

# ARTICLES OF ASSOCIATION OF MAARJA PÄIKESEKODU FOUNDATION

## 1. Name, location and goals of the foundation

- 1.1. The name of the foundation is Foundation Maarja Päikesekodu (hereinafter – the foundation).
- 1.2. The registered address of the foundation is: the Republic of Estonia, city of Tartu.
- 1.3. The foundation is a legal person in private law established with the aim to manage property and use it in order to achieve the goals set out in the Articles of Association.
- 1.4. The goals of the foundation are:
  - 1.4.1. providing adults with moderate, severe and profound intellectual and/or multiple disabilities with lifelong education, full and decent life in society, and active participation in the processes related to work and living;
  - 1.4.2. protection of local natural environment as well as teaching and developing ecological awareness and ecological technologies.
- 1.5. In order to achieve the goals of the foundation a community is established that consists of people (the residents) with moderate, severe and profound intellectual and/or multiple disabilities and people who assist those with intellectual disabilities in everyday life (the co-residents).
- 1.6. The foundation provides training and practice opportunities for students and everyone willing to obtain knowledge and experience in particular fields. The foundation organizes training for the co-residents, including opportunities for obtaining practical experience in similar communities of people with intellectual and/or multiple disabilities.
- 1.7. In achieving the set goals the foundation is based on Estonian culture and humanistic human teachings (including anthroposophy). The foundation implements the social therapy methods.
- 1.8. Residents of the foundation are considered its beneficiaries.
- 1.9. During the process of accepting residents for the foundation places are reserved for children of the founding members who have participated in the founding meeting. The remaining places are (preferably) distributed between graduates of Tartu Maarja School.
  - 1.9.1. Reservation indicated in Section 1.9 shall not take place, where 1) the founding member has failed to pay membership fees for more than three (3) years, and/or 2) the founding member has failed to attend meetings of founding members for three consecutive years without a good reason, and/or 3) the founding member has failed to participate in work of the foundation for three consecutive years, has ignored communication attempts of members of the management board or the council and has failed to answer such communication attempts in a form that provides for reproduction in writing, and/or 4) the founding member has expressed the wish not to consider his/her child a resident of Maarja Päikesekodu.
- 1.10. The foundation is established without a fixed term.
- 1.11. In order to achieve the set goals the foundation may be involved in economic activities on the grounds and in the manner provided by the law.

## 2. Management of the foundation

### 2.1. Management bodies

Management bodies of the foundation are the management board and the council.

### 2.2. The management board

- 2.2.1. The management board manages activities of the foundation and represents the foundation.
- 2.2.2. The management board is appointed by the council for the period of 5 (five) years.
- 2.2.3. The management board consists of 1 (one) to 5 (five) members. The exact number of members is determined by the council of the foundation during appointing of each new management board.

