

## **ARTICLES OF ASSOCIATION OF THE NON-PROFIT ASSOCIATION TARTU INTERNATIONAL SCHOOL**

Approved at the General Meeting of Members of the Non-Profit Association Tartu International School.

Tartu, 14 March 2012

### **1. General provisions**

1.1 Name of the Non-Profit Association shall be the **Non-Profit Association Tartu International School** (hereinafter referred to as ‘the Association’).

1.2 Seat of the Association shall be the **Republic of Estonia, Veski 1, Tartu city, 51005**.

1.3 In its activities the Association shall operate pursuant to the Constitution of the Republic of Estonia, valid Non-Profit Associations Act, other legislation of the Republic of Estonia, the present Articles of Association and the resolutions adopted by the General Meeting of Members and Management Board.

1.4 The Association is a voluntary collection of natural and legal persons not aiming neither at generation of income by carrying out economic activities nor distribution of profits between the Members. The Association shall use its income and received funds solely for achieving the objectives specified in the Articles of Association and realization of programs within the scope of regulatory provisions in force in the territory of the Republic of Estonia.

1.5 The Association is an independent legal person governed by private law, which shall develop its activities for the purpose of achieving the objectives specified in the Articles of Association.

1.6 Passive legal capacity of the Association shall arise as of its entry in the Non-Profit Associations and Foundations Register (hereinafter referred to as ‘the Register’) and shall terminate as of its deletion from the Register. Passive legal capacity of the Association is the capacity to have civil rights and perform civil obligations, including the right to acquire economic and moral rights in its own name, discharge obligations, sue and be sued, have property, independent balance sheet and seal with its own name, own insignia and bank account. The Association shall own a property consisting of membership and joining fees, domestic and foreign loans, appropriations and property donations made by legal persons governed by public and private law, economic aid granted by state and local government authorities, income from publishing and dissemination of the Association’s publications, organization and carrying out of events and from other income necessary for the development of the activities specified in the Articles of Association or received in a way not contradicting the law.

1.7 The Association shall co-operate within its area of activity with other natural and legal persons governed by public and private law. In connection with the activities specified in the Articles of Association, the Association shall have the right to enter into contractual relationship with other domestic and foreign subjects of law and be a member of

international organizations and unions.

1.8The Association shall be liable for the performance of its obligations with all of its assets. The Members of the Association shall bear no responsibility for the proprietary obligations of the Association and the Association shall bear no responsibility for the proprietary obligations of its members.

1.9The Association has been founded for an unspecified term.

1.10The financial year of the Association shall commence on 1 July and end on 30 June.

## **2. The objectives of the activities of the Association and the means for achieving the objectives**

2.1. The objectives of the Association shall be as follows: maintaining a private school providing basic education, a pre-school establishment and a child care institution and organizing other educational or recreational activities, providing education in foreign languages in the scope not requiring a license and preparing learning materials.

2.2.The Association shall co-operate with the Ministry of Education and Research of the Republic of Estonia, local government authorities and non-profit organizations and movements.

## **3. Membership. The conditions and procedure for membership, joining and stepping out from the Association**

3.1A Member of the Association may be any interested natural or legal person who is willing to admit and comply with these Articles of Association.

3.2A natural person applying for membership shall submit a written application to the Management Board of the Association. A legal person applying for membership shall submit to the Management Board of the Association, in addition to the written application, a copy of the minutes of the General Meeting containing the resolution on joining the Association and valid Articles of Association.

3.3The Management Board of the Association shall be obliged to review the written applications and other documents submitted by the candidates applying for membership within no later than 1 (one) month from the date of receipt of application.

3.4The Articles of Association of a legal person applying for membership may not contradict, in principle, these Articles of Association.

3.5In the case when the candidate applying for membership meets the requirements of the Articles of Association, the Management Board of the Association shall issue a written resolution on the acceptance of membership, a copy of which shall be sent to the candidate applying for membership within 3 (three) calendar days from the date of issue of the resolution.

