

E-RIIGI AKADEEMIA SIHTASUTUS

ARTICLE OF ASSOCIATION

I GENERAL PROVISIONS

- 1.1 The name of the foundation is e-Riigi Akadeemia Sihtasutus (hereinafter the **Foundation**). The English translation of the name of the Foundation is *e-Governance Academy*.
- 1.2 The location of the Foundation is Tallinn, Republic of Estonia.
- 1.3 The Foundation is a legal person in private law. The activities of the Foundation shall be governed by the legislation and these Articles of Association (hereinafter the Articles of Association).
- 1.4 The Foundation shall be liable for the performance of its obligations with all of its assets. The Founders of the Foundation shall not be liable for the performance of the Foundation's obligations. The Foundation shall not be liable for the performance of the obligations of any of its Founders.
- 1.5 The Foundation is founded for an unspecified period of time.
- 1.6 The financial year of the Foundation shall commence on January 1st and end on December 31st.
- 1.7 The Foundation's governing bodies are the Supervisory Board and the Management Board.
- 1.8 The Foundation may be liable to value added tax.

II OBJECTIVE

- 2.1 The objectives of the Foundation are:
 - 2.1.1. to generalize, analyze and make available the experiences of the development of information society, in particular with a focus on e-governance and e-democracy questions;
 - 2.1.2. to arrange training for information society both in Estonia and abroad;
 - 2.1.3. to support applied research and academic work in the information society topics and to provide consultations on the area of expertise;
 - 2.1.4. to support cooperation and arrange exchange of information between practicing civil servants, entrepreneurs and academic researchers of relevant disciplines;
 - 2.1.5. to support institutions and persons that teach information society related disciplines.
- 2.2. In order to accomplish its objective, the Foundation shall:

- 2.2.1. apply for and receive grants and other monetary instruments from institutions in Estonia and in other countries, from international organizations, founds and natural persons;
 - 2.2.2. coordinate and finance research and teaching programs about information society;
 - 2.2.3. support the creation of relevant teaching materials;
 - 2.2.4. order, publish and spread the material about the information society;
 - 2.2.5. mediate and arrange practical consultations about information society;
 - 2.2.6. organize and finance events that promote information society;
 - 2.2.7. provide targeted stipends to study or to research on information society issues;
 - 2.2.8. engage into other activities that are of importance to the development of information society.
- 2.3. The Foundation shall have the right to perform all transactions and acts necessary for the accomplishment of its objective. The Foundation operates in the public interest and is a charitable association. The Foundation shall develop bilateral and multilateral cooperation with organizations abroad, whose objectives and activities are similar to those of the Foundation.
- 2.4. The Foundation's administrative expenses shall not exceed the extent that is justified by the nature and objectives of its activities.
- 2.5. The Foundation shall not distribute its assets or income, grant material assistance or monetarily appraisable benefits to its founders, members, members of the management or supervisory body, persons who have made a donation to it or to the members of the management or controlling body of such person or to the persons associated with such persons within the meaning of paragraph 8(1) of the Income Tax Act.
- 2.6. The Foundation's main activity shall not be business and the foundation shall not use business income for objectives other than those provided for in the Articles of Association.

III SUPERVISORY BOARD

- 3.1. The Foundation's Supervisory Board shall plan the Foundation's activities, organize its management and exercise supervision over the activities of the Management Board.
- 3.2. The Supervisory Board has the authority to:
 - 3.2.1. amend the Foundation's Articles of Association;
 - 3.2.2. appoint and remove members of the Foundation's Management Board and perform transactions with members of the Management Board;
 - 3.2.3. approve the Foundation's annual report and activity report;
 - 3.2.4. appoint Foundation's auditor;
 - 3.2.5. grant consent to the performance of transactions other than those performed in the ordinary course of business;
 - 3.2.6. decide on the merger and division of the Foundation;