- 2.2.4. Where the management board consists of more than two members, members of the management board shall elect the chairman of the management board from among themselves. The chairman of the management board shall organize work of the management board.
- 2.2.5. Each member of the management board shall have the right to represent the foundation in all legal transactions.
- 2.2.6. A member of the management board shall be a natural person with active legal capacity.
- 2.2.7. The council has the right to recall a member of the management board at any time regardless of the reason. Contractual rights and obligations of such member of the management board shall terminate according to provisions of the contract.
- 2.2.8. A member of the management board has no right to delegate performance of his/her obligations to a third party, where this is not provided by respective decision of the council.
- 2.2.9. The management board shall follow decisions and regulations of the council. The management board has the right to perform transactions that are beyond the scope of everyday economic activities (in excess of budget) only with approval of the council.
- 2.2.10. The management board shall provide members of the council with necessary information on management of the foundation along with respective reports. Minutes of all meetings of the management board are taken.
- 2.2.11. Meetings of the management board shall take place at least twice a year. Meetings of the management board are organized as necessary according to invitations of the chairman of the management board. Meetings of the management board can also be summoned by applications of other members of the management board. A meeting of the management board has the right to make decisions where at least half of the members of the management board participate in the meeting in addition to the chairman. Decisions of the meeting of the management board are made by a simple majority vote and formalized in writing. Where votes are divided equally, the vote of the chairman of the management board shall be considered decisive.
- 2.2.12. At least once every three months the management board shall submit to the council a written review of economic activities and economic state of the foundation as well as immediately inform the council about serious deterioration of economic state of the foundation (exceeding the budget) and about other important circumstances related to economic activities of the foundation.
- 2.2.13. The chairman of the management board may be paid the remuneration corresponding to the tasks performed and the economic condition of the foundation. The amount of the remuneration and the procedure of its payment are set by the council. The chairman of the management board has the right to demand payment of compensation of the expenses necessary for performance of his/her tasks and approved by the council.
- 2.2.14. Members of the management board shall be jointly responsible for any damage resulting from their violation of requirements of the law or the Articles of Association as well as from failure to perform their obligations or improper performance of such obligations.
- 2.2.15. The limitation period for a claim against a member of the management board shall be five years from the moment or beginning of the violation.

### 2.3. The council

- 2.3.1. The council plans activities of the foundation, performs supervision over activities of the foundation and is responsible for activities and development of the foundation.
- 2.3.2. The council consists of 5 (five) to 9 (nine) members. Only those who respect people with intellectual disabilities and treat them as equal partners may belong to the

council. As far as possible the council consists of founding members of the foundation.

- 2.3.3. Founders of the foundation shall decide on the number of members of the council, composition of the council, as well as replacing or recalling the council members. Composition of the council is set for the period of three years. Founders of the foundation may recall members of the council only for proper reason.
- 2.3.4. In performing its duties the council has the right to familiarize itself with all documents of the foundation and control accuracy of accounting, existence of assets as well as compliance of activities of the foundation with the law and the Articles of Association.
- 2.3.5. The council has the right to obtain from the management board any information with regard to activities of the foundation and demand preparation of activity reports, accounting reports and balance sheets.
- 2.3.6. The council shall represent the foundation in disputes and transactions with members of the management board.
- 2.3.7. The council shall have other rights provided by the law.
- 2.3.8. Members of the management board shall elect a chairman from among themselves. The chairman shall organize activities of the council and inform founding and supporting members of the foundations as well as the general public about activities of the foundations (at least twice a year).
- 2.3.9. A member of the council shall be a natural person with active legal capacity.
- 2.3.10. Members of the council shall be jointly responsible for any damage resulting from their violation of requirements of the law or the Articles of Association as well as from failure to perform their obligations or improper performance of such obligations.
- 2.3.11. A member of the council shall not be liable before the foundation where he/she was of dissenting opinion during adoption of the decision being a basis of illegal activities and where such dissenting opinion is reflected in the minutes of the respective meeting.
- 2.3.12. Meetings of the council shall take place as needed (but at least once every quarter). Meetings are summoned by the chairman of the council.
- 2.3.13. The meeting is summoned where it is required by a member of the council, the management board, the auditor or by at least three founding members.
- 2.3.14. A meeting of the council has the right to make decisions where at least half of the members of the council participate in the meeting.
- 2.3.15. Minutes of the council meetings are taken. The minutes are signed by all council members present at the meeting and the minute-taker. The minutes shall reflect dissenting opinions on members certified by signatures of these members.
- 2.3.16. Members of the council do not receive any remuneration.

#### 2.4. Decisions of the council

- 2.4.1. A decision of the council is adopted where more than half of the council members have vote in favor of it.
- 2.4.2. Each member of the council has a single vote. Members of the council have no right to refuse to vote or abstain.
- 2.4.3. The council may adopt decisions without summoning a meeting, where all members of the council vote in favor of the decision in writing.
- 2.4.4. A member of the council does not participate in voting, where a decision is made with regard to approving a transaction between such member and the foundation, as well as with regard to approving a contract between a third party and the foundation, where the interests in connection with such contract are in conflict with the interests of the member.
- 2.4.5. On the basis of a claim against the foundation the court of law may find a decision invalid, where such decision contradicts the law of the Articles of Association. The

limitation period is three months from the moment of adoption of the decision by the council.