3.6 In the case when the candidate applying for membership does not meet the requirements of the Articles of Association, the Management Board of the Association shall issue a resolution on the refusal of membership, which must be motivated. The candidate applying for membership shall be entitled to appeal the resolution to the General Meeting of Members, which shall be obliged to review the appeal within 1 (one) month from the date of receipt of appeal. The General Meeting of Members shall issue a new resolution revoking the resolution of the Management Board of the Association on the refusal of membership and accepting the candidate applying for membership as a Member of the Association.

Based upon its resolution, the General Meeting of Members shall have the right to deny the revocation of the corresponding resolution of the Management Board.

3.7 A copy of the resolution of the General Meeting of Members on the revocation or non-revocation of the resolution of the Management Board of the Association shall be sent to the appellant within 3 (three) calendar days from the date of issue of the resolution of the General Meeting of Members. The resolution issued by the General Meeting of Members on the non-revocation of the resolution of the Management Board of the Association, regarding the refusal of membership, must be motivated. The resolution issued by the General Meeting of Members on the non-revocation of the resolution of the Management Board of the Association may be contested in court.

3.8 A candidate applying for membership shall be considered to be accepted as of the date of issue of the resolution of the Management Board of the Association or the General Meeting of Members.

3.9 To step out from the Association at his/her own will, a Member being a natural person shall submit a written application to the Management Board of the Association. To step out from the Association at his/her own will, a Member being a legal person shall submit, in addition to the written application, a copy of the minutes of the General Meeting containing the resolution on leaving the Association. A Member being a natural person shall be considered to have left the Association at his/her own request as of the date of issue of the corresponding resolution by the Management Board.

3.10 An immediate departure from the Association of a Member shall be permitted in the case when the rights and obligations of Members will undergo significant changes or when the retaining of membership will no longer be possible, based on a fair assessment.

3.11 Failure to fulfil the obligations specified in the Clauses 4.2–4.3 of the Articles of Association or intentional disregard thereof and damaging the reputation of the Association to a significant extent shall be considered to be a severe infringement which may serve as a basis for exclusion of the Member from the Association.

3.12 The Management Board of the Association shall decide in writing upon the issue of the exclusion of a Member from the Association within no later than 1 (one) month from the date of receipt of a written complaint or information submitted in any other form regarding the infringements committed by the member of the Association. The Member who was excluded from the Association may file a complaint against the corresponding resolution of the Management Board with the General Meeting, which shall review the

complaint within no later than 1 (one) month from the date of filing the complaint. The General Meeting of Members shall issue a new resolution, either revoking or not revoking the resolution of the Management Board of the Association on the exclusion of the Member from the Association. A copy of the resolution issued by the General Meeting of Members or the Management Board of the Association shall be sent to the Member who was excluded from the Association within 3 (three) calendar days from the date of issue of the resolution. The resolution on the exclusion of the Member from the Association must be motivated.

3.13A Member shall be considered to be excluded from the Association as of the date of issue of the resolution by the Management Board of the Association or the General Meeting of Members.

3.14 In the case of non-acceptance of the resolution on the exclusion of the Member from the Association, the Member who was excluded from the Association shall be entitled to have a direct recourse to the courts within 3 (three) months from the date of receipt of the copy of resolution.

3.15 The Association's membership and exercise of rights of Members may neither be transferred nor bequeathed. In the case of dissolution of a Member being a natural or legal person, their membership shall come to an end.

3.16A Member with legal personality shall retain their legal status upon the transformation carried out in the way prescribed by law.

3.17A person whose membership has been terminated shall have no right to the property of the Association.

