance with laws and regulations, other activities necessary for the achievement of the objectives of the Foundation.

11. The Foundation shall not be a partner of a general partnership or a general partner of a limited partnership or manage a general partnership or limited partnership.

THE ASSETS OF THE FOUNDATION AND THEIR MANAGEMENT

12. To achieve its objectives, the Foundation is engaged in economic activities in accordance with laws and regulations.
13. The Foundation uses its income to achieve the objectives specified in the Articles of Association and shall not grant loans to or secure the loans of its founders or members of the Management Board or Supervisory Board, or of persons with an equivalent economic interest, unless otherwise provided by laws and regulations.
14. The value of non-monetary contribution transferred to the Foundation shall be assessed by an expert's report or a valuation report that is ordered from a specially qualified person rendering expertise or valuation services. The accuracy of the valuation of the non-monetary contribution is controlled by the auditor of the Foundation who shall submit its written opinion thereon. The contribution is transferred to the Foundation on the basis of a relevant legal instrument, signed by the person transferring the contribution or his authorized representative and a member of the Management Board of the Foundation.
15. If the assets are transferred to the Foundation for a certain purpose, the Management Board shall ensure their use according to the terms and conditions specified by the transferor.
16. The assets of the Foundation shall be composed of:
 - 16.1 assets transferred to the Foundation by the founder;
 - 16.2 allocations from the State budget;
 - 16.3 proprietary gifts, donations and bequests;
 - 16.4 allowances from funds and assistance programmes;
 - 16.5 other assets acquired in a manner allowed by laws and regulations.
17. The Foundation is liable for the fulfilment of its proprietary obligations with its assets. The founder is not liable for the proprietary obligations of the Foundation.

THE MANAGEMENT OF THE FOUNDATION

18. The highest management body of the Foundation is the Supervisory Board. The Management Board manages the Foundation.

18'. The following persons may not serve as a member of a management body of the Foundation:

18^{1.1} persons whose wrongful action or omission has resulted in the person's bankruptcy;

18^{1.2} persons whose wrongful action or omission has resulted in revocation of the activity license issued to a legal person;

18^{1.3} persons on whom a prohibition on business has been imposed;

18^{1.4} persons whose wrongful action or omission has resulted in losses for a legal person;

18^{1.5} persons who have been punished for an economic crime or crime against property;

18^{1.6} persons who have material business interests related to that legal person governed by private law, expressed, among other things, in possessing a qualifying holding in that legal person as defined in Section 9 of the Securities Market Act or belonging to a management body of a company that is a material seller or buyer of goods, service provider or customer with respect to that legal person governed by private law.

18². The restrictions set forth in sub-clauses 18^{1.1}-18^{1.4} of the statutes shall remain in force for five years after declaration of bankruptcy, revocation of activity license, expiry of prohibition on business, or compensation of damage, and the prohibition set forth in sub-clause 18^{1.5} of the statute shall not apply to persons whose punishment data have been deleted from the Punishment Register.

19. The Supervisory Board shall be composed of the members appointed by the founder. The Supervisory Board shall appoint the Management Board. The Supervisory Board may form other sub-units of the Foundation.
20. The members of the bodies of the Foundation may not have personal interest in the benefits distributed by the Foundation. In case of a conflict of interests, or upon deciding to conclude a transaction between a member of a body of the Foundation and the Foundation, or upon deciding to commence or terminate legal proceedings against him, the afore-mentioned member of a body of the Foundation may neither participate in the consideration of the question nor vote.
21. The term of office of members of the Supervisory Board and Management Board is three years.

THE MANAGEMENT BOARD

22. The Management Board manages and represents the Foundation.
23. The Management Board shall consist of one to three members.
24. If the Management Board has more than two members, the members of the Management Board shall elect a Chairman of the Management Board from among themselves, who shall organize the activities of the Management Board.
25. The members of the Management Board shall be natural persons with full legal capacity. A member of the Supervisory Board or a bankrupt shall not be a member of the Management Board.
26. The residence of at least one-half of the members of the Management Board must be in Estonia or other member state of the European Economic Area or in Switzerland.