- 2.4.6. One cannot demand recognition of a decision of the council as invalid, where the council has confirmed the decision being challenged with a new decision and such confirming decision was not challenged during the limitation period or where the claim was not satisfied.
- 2.4.7. The following bodies and persons may demand that a decision of the council is recognized as invalid: the management board, a founding member, as well as any member of the management board (where enforcing the decision constitutes a crime or misdemeanor or where it obviously results in an obligation to compensate damages) or a member of the council, who did not participate in adoption of the decision. A member of the council, who participated in adoption of the decision has the right to demand that a decision of the council is recognized as invalid only where his/her dissenting opinion has been recorded in the minutes of the meeting.
- 2.4.8. Court decision that recognizes a decision of the council as invalid applies to all founding members, as well as members of the management board and the council, regardless of their participation in legal proceedings.
- 2.4.9. Members of the council shall be responsible for the damage inflicted to the foundation due to violation of their obligations similarly to members of the management board.

### **3. Founders**

- 3.1. Founders exercise their rights on the meeting of founders, summoned at least once a year. The meeting may be summoned by the management board of the foundation, the council or by at least three founders. The notification about summoning the meeting shall indicate the time of the meeting, its place and the agenda. The notification must be sent out at least in ten (10) days before the day of the meeting.
- 3.2. A meeting of founders has the right to make decisions where at least half of the founders participate in the meeting and if more than half of the founders participating in the meeting vote in favor of the decision. Each founder has a single vote. A founder himself/herself or his/her representative with a written letter of attorney may participate in the meeting. In other cases provided by the law, founders only may exercise their rights jointly. Supporting members may participate in meetings, but have no voting rights.
- 3.3. Where the meeting of founders has no right to make decisions, the persons summoning the meeting has the right to summon another meeting with the same agenda within one month, but not earlier than in twenty (20) days since the day of the previous meeting. Summoning of the second meeting is performed according to the procedure set out in Section 4.1. The second meeting has the right to make decisions regardless of the number of founders participating in the meeting. This Section does not apply in cases indicated by the law, where founders only may exercise their rights jointly.
- 3.4. Minutes of the meeting of founders are taken. The minutes are signed by the chairman of the meeting and the minute-taker. The list of participants together with their signatures and signatures of their representatives is an integral part of the minutes of the meeting.
- 3.5. Each founder shall pay membership fees by 1 May of each fiscal year.
- 3.6. Founders shall determine the amount of membership fees during the meeting of founders.

### **4. Supporting members**

- 4.1. The foundation shall conclude respective cooperation agreements with persons willing to assist the foundation in reaching its goals and to be a supporting member of the foundation. The agreement is signed by the chairman of the management board and the chairman of the council of the foundation.
- 4.2. Founding members decide on giving a person the supporting member status on the meeting of founders.

4.3. Supporting members have similar rights and obligations with founding members, except for the right to vote on the meeting of founders and the right to be elected as members of the management board.

4.3.1. On the meeting of founders supporting members have the right to ask questions and voice opinions with regard to the foundation.

4.4. A supporting member shall be a natural person with active legal capacity.

4.5. Agreements with no fixed term are concluded with supporting members.

4.6. A supporting member may terminate his/her cooperation agreement losing the rights and obligations in connection with the foundation.

## **5. Auditor**

5.1. The foundation may choose its auditor. A person with the respective rights granted by the law may be an auditor. The following persons may not be auditors: members of the management board or the council, an employee or a beneficiary of the foundation, as well as persons with similar economic interests with the above. The remuneration for the auditor may not exceed the fees paid for a similar job in commercial companies.