#### **4. Rights and obligations of Members**

4.1 A Member of the Association shall be entitled to:

- 4.1.1 participate in the passage of resolutions either in person or through a representative;
- 4.1.2 receive information from the Management Board regarding the date of General Meeting and the agenda thereof;
- 4.1.3 demand from the Management Board calling of the General Meeting of Members on terms prescribed by law;
- 4.1.4 submit proposals and opinions at the General Meeting of Members,
- 4.1.5 participate in the appointment of the members of the Management Board or Audit Committee and be appointed as the members thereof;
- 4.1.6 receive information from the Management Board on the management of the Association and render one's own opinion;
- 4.1.7 submit at the General Meeting of Members inquiries and proposals on the activities of the management bodies of the Association;
- 4.1.8 participate in the activities of the Association and events organized and carried out by the Association;
- 4.1.9 receive remuneration, incentives and awards for facilitating the activities of the Association pursuant to the procedure established by the Management Board.

4.2 A Member of the Association shall oblige to:

4.2.1 contribute to the implementation of the objectives and performance of duties when possible;

4.2.2 comply with the requirements of the present Articles of Association and execute the resolutions and orders of the management bodies of the Association;

4.2.3. protect the property of the Association entrusted to him/her.

4.3 Based on a resolution of the General Meeting of Members, additional duties may be imposed on the Members of the Association.

## **5. General Meeting of Members**

5.1 The highest management body of the Association shall be the General Meeting of Members which shall pass resolutions on the matters concerning the management of the Association or other matters lying beyond the competence of the Management Board pursuant to legislation or the Articles of Association.

5.2 The General Meeting of Members shall be called by the Management Board at least once a year. All Members of the Association shall participate in the General Meeting of Members. Each Member of the Association shall have one vote at the General Meeting of Members.

5.3 The competences of the General Meeting of Members shall include the following:

5.3.1 approval, amendment and supplementation of the Articles of Association;

5.3.2 appointment of the Management Board members of the Association;

5.3.3 election of Audit Committee members;

5.3.4 appointment of entitled persons in the case of division of the Association's assets;

5.3.5 deciding on merger, division and dissolution of the Association;

5.3.6 election of Association's Liquidation Committee members, establishment of the term for their mandates and procedure for remuneration;

5.3.7 deciding on entry into transactions with a member of the Management Board of the Association or deciding on the assertion of claims against such members and appointing a representative of the Association for the participation in such transactions or claims;

5.3.8 review of complaints filed against resolutions issued by the Management Board of the Association;

5.3.9 exercise of supervision over the activities of the Management Board of the Association;

5.3.10 approval of annual and management reports of the Management Board of the Association and the Audit Committee report;

5.3.11 deciding on other matters which are not included in the competence of the Management Board of the Association by legislation or the present Articles of Associations.

5.4 Annual General Meeting of Members shall be called by the Management Board of the Association for the purpose of approval of annual accounts and management report and adoption of resolutions on other important matters prescribed by law and the Articles of Association.

- 5.5 Extraordinary General Meeting shall be called by the Management Board of the Association for the purpose of adoption of resolutions on extreme (urgent) matters if it is required by the interests of the Association or if a relevant reasoned request has been submitted in writing by the Members of the Association constituting not less than 1/10 (one tenth) of the total membership.
- 5.6 The Management Board of the Association shall notify the Members of the time and place of the General Meeting no later than 2 (two) weeks prior to the Meeting.
- 5.7 General Meeting shall have a quorum if more than one-half of the Members of the Association or representatives thereof participate in the Meeting.
- 5.8 A Member of the Association may participate in and vote at the General Meeting of Members either in person or through a representative to whom an unattested proxy has been granted. A Member of the Association may be represented by another Member of the Association only.
- 5.9 If a resolution is to be adopted on the matter not stated by the Management Board of the Association in the calling notice for the General Meeting of Members, such resolution may be adopted merely in the case when all the Members of the Association participate in or are represented at the General Meeting of Members.
- 5.10 When the requirements set out for the quorum of Members at the General Meeting have been violated, the General Meeting shall be entitled to adopt resolutions only in the case when all the Members of the Association participate in or are represented at the General Meeting of Members.
- 5.11 A resolution of the General Meeting of Members shall be adopted if over one-half of the Association Members or representatives thereof who participate in the Meeting vote in favour of the resolution. Resolutions on the adoption, amendment and supplement of Articles of Association, borrowing, appointment and premature removal of the Management Board and Audit Committee members, establishment or amendment of the amount of membership and joining fees, merger, division and dissolution of the Association, approval of the decisions on denial of enrolment in the Association or exclusion of a Member from the Association made by the Management Board of the Association shall be adopted if over **2/3 (two thirds)** of the Association Members or representatives thereof who participate in the Meeting vote in favour of the resolution.
- 5.12 Modification of the objectives of the Association's activities shall require a consent of all the Members of the Association. The consent granted by the Member of the Association who did not participate in the General Meeting of Members deciding on the modification must be submitted in writing.
- 5.13 The General Meeting of Members may also adopt resolutions without holding a Meeting. In this case, the Management Board of the Association shall send a draft resolution to all the Members of the Association by post. A resolution shall be deemed to be adopted if all the Members of the Association vote in favour of the resolution in writing.