27. The Supervisory Board shall conclude with the members of the Management Board a contract for a fixed term which stipulates, *inter alia*, their rights, obligations and responsibility and the remuneration for the performance of their duties.
- 27¹. The member of the Management Board may be paid remuneration solely on the basis of a management board member agreement entered into with him or her. If a member of the Management Board performs other duties necessary for the Foundation besides those of his or her capacity as member of the Management Board, remuneration may be paid for such duties solely if so stipulated in the management board member agreement.
- 27². A member of the Management Board may be paid a bonus for performance. The amount of the bonus must be justified, on the basis of the fulfilment of the objectives set for the Foundation. The amount of the bonus paid during a given financial year may not exceed four times the average monthly remuneration paid to the Management Board member in the previous financial year.
- 27³. Severance pay may be paid to a member of the Management Board solely upon recall of the member of the Management Board at the initiative of the Supervisory Board before the completion of the member's term. The severance pay may be paid to the member of the Management Board in the amount of three times the monthly remuneration valid as of the recalling of the member of the Management Board.
28. The Supervisory Board shall decide the removal of a member of the Management Board. The Supervisory Board may remove a member of the Management Board at any time; the rights and obligations of the member of the Management Board terminate according to the contract.
29. In directing the Foundation, the Management Board shall adhere to the legal instructions of the Supervisory Board. The Management Board may enter into

transactions which are beyond the scope of everyday activities of the Foundation only with the consent of the Supervisory Board.

30. The Management Board shall present an overview of the economic activities and financial status of the Foundation to the Supervisory Board at least once every four months and shall immediately give notice of any material deterioration of the financial status of the Foundation or of any other material circumstances related to the economic activities of the Foundation.
31. The Management Board has the right to represent the Foundation in all legal acts subject to laws and regulations, these Articles of Association and the decisions of the Supervisory Board. The right of the Management Board to represent the Foundation may be restricted by a resolution of the Supervisory Board. A restriction on the right of representation does not apply with regard to third persons unless it is fixed in the Non-profit Associations and Foundations Register.
32. The members of the Management Board who cause damage to the Foundation by violation of laws and regulations or these Articles of Association or by non-performance or defective performance of their obligations, including a delay in performance, shall be liable for compensation for the damage caused in accordance with laws and regulations and the contract concluded with them.
33. For organizing and directing the activities of the Foundation the Management Board shall:
 - 33.1 represent the Foundation in all legal acts and ensure the economic activities of the Foundation;
 - 33.2 employ and dismiss the employees of the Foundation and determine their salary conditions;
 - 33.3 decide the use of the resources of the Foundation, including the purchase or other form of procurement of assets, raising loans on behalf of the Foundation or granting loans subject to the limits and rules established by the Supervisory Board;

- 33.4 hold negotiations, conclude contracts and ensure the performance of the contracts;
 - 33.5 enter into other transactions within its competence pursuant to these Articles of Association and laws and regulations.
34. The Supervisory Board may delegate the Management Board the right to take decisions in all matters concerning the activities of the Foundation in the limits permitted by laws and regulations.

THE SUPERVISORY BOARD

35. The Supervisory Board of the Foundation shall:

- 35.1 plan the activities of the Foundation, organize the management of the Foundation and supervise the activities of the Management Board;
- 35.2 introduce changes in the composition of the Management Board and perform supervision over the activities of the Management Board;
- 35.3 approve the Development Plan of the Foundation submitted by the Management Board for at least four years;
- 35.4 approve yearly the objectives of the Foundation and the Action Plan before the beginning of each financial year;
- 35.5 approve the annual budget and the annual report of the Foundation;
- 35.6 approve the general procedure for the use and disposal of assets of the Foundation;
- 35.7 determine the number of the members of the Management Board subject to the limits set forth in these Articles of Association, determine the remuneration of the members of the Management Board and conclude contracts with the members of the Management Board;

- 35.8 approve on the proposal of the Management Board the principles of performance-related-pay for the employees of the Foundation and the amount of the performance-related-pay for the members of the Management Board;
- 35.9 give consent for the foundation or dissolution of private legal persons by the Foundation;
- 35.10 give consent for the expropriation or granting of use of the assets of the Foundation;
- 35.11 give consent to the Management Board for entering into transactions beyond the scope of everyday economic activities of the Foundation, in particular to enter into transactions which result in:
- 35.11.1 the acquisition or termination of participation in private legal persons;
 - 35.11.2 the transfer or encumbrance with a real right of immovable property and movables entered in the register if the object of the transaction exceeds 500 000 kroons;
 - 35.11.3 taking loans and entering into finance lease agreements solely with the consent of all members of the Supervisory Board;
 - 35.11.4 guaranteeing the performance of the obligations of third persons;
 - 35.11.5 approve the design and the terms for the use of the official seal and the logo of the Foundation;
 - 35.11.6 enter into other transactions that are within its competence pursuant to these Articles of Association and laws and regulations.
- 35.12 shall establish the working procedures of the Supervisory Board.
36. In order to perform its tasks, the Supervisory Board has the right to examine all documents of the Foundation and to audit the accuracy of accounting, the existence of assets and the compliance of the activities of the Foundation with laws, these Articles of Association and the resolutions of the Supervisory Board. The members of the Supervisory Board have the right to participate in the meetings of the Management Board.
37. The Supervisory Board represents the Foundation in disputes and transactions with the members of the Management Board.