- 3.2.7. decide other matters which are within the authority of the Supervisory Board by law or the Articles of Association.
- 3.3. The Supervisory Board shall be composed of three (3) to six (6) members. The members of the Supervisory Board shall elect from among themselves the chairman, who shall organize the activities of and represent the Supervisory Board. The chairman of the Supervisory Board shall be substituted for by members of the Supervisory Board in the order of seniority.
- 3.4. A member of the Supervisory Board shall be a natural person with active legal capacity. Neither the member of the Management Board, nor the auditor or a person with an economic interest equivalent to them nor a bankrupt debtor, nor a person who has been punished pursuant to criminal procedure may be a member of the Supervisory Board.
- 3.5. Members of the Supervisory Board shall not receive remuneration for fulfilling their obligations under the law or the Articles of Association.
- 3.6. The first membership of the Supervisory Board shall be determined by the foundation resolution of the Foundation. Afterwards the changes in the membership shall take place under a resolution of the Supervisory Board made on the proposal of the chairman of the Supervisory.
- 3.7. The term of the proxy of a member of the Supervisory Board shall be from one (1) to five (5) year. The term of the proxy of a member of the Supervisory Board shall be determined on the appointment of the member.
- 3.8. The appointer of the member of the Supervisory Board shall have the right to remove the member of the Supervisory Board only upon the occurrence of compelling reasons. Compelling reasons are primarily the material non-performance of the obligations, continuous conflict of interests or the lack of capacity to participate in the work of the Supervisory Board or other material damage to the interests of the Foundation, also the commencement of bankruptcy or criminal proceedings with respect of the member of the Supervisory Board.
- 3.9. A member of the Supervisory Board shall have the right to submit to the Chairman of the Supervisory Board a written application for his/her resignation.
- 3.10. In the cases and pursuant to the procedure provided by law, a member of the Supervisory Board may be removed by a court.
- 3.11. Meetings of the Supervisory Board shall be held as necessary but not less frequently than once a year. Meeting of the Supervisory Board shall be convened if so demanded by a member of the Supervisory Board, the Management Board or by an auditor. A meeting of the Supervisory Board shall be convened in writing or by an electronic mail by the chairman of the Supervisory Board at least seven days prior to the holding of the meeting.
- 3.12. Meetings of the Supervisory Board shall be held in Estonia unless the person convening a meeting determines otherwise.

- 3.13. A meeting of the Supervisory Board shall have a quorum if more than one half of the members of the Supervisory Board are present, Members of the Supervisory Board shall attend meetings of the Supervisory Board in person or by representative under a power of attorney. Power of attorney given to a representative must be in writing. A member of the Supervisory Board shall be considered taking part in the meeting if he/she can hear what is being discussed at the meeting by telephone or via any other means of communication and express his/her point of view to the other members of the Supervisory Board. A resolution of the Supervisory Board shall be deemed adopted if more than one half of the members of the Supervisory Board present in the meeting vote in favor thereof.
- 3.14. Minutes shall be taken of the Supervisory Board's meetings. Such minutes shall be signed by the chairman of the Supervisory Board and the person who took the minutes.
- 3.15. The Supervisory Board may adopt a resolution without convening a meeting if all members of the Supervisory Board vote in favor of the resolution in written or any other form which can be reproduced in writing (e-mail, fax and the like). The adoption of a resolution without convening a meeting shall be organized by the chairman of the Supervisory Board.
- 3.16. The Supervisory Board shall have the right to examine all the documents of the Foundation, to check the accuracy of accounting, the existence of assets, as well as compliance of the Foundation's activities with the legislation and the Articles of Association. The Supervisory Board shall have the right to receive information from the Management Board on the activities of the Foundation and require the preparation of an activity report and the balance sheet.

IV MANAGEMENT BOARD

- 4.1. The Management Board shall represent and manage the Foundation. The right of the Management Board to represent the Foundation may be restricted by a resolution of the Supervisory Board.
- 4.2. The Management Board shall be composed of one (1) to three (3) members, If the Management Board is comprised of more than two members, the members shall elect from among themselves the chairman of the Management Board, who shall organize the activities of the Management Board. At least on half of the members of the Management Board shall have their residence either in Estonia or other Member State of the European Economic Area or in Switzerland.
- 4.3 The Supervisory Board shall decide the appointment and removal of members of the Management Board. The term of the proxy of a member of the Management Board shall be form one (1) to (5) years. The term of authority of a member of the Management Boars shall be determined on the appointment of such member. The Supervisory Board may remove a member of the Management Board at any time, for whatever reason. The rights and obligations arising from a contract executed with a member of the Management Board shall expire pursuant to such contract.

