

## **Articles of Association Foundation “Praxis Centre for Policy Studies“**

### **I Name and seat of the Foundation**

1. The official name of the Foundation shall be Foundation “Praxis Centre for Policy Studies“<sup>1</sup> (hereinafter Praxis).
2. Foundation “Praxis Centre for Policy Studies“ (hereinafter Praxis) is a public interest foundation committed to promoting the culture of policy making in Estonia that is based on research and values of participatory democracy.
3. Praxis’s registered office shall be in Tallinn.

### **II Objective and Activities**

1. Praxis’s main operating objectives shall be as follows:
  - 1.1 supporting the policy-making process by providing top quality and neutral policy analysis and research, and objective information;
  - 1.2 fostering public discourse and civic participation in the policy-making process, as well as promoting the principles of participatory democracy in the society at large;
  - 1.3 drawing attention to pressing societal problems in need of resolution;
  - 1.4 offering alternative solutions for the effective resolution of societal problems;
  - 1.5 developing the capacity for policy analysis and knowledge in the society at large and promoting education in the field of public policy;
  - 1.6 fostering the utilization of expert knowledge and analysis in the policy-making process, as well as the development of this type of political culture.
2. In order to achieve these objectives Praxis shall:
  - 2.1 distribute its research findings among the Estonian people and stakeholders free of charge;
  - 2.2 foster the creation of professional original works as well as translations;
  - 2.3 organize and finance conferences, seminars, and roundtables;
  - 2.4 organize public policy themed training programmes;
  - 2.5 give out scholarships, grants and targeted donations in correspondence with the organization’s objectives;
  - 2.6 organize competitions and give out prizes and awards;
  - 2.7 provide consulting services in the field of public policy without endangering Praxis’s principles of neutrality and autonomy;
  - 2.8 apply for grants from legal persons in Estonia and other countries, as well as international organizations, and private individuals in order to achieve its objectives;
  - 2.9 utilize the resources generated from donations, grants and its own economic activity for the purposes of dealing with important issues of great public interest by carrying out and financing public policy analyses for the purposes of identification and resolution of societal problems, as well as evaluation of prospective outcomes or consequences of implemented policies.
  - 2.10 strive for the achievement of its stated objectives via other means and activities.

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<sup>1</sup> Sihtasutus Poliitikauuringute Keskus Praxis

### III Governing Bodies

#### 1. The Supervisory Board

- 1.1. The Supervisory Board shall be Praxis's highest governing body.
- 1.2. The Supervisory Board shall plan Praxis's operations, oversee its management and arrange supervision. The Supervisory Board's functions shall also include:
  - 1.2.1. Amending the Articles of Association subject to a two-thirds (2/3) majority vote of the total number of the members of the Supervisory Board
  - 1.2.2. Approving Praxis's main operational guidelines, incl. strategy, and decisions regarding the launch of new programmes, the termination of programmes or undertaking major reorganizations;
  - 1.2.3. Approving the Foundation's annual report and budget;
  - 1.2.4. Establishing the general procedure governing the possession, use and disposal of Praxis's property, as well as authorising the Management Board's transactions that exceed the limits of day-to-day operations of the Foundation;
  - 1.2.5. Approving Praxis's organizational structure as submitted for approval by the Management Board;
  - 1.2.6. Monitoring all Praxis's operations, incl. conformity with law and the Articles of Association, and upon necessity also inspecting the correctness of accounting, and the existence and utilization of property;
  - 1.2.7. Selecting the Management Board members and concluding relevant contracts with them;
  - 1.2.8. Appointing an auditor and confirming their term of service.
- 1.3. The Praxis's Supervisory Board shall be comprised of up to 7 members. The term of each member shall be 3 years.
- 1.4. Upon the expiry of a Supervisory Board members' term, or their voluntary resignation or their dismissal, the Supervisory Board shall elect a new member. The member, who has resigned voluntarily or has been dismissed by the Supervisory Board, shall not take part in the election of the new member nor shall they be included in the quorum of the meeting. In case the Supervisory Board resigns *in corpore*, the founders of Praxis shall retain the right to appoint a new Board, or decide to dissolve Praxis.
- 1.5. The right to nominate new candidates for membership on the Supervisory Board rests with each member individually and with the whole Supervisory Board collectively, as well as the Management Board. New candidates must be put forward at least one (1) month prior to the expiry of the outgoing member's regular term or in the case of resignation or dismissal one (1) month thereafter. Responsibility for timely submission of candidates for membership on the Supervisory Board lies with the Chairman of the Supervisory Board, except in case the Supervisory Board decides to reduce the total number of Board members and may therefore forego from nominating anyone at all.
- 1.6. Members of the Supervisory Board are elected by secret ballot, and the candidate who receives more than half of the vote of all the Supervisory Board members eligible to vote, shall be granted membership on the Supervisory Board. In case there are more than two candidates in the first round of voting, and neither of them receives the requisite number of votes, then the next round of voting shall be conducted between the two top candidates from the first round.