38. The Supervisory Board has seven members. The members of the Supervisory Board shall be appointed by the founder for three years. The founder shall decide the amendments in the membership of the Supervisory Board and the removal of a member of the Supervisory Board. The number of Supervisory Board members must be determined based on the objectives of the Foundation, the asset volume and economic situation, and the need to ensure the effective fulfilment of the Supervisory Board's functions in planning and organizing the Foundation's activities and supervising the activities of the Management Board.

39. The members of the Supervisory Board may retire by submitting a written application to the founder.

39.1 the Ministry of Culture	3 members;
39.2 the Ministry of Foreign Affairs	1 member;
39.3 the Ministry of Education and Research	1 member;
39.4 the Ministry of Environment	1 member;
39.5 the National Heritage Board	1 member.

40. The following persons may not be members of the Foundation's Supervisory Board:

40.1 sole proprietor who is engaged in the same economic area of activity as the Foundation and is not a co-founder of the Foundation;

40.2 partner in a general or limited partnership engaged in the same area of economic activity as the Foundation and he or she, and the partnership in which he or she is a partner, is not a co-founder of the Foundation;

40.3 person the share or shares belonging to whom represent at least 1/10 of the share capital in a company engaged in the same area of economic activity as the Foundation and he or she, and the company in which he or she is a shareholder, is not a co-founder of the Foundation;

40.4 a member of a management body of a company engaged in the same area of economic activity as the Foundation, unless it is a Foundation in which the state has a holding, a company belonging to the same group as the company, or a company that is a co-founder of the Foundation.

41. The founder may remove a member of the Supervisory Board at any time regardless of the reason.
42. The members of the Supervisory Board shall elect a Chairman from among themselves, who shall organize the activities of the Supervisory Board.
43. The remuneration for the members of the Foundation's Supervisory Board shall be determined by the person exercising founder's rights. The members of the Supervisory Board shall be paid equal remuneration unless stemming otherwise from legislation. The remuneration for the Chairman of the Supervisory Board may be a larger amount. Supervisory Board members may be paid additional remuneration in connection with their participation on the audit committee specified in the Authorised Public Accountants Act or the activity of another body established by the Supervisory Board. Upon paying remuneration to a member of the Supervisory Board, their participation at Supervisory Board meetings and in the activity of the Supervisory Board-established body shall be taken into consideration.
- 43¹. No severance pay shall be paid to a member of the Supervisory Board if he or she is recalled from the Supervisory Board. In the event of failure to perform the obligation set forth in clause 84 (2) 1) or 2) of the State Assets Act, the person or body determining the fee may, in accordance with regulation of the Minister of Finance, decide on suspending the fee payable to the chairman of the Supervisory Board or reducing it in proportion to the period during which the said obligation was not performed.
- 43². Proceeding from subsections 4 (3), 52¹ (6), 79 (4) and 83 (6) of the Government of the Republic Act, ministers, assistant ministers, the state secretary and county governors shall not be paid remuneration for serving as Supervisory Board members.

44. The members of the Supervisory Board may retire by submitting a written application to the founder. The reason of the retirement may be serious illness or another reason that makes the participation in the subsequent work of the Supervisory Board impossible.
45. The Supervisory Board shall have the right to propose the founder to remove a member of the Supervisory Board if the member regularly fails to participate in the meetings of the Supervisory Board, has caused damage to the achievement of the objectives of the Foundation or its reputation, repeatedly failed to perform his duties or if the member is not able to participate in the work of the Supervisory Board.
46. Upon a change of the members of the Supervisory Board, the Management Board shall, within five working days, submit an application to the register and notify of the time of the change of the members and the basis therefore as specified in the Articles of Association. A complete list of the members of the Supervisory Board, including the names, personal identification codes and residences of the members, the dates of commencement of the authority of member and the consent of new members concerning membership.