- 4.4 In managing the Foundation, the Management Board shall adhere to the lawful orders of the Supervisory Board. Transactions other than those performed in the ordinary course of business may be made by the Management Board only with the consent of the Supervisory Board.
- 4.5 The Management Board shall provide the Supervisory Board with necessary information regarding the management. Once in four (4) months the Management Board shall provide the Supervisory Board with an overview of the Foundation's business activities and economic condition, as well as promptly inform the Supervisory Board of material deterioration of the Foundation's economic condition and of any other material circumstances related to the Foundation's business activities.
- 4.6 Members of the Management Board may receive remuneration on the basis of a resolution of the Supervisory Board in accordance with the duties of members of the Management Board and the Foundation's economic condition. The remuneration of a member of the Management Board shall not be larger than that usually payable for equivalent work in business. Members of the Management Board shall have the right to demand reimbursement of the necessary expenses incurred for the performance of the duties of the members of the Management Board.
- 4.7 The chairman of the Management Board may represent the Foundation in all legal acts. Other members of the Management Board may only represent the Foundation jointly. If the Management Board comprises of less than three members, each member of the Management Board may represent the Foundation.
- 4.8 The duties of the Management Board shall include inter alia:
- 4.8.1 organization of the Foundation's everyday activities;
 - 4.8.2 organization of the Foundation's accounting;
 - 4.8.3 preparation of the Foundation's action plan and draft budget;
 - 4.8.4 preparation of the Foundation's annual report.

V AUDITOR

- 5.1 The Supervisory Board appoints auditors and also specifies the procedure for remuneration of auditors. An auditor shall be appointed to conduct a single audit or for a term of five (5) years.

VI FOUNDATION'S ASSETS

- 6.1 The Foundation's assets shall comprise:
- 6.1.1 the assets transferred to the Foundation under the Foundation Resolution;
 - 6.1.2 donations, assistance and other resources allocated to the Foundation;
 - 6.1.3 foundations collected in the course of the Foundation's business activity;
 - 6.1.4 other income.

- 6.2 Money granted to the Foundation shall be transferred to the Foundation's bank account. The Management Board shall assess the assets transferred to the Foundation and shall perform all the necessary transactions and acts for the transfer of the assets to the Foundation's ownership. The Management Board shall promptly notify the Supervisory Board of the transfer of money and non-monetary means to the Foundation pursuant to the Subsection 4.5.
- 6.3 The Foundation shall not accept assets, which are not compatible with the legislation, good morals or the Foundation's objectives. The Foundation shall not accept assets from persons whose activities are not compatible with the Foundation's objectives.
- 6.4 The Foundation shall not seek to receive income from activities other than those provided for in its Articles of Association.

VII USE AND DISPOSAL OF ASSETS

- 7.1. The Foundation's assets may be used and disposed of for the performance of the Foundation's objectives pursuant to the procedure provided by legislation.
- 7.2. The Foundation's Management Board shall decide on the use and disposal of the assets in accordance with the Articles of Association and legislation.
- 7.3. A detailed procedure for the use and disposal of assets shall be established by the Foundation's Supervisory Board.

VIII AMENDMENT OF ARTICLES OF ASSOCIATION

- 8.1. The Foundation's Articles of Association may be amended by the Supervisory Board of the Foundation only taking into account the changed circumstances and in accordance with the Foundation's objectives.
- 8.2. The amendment of the Articles of Association shall become effective from entry of such amendment in the register. The Foundation shall notify the local tax authority of amendments to the Articles of Association within 30 days of entry of the amendments in the register.

IX DISSOLUTION, MERGER AND DIVISION OF FOUNDATION

- 8.1 The Foundation shall be dissolved, merged or divided pursuant to the procedure provided by law.
- 8.2 The Supervisory Board may decide to dissolve the Foundation for good reason, first and foremost upon the accomplishment of the Foundation's objectives or ending of the financial resources necessary for the Foundation's activities. The resolution to dissolve the Foundation shall be deemed adopted if all the members of the Supervisory Board vote in favor thereof.

- 8.3 Upon the voluntary dissolution of the Foundation, the Supervisory Board shall appoint liquidators.
- 8.4 Upon dissolution of the Foundation, the assets remaining after satisfaction of the claims of the creditors shall be transferred to an foundation on the list of non-profit associations and foundations benefiting from income tax incentives or legal person in public law entered in the list.

The Articles of Association have been approved by the resolution of the Supervisory Board of e-Riigi Akadeemia Sihtasutus on 08 February 2008.

Member of the Management Board