5.2. An auditor may be appointed for one-time auditing or for a certain period of time. The auditor shall provide a written approval of his/her appointment that is to be submitted to the registrar along with the list of auditors. The council has the right to recall the auditor at any time regardless of the reason.

## **6. Procedure of transfer, use and disposal of the property of the foundation**

6.1. Property of the foundation can be used and disposed of according to the goals of the foundation.

6.2. The foundation receives property as the result of donations, gifts, bequests, allocations intended for a specific purpose, economic activities that support reaching the goals of the foundations and from other sources permitted by law.

6.3. Donations in cash transferred to the foundation are accepted by the management board and shall be transferred to the foundation's current account. The management board shall immediately indicate the donations in the accounting documents of the foundation.

6.4. Non-pecuniary donations made to the foundations are accepted by the management board that is to evaluate the donations and perform the transactions necessary for transfer of property rights.

6.5. Allocations intended for a specific purpose provided to the foundations are accepted by the management board with the specific remark and used according to the donator's wishes. The management board of the foundation has no right to accept allocations intended for a specific purpose that do not correspond to the goals of the foundations or are made with unethical or unlawful purposes.

6.6. Each year the management board of the foundation shall provide to the council the report with regard to the property obtained by the foundation.

6.7. The council of the foundation shall form the statutory and working capitals of the foundation using the funds provided to the foundation and shall issue regulations on the procedure of use of the funds.

6.8. Payments to beneficiaries of the foundation using the funds of the foundation are made on the basis of respective decision of the council of the foundation.

6.9. Use and disposal of the property for everyday economic activities (within the limits of the budget) is performed by the management board of the foundation.

## **7. Accounting and control**

7.1. The management board shall organize accounting in the foundation according to provisions of the Accounting Act.

7.2. The management board shall approve the internal accounting regulation of the foundation.

7.3. The economic year of the foundation starts on 1 January and ends on 31 December.

- 7.4. After the end of the economic year the management board shall prepare an accounting report in the manner set by the legislation in force.
- 7.5. The management board shall submit the report to the council for approval within four months after the end of the respective economic year (at the latest).
- 7.6. All members of the management board and the council of the foundation shall sign the approved report (along with indicating the current date).
- 7.7. The council shall present the approved annual report to the founders of the foundation within five months after the end of the respective economic year.
- 7.8. The management board of the foundation shall present copies of the approved and signed annual report to the register of non-profit organizations and foundations within six months after the end of the respective economic year.

## **8. Disclosure of activities of the foundation**

- 8.1. Any persons with legitimate interest have the right to demand from the foundation information with regard to achieving the goals of the foundation. Such persons have the right to review accounting reports of the foundation and management activity reports, as well as auditor's conclusions, other accounting documents and the Articles of Association.
- 8.2. Where the foundation does not comply with the requirement set out in Section 8.1, the persons with legitimate interest may turn to the court of law to secure their rights.
- 8.3. After approval of the annual report by the council the review of the report is to be published in the most optimal way.

## **9. Changing the Articles of Association of the foundation**

- 9.1. The Articles of Association can be changed by all the founders jointly. The council also has the right to change the Articles of Association.
- 9.2. Founders or the council may change the Articles of Association only taking into account the changed circumstances and following the goals of the foundations.

## **10. Grounds for termination of the foundation and liquidation procedure**

- 10.1. Liquidation of the foundation shall take place where the goals of the foundation remain unfulfilled.
- 10.2. Liquidation of the foundation shall take place upon its termination.
- 10.3. Liquidators shall be appointed from among the founders.
- 10.4. Liquidators shall have rights and obligations of the management board and the council that do not contradict the aims of liquidation.
- 10.5. Upon termination of the foundation the assets remaining after satisfying claims of creditors shall be transferred to the organizations indicated in the list of non-profit organizations with income tax incentives or to legal persons in public law.