MEETINGS OF SUPERVISORY BOARD

47. The ordinary meetings of the Supervisory Board shall be held at least four times a year at a place and time determined by the Chairman of the Supervisory Board. The members of the Supervisory Board shall be notified of the time, place and agenda of the meetings in accordance with the law.
48. Extraordinary meetings shall be called on the written request of the auditor of the Foundation, a member of the Supervisory Board or the Management Board. The written request shall specify the matters to be considered on the extraordinary meeting. The notification of an extraordinary meeting shall be sent at least seven days before the meeting by mail (incl. e-mail) to all members of the Supervisory Board, to the addresses determined by them.

49. The Supervisory Board must adhere to the requirements established by the Minister of Finance on the basis of subsection 88 (3) of the State Assets Act regarding preparation of the Supervisory Board meeting minutes of a state-founded Foundation and data to be included in the minutes, as well as regarding submission of the details specified in clauses 84 (2) 1) and 2) of the State Assets Act, if such requirements are established.
50. The meetings of the Supervisory Board shall be chaired by the Chairman of the Supervisory Board, in his absence by a member of the Supervisory Board authorized by the Chairman to substitute him. If the Chairman of the Supervisory Board has not authorized a member of the Supervisory Board to substitute him, the meeting shall be chaired by the oldest member of the Supervisory Board present.
51. Meetings of the Supervisory Board have a quorum if over one-half of the members of the Supervisory Board participate.
52. Resolutions of the Supervisory Board are adopted if over one-half of the members of the Supervisory Board who participate in the meeting vote in favour. Each member of the Supervisory Board has one vote. If the votes fall equal, the vote of the Chairman of the Supervisory Board or the member of the Supervisory Board substituting him shall be decisive. A member of the Supervisory Board does not have the right to abstain from voting or to remain undecided except in cases set forth in the Articles of Association or laws and regulations when he has not the right to vote.
53. The Supervisory Board may adopt a resolution without calling a meeting if all members of the Supervisory Board vote in favour of the resolution in writing. The written opinions signed by the members of the Supervisory Board shall be appended to the minutes.
54. Members of the Supervisory Board who cause damage to the Foundation by violation of the requirements of laws and regulations or these Articles of Association or by

non-performance or defective performance of their obligations, including a delay in performance shall be liable for compensation for the damage caused in accordance with laws and regulations.

ADVISORY COMMITTEE

55. The Supervisory Board of the Foundation shall form an advisory body (hereinafter referred to as *the Advisory Committee*).

56. The function of the Advisory Committee is to advise the Supervisory Board and the Management Board in the matters concerning the fields of activities of UNESCO and to participate in the implementation of programmes and conventions.

57. The procedure for appointment of members to the Advisory Committee and their rules of procedure shall be approved by the Supervisory Board on the proposal of the Management Board.

58. The Advisory Committee may not enter into legal or property transactions in the name of the Foundation.

THE STRUCTURE OF THE FOUNDATION

59. The structure of the Foundation shall be approved by the Supervisory Board on the proposal of the Management Board.

DEVELOPMENT PLAN

60. The Foundation shall have a Development Plan (hereinafter referred to as *the Development Plan*) that is prepared for at least four years.

61. The Development Plan specifies the mission and the objectives of the Foundation and the activities and resources planned for their achievement.
62. The Management Board organizes the preparation and the amending of the Development Plan. The Development Plan and its amendments are subject to the approval of the Supervisory Board and the Plan will be sent without delay to the founder.

REPORTING AND CONTROL

63. The Management Board shall organize the accounting of the Foundation pursuant to the Accounting Act and other laws and regulations.
64. The Foundation shall have an auditor (hereinafter referred to as *the Auditor*).
65. The Auditor shall be appointed by the Supervisory Board for three years.
66. Members of the Management Board or the Supervisory Board or employees of the Foundation, or persons with an equivalent economic interest or a beneficiary shall not be the Auditor.
67. The removal of the Auditor shall be decided by the Supervisory Board. The Supervisory Board may remove the Auditor at any time regardless of the reason.
68. The remuneration of the Auditor shall be decided by the Supervisory Board.
- 68¹. The Foundation is obliged to ensure the functioning of the internal control system and to establish the position of Internal Auditor or to contract for internal audit service from a public accountancy firm, if, as of the balance sheet date of the reporting year, the Foundation's balance sheet volume is more than two million euros or if the reporting year income is greater than two million euros.