## **Management Board of the Association**

6.1 The representative and management body of the Association shall be the Management Board consisting of one to five members and nominated by the General Meeting of members for the term of **2 (two)** years.

6.2 Every member of the Management Board may individually represent the Association in all legal acts.

6.3 A member of the Association's Management Board may be removed at any time upon the resolution of the General Meeting of Members, irrespective of the reason, however, the rights and obligations under the contract concluded with him/her shall extinguish pursuant to the contract. A member of the Association's Management Board may also be removed in case of a significant failure to perform his/her duties or incapacity to manage the Association or a significant damage to the Association's reputation. At the same time, his/her rights and obligations shall extinguish.

6.4 The competences of the Association's Management Board shall include the following:

6.4.1 organization and carrying out of the day-to-day management and work of the Association in-between General Meetings of Members;

6.4.2 development of practical measures for the attainment of the objectives set out by the Association and provision of the execution of resolutions adopted by the General Meeting of Members;

6.4.3 review of applications and other documentation submitted by those requesting enrolment in the Association or exclusion from the Association at their own will, and deciding on these matters;

6.4.4 review of complaints filed against the Members of the Association and deciding on their exclusion from the Association;

6.4.5 organization of the Association's accounting;

6.4.6 preparation of annual accounts and management report after the close of each financial year and submission thereof to the General Meetings of Members for approval;

6.4.7 calling a General Meetings of Members;

6.4.8 reporting on its activities at the General Meetings of Members;

6.4.9 conclusion, amendment and termination of employment contracts with paid employees of the Association,

6.4.10 systematic and unobstructive transmission of the information regarding the activities of the Management Board to the Association Members at their request;

6.4.11 deciding on other matters which are not included in the competence of the General Meetings of Members by legislation or the present Articles of Association.

6.5 The Management Board of the Association shall adopt resolutions at the meetings of the Management Board which take place at least once a month. The Management Board shall be competent to adopt resolutions if over one-half of the members of the Management Board participate in the meeting. A resolution shall be adopted if over one-half of the members of the Management Board who participate in the meeting vote in favour of the resolution.

6.6The Management Board of the Association may transfer or encumber the immovables owned by the Association or the movables entered in the Register only by a resolution of the General Meeting of Members and under the conditions prescribed by the resolution.

6.7The members of the Management Board shall submit a management report from last year to the first General Meeting of each year. The members of the Management Board shall also oblige to furnish information to the General Meeting of Members on the Association's management at any other time.

6.8The members of the Association's Management Board shall be solidarily liable for the damage wrongfully caused.

6.9Compensation for the damage set out in the **Clause 6.8** of the Articles of Association may also be claimed by a creditor if they shall be unable to satisfy their claims from the assets of the Association.

6.10A creditor shall be entitled to submit a claim even in the case when the Association has refused to submit a claim against a member of the Management Board or concluded a compromise contract with that member.