- 1.7. In addition to limitations prescribed by law, the following persons cannot be appointed to the Supervisory Board: persons who have been removed from the Management Board or Supervisory Board positions before the end of their term, or relieved from their duties as members of the Management Board due to wrongful conduct. For the purposes of guaranteeing political neutrality, a person appointed to Praxis's Supervisory Board may not serve concurrently as a member of the Parliament of Estonia (Riigikogu), the Government of the Republic (Vabariigi Valitsus) nor be a member of the Management Board of a political party.
- 1.8. Members of the Supervisory Board may be dismissed before end of term only on compelling grounds, such as failure to perform their obligations to a significant extent, inability to take part in the Board's work, endangering Praxis's political neutrality, as well as causing significant damage to Praxis's reputation or property. Members of the Supervisory Board may be dismissed by decision of the Board that is supported by at least two thirds (2/3) of the votes from all Members of the Supervisory Board.
- 1.9. The Supervisory Board shall elect from among its members a Chairman, who shall serve for a maximum term of three (3) years, and whose responsibilities shall include, among other things, the following:
  - 1.9.1. Convening the Supervisory Board meetings, and preparing meeting agendas in collaboration with the Management Board;
  - 1.9.2. Putting forward candidates for auditor, subject to the Board's approval;
  - 1.9.3. Putting forward new candidates for the Supervisory Board membership upon necessity, if it is not already done by other members of the Supervisory Board individually or collectively or by the Management Board.
- 1.10. Regular meetings of the Supervisory Board shall be held at least three times per year. Extraordinary meetings may be convened at any time at the request of the Supervisory Board members, the Management Board or the auditor.
- 1.11. The Supervisory Board's meeting shall be deemed to have a quorum if more than a half of its members are present. Participation via telephone or video conference is deemed equivalent to actual physical presence at the meeting. Decisions shall be deemed adopted if they are approved by more than half of the participants, except for certain decisions as specified in the Articles of Association, and that require a larger majority for approval. If a Board member is unable to attend a meeting they may send in their vote via electronic mail before the start of the meeting. The specific procedure for voting via electronic mail shall be established by the Supervisory Board.
- 1.12. Each member of the Supervisory Board shall have one vote. The Supervisory Board members may not abstain from voting or remain neutral, except in cases where the decision concerns their own dismissal, or approval of a transaction between Praxis and themselves or the approval of a transaction between Praxis and a third party if the Board member's interests arising out of that transaction fall into conflict with the interests of Praxis.
- 1.13. The Supervisory Board may take decisions without convening a meeting, but in such instances all members of the Supervisory Board must send in their decisions in writing or via electronic mail. The specific procedure for taking decisions in writing and via electronic mail shall be established by the Supervisory Board.
- 1.14. All expenses incurred by members of the Supervisory Board in conjunction with performing their duties shall be reimbursed, and they shall also have the right to receive remuneration depending on the nature of their duties, and Praxis's financial

situation. The procedure for reimbursement of expenses, as well as remuneration, shall be established by the Supervisory Board.