- 68². The Foundation has the right to forgo establishing of the position of Internal Auditor or to contract a public accountancy firm for internal auditor service if this may in the estimation of the Supervisory Board prove economically expedient. A Supervisory Board decision to this effect must be coordinated in advance with the person exercising founder's rights.
69. The financial year of the Foundation shall begin on 1 January and shall end on 31 December.
70. After the end of a financial year, the Management Board shall prepare the annual accounts and activity report and shall within four months submit the reports together with the decision of the Auditor of the Foundation for approval to the Supervisory Board. Approved annual reports shall be signed by all members of the Management Board.
71. The Foundation undertakes to submit to the Ministry of Finance and the State Audit Office within four months of the end of the financial year, the audited and approved copy of the annual report. The report shall be accompanied by an overview of how the Supervisory Board has organized and managed the activity of the Foundation and supervised the Foundation during the reporting period and show the amount of remuneration paid to the members of the Supervisory Board and Management Board during the financial year.
72. A special audit on matters regarding the management or financial status of the Foundation shall be conducted in accordance with laws and regulations.

AMENDMENT OF ARTICLES OF ASSOCIATION

73. After the Foundation is entered in the register, the Articles of Association may be amended only in order to take into account changed circumstances, taking into

account the objectives of the Foundation. The amendment of Articles of Association is effective as of the entry of the amendment in the register.

74. The Articles of Association may be amended only by the Founder.

DISSOLUTION OF THE FOUNDATION

75. The Foundation is dissolved by a resolution of the Founder or a court order.

76. The Founder has the right to dissolve the Foundation at any time, in particular for the following reasons:

76.1 the Foundation does not adhere to the requirements of law or of the Articles of Association and regardless the written warnings sent to the Supervisory Board, this violation has been recurring in a calendar year;

76.2 the Foundation has lost its assets and acquisition of sufficient assets in the immediate future is unlikely.

77. Upon the dissolution of the Foundation, after satisfaction of all claims of creditors and the deposit of money, the assets remaining shall be transferred to the Founder.

RULES OF PROCEDURE OF THE ADVISORY COMMITTEE OF THE FOUNDATION ESTONIAN NATIONAL COMMISSION FOR UNESCO

I General provisions

1. The Advisory Committee of the Foundation Estonian National Commission for UNESCO (hereinafter referred to as *UNESCO ENC*) shall consist of up to 25 experts in the fields of activities of UNESCO.
2. The members of the Advisory Committee shall be appointed by the Supervisory Board on the proposal of the Management Board.
3. The Advisory Committee is a sub-unit of the UNESCO ENC.
4. The members of the Advisory Committee are appointed for an unspecified term.

II Functions of the Advisory Committee

The function of the Advisory Committee is to advise the Supervisory Board and the Management Board in the matters concerning the fields of activities of UNESCO and to participate in the implementation of conventions and programmes and in the formulation of Estonian positions.

III Rules of procedure of the Advisory Committee

1. The members of the Advisory Committee shall advise the Supervisory Board and the Management Board in the matters concerning their field of activity regularly and when necessary.
2. The meetings of the Advisory Committee shall be held at least once a year.

3. The meeting of the Advisory Committee is called by the Chairman of the Supervisory Board.
4. The Chairman of the Supervisory Board shall inform the members of the Advisory Committee of the meeting and its agenda in writing at least two weeks before the meeting.
5. The resolutions of the Advisory Committee shall be adopted by a majority vote, if the votes fall equal, the vote of the Chairman of the Supervisory Board shall be decisive.
6. When the Advisory Committee is considering a project related to a member of the Advisory Committee, that member shall not have the right to vote on that project and shall remove himself from voting. The removal of the member shall be recorded in the minutes.
7. The Management Board shall ensure that minutes are taken of meetings of the Advisory Committee. The minutes shall be submitted for information to the Supervisory Board.
8. The members of the Advisory Committee have the right to make proposals to the Chairman of the Supervisory Board concerning the convocation or agenda of a meeting.
9. The members of the Advisory Committee may resign by a written notification sent to the Chairman of the Supervisory Board.
10. If a member does not participate in the work of the Advisory Committee for a longer time without a serious reason, has damaged the reputation of the Foundation or the achievement of its objectives, the Management Board has the right to propose the Supervisory Board to recall him and to propose to appoint a new member.
11. The work of a member of the Advisory Committee shall not be remunerated.