6.11 The limitation period for assertion of a claim submitted against a member of the Management Board shall be five years from the violation of obligation.

## **7. Audit Committe or auditor**

7.1The General Meeting of Members shall exercise supervision over the activities of the Management Board of the Association and appoint for this purpose an Audit Committe consisting of at least three members, or an auditor.

7.2The members of the Audit Committee or the auditor shall audit the financial and economic activities of the Association in entirety at least once a year.

7.3A member of the Management Board or accountant of the Association may not be a member of the Audit Committee or the auditor.

7.4The members of the Management Board shall enable the members of the Audit Committee and the auditor to examine the Association's assets, bank accounts, accounting records and other documentation necessary for the conduction of audit and to provide necessary explanations and information. The members of the Audit Committee shall have the right to be present at the Meetings of the Association as an advisory vote, without the right to vote.

7.5The members of the Audit Committee or auditors shall prepare a report on the audit results, which will be submitted to the General Meeting of Members.

## **8. Accounting**



8.1 The Management Board of the Association shall organize the accounting of the Association pursuant to the Accounting Act in force.

8.2 After the close of each financial year, the Management Board of the Association shall prepare annual accounts and management report pursuant to the procedure prescribed by law.

8.3 The Management Board of the Association shall submit the reports to the General Meeting of Members within six months after the close of a financial year. The Management Board of the Association shall add to the above-mentioned reports an auditor's report or an opinion granted by the Audit Committee.

8.4 The annual accounts and management report shall be approved by the General Meeting of Members.

8.5 The approved annual accounts and management report shall be signed by all the Management Board members of the Association.

## **9. Dissolution**

9.1 The activities of the Association shall be terminated:

9.1.1 by a resolution of the General Meeting of Members;

9.1.2 upon commencement of bankruptcy proceedings against the Association;

9.1.3 upon reduction in the number of Members of the Association to less than two;

9.1.4 upon inability of the General Meeting of Members to appoint the Management Board of the Association

9.2 The dissolution of the Association may always be decided upon by way of resolution of the General Meeting of Members. The resolution shall be adopted if over **2/3 (two thirds)** of the Association Members or representatives thereof who participate in the General Meeting of Members vote in favour of the resolution.

9.3 For dissolution of the Association, the Management Board of the Association shall submit an application for an entry in the Register of dissolution of the Association. Minutes of the General Meeting of Members deciding on the dissolution must be added to the application.

9.4 The Management Board of the Association shall be obliged to submit a bankruptcy petition if it becomes evident that the extent of the obligations assumed exceeds the assets of the Association. In the case of non-submission of the petition or delay in its submission, the members of the Management Board at fault shall be solidarily liable for the damage caused to the Association or to third persons.

9.5 The Association shall be dissolved by way of liquidation (liquidation proceedings). The liquidators of the Association shall be appointed by the General Meeting of Members from among the members of the Management Board. The liquidators shall be entered in the Register on the basis of an application submitted by the Management Board.

9.6 The liquidators shall immediately give a public notice of the liquidation proceedings in the official publication **Ametlikud Teadaanded**. The notice of the liquidation must include a remark that all the creditors should file their claims within two months from the publication of the liquidation notice. To the known creditors the liquidation notice must be sent by the liquidators.

9.7 The liquidators shall terminate the activities of the Association, collect arrears, sell the property if it is necessary for the satisfaction of claims of creditors or the distribution of the remaining assets between the entitled persons, satisfy the claims of creditors and distribute the remaining assets for the generally useful purpose determined by them.

9.8 After the conclusion of the liquidation, the liquidators shall submit an application for the deletion of the Association from the Register. The liquidators shall appoint one from amongst themselves who shall deposit the Association's documentation, or the documents subject to safekeeping shall be stored in the archives. The name of the depository of documents shall be entered in the Register on the basis of the liquidators' application.

Chairman of the Management Board of the **Non-Profit Association Tartu International School**:

Mika Kerttunen \_\_\_\_\_