## 2. The Management Board

- 2.1. The Management Board shall be responsible for the day-to-day management of the Foundation, and represent Praxis in the performance of all legal acts. The Management Board shall be comprised of no more than five (5) people. The Foundation may be represented in legal matters by each Management Board member individually. The Management Board shall put forward a candidate for the position of Chairman of the Management Board, subject for approval by the Supervisory Board.
- 2.2. The term for each member of the Management Board shall be up to five (5) years.
- 2.3. The Management Board shall be appointed by the Supervisory Board.
- 2.4. The Management Board shall be responsible for the day-to-day management of Praxis's operations, including, among other things, the following tasks:
  - 2.4.1. Conducting negotiations, concluding contracts, and the performance of contractual obligations on behalf of Praxis;
  - 2.4.2. Preparing Praxis's strategy, submitting it for approval to the Supervisory Board, and subsequent reporting with regard to its implementation;
  - 2.4.3. Devising the organizational structure necessary for the implementation of decisions taken by the Management Board and the Supervisory Board, and submitting this structure to the Supervisory Board for approval;
  - 2.4.4. Drafting job descriptions, organizing recruitment and remuneration of Praxis's employees;
  - 2.4.5. Organization of accounting procedures;
  - 2.4.6. Taking decisions related to the use and disposal of Praxis's property pursuant to the procedure regarding the possession, use, and disposal of Praxis's property;
  - 2.4.7. Performance of other tasks assigned by the Supervisory Board.
- 2.5. In conducting day-to-day management of Praxis the Management Board shall follow the lawful orders received from the Supervisory Board. All transactions that fall outside Praxis's daily operations shall be undertaken only with prior approval from the Supervisory Board. The Management Board's authority for concluding transactions with immovable property and making financial investments shall be governed by the procedures established by the Supervisory Board.
- 2.6. At least once every four (4) months the Management Board must submit to the Supervisory Board an overview of Praxis's financial activities and its financial condition, and immediately inform the Supervisory Board in case of a significant deterioration thereof, and other important issues related to Praxis's financial activities.
- 2.7. The Supervisory Board shall establish the procedure for the remuneration of members of the Management Board.

## 3. Advisory Board

- 3.1. In order to facilitate long-term planning of Praxis's activities and the achievement of operational objectives, the Supervisory Board may set up an Advisory Board.
- 3.2. The members of the Advisory Board shall be appointed by the Supervisory Board choosing from amongst prominent and esteemed public figures. The Advisory Board shall comprise up to twenty-one (21) members.
- 3.3. The Advisory Board shall convene at the request of the Supervisory Board upon necessity, at least once year.

3.4. All decisions made by the Advisory Board are of advisory nature for Praxis's governing bodies.

3.5. Members of the Advisory Board shall not be remunerated.

#### **IV Property**

1. Praxis's property shall comprise grants from other organisations, designated allocations, donations from legal and natural persons, income from Praxis's own economic activities as well as resources obtained from other sources.
2. The use and disposal of Praxis's property as well as its inventory shall be carried out pursuant to the procedures established by the Supervisory Board.

#### **V Accounting and Supervision**

1. Praxis's financial year shall commence on January 1st and end on December 31st.
2. The Management Board shall oversee Praxis's accounting practices, and prepare the annual report, annual accounts and activity reports.
3. The Management Board shall submit the reports to the Supervisory Board for approval within four (4) months after the end of the financial year at the latest.

#### **VI Dissolution**

1. Praxis's has been founded for an indefinite term.
2. Praxis's operations shall be terminated either by the decision of:
  - 2.1. The Supervisory Board, if Praxis is unable to fulfil the objectives set out for the organization due to reasons not related to Praxis itself. Praxis shall cease operation if all members of the Supervisory Board are in favour of dissolving Praxis.
  - 2.2. The Founders, if Praxis's activities should deviate fundamentally from the principles that laid the grounds for its original foundation. Praxis shall cease operation if all Founders are in favour of dissolving Praxis.
  - 2.3. Other grounds prescribed by law.
3. Should Praxis be dissolved or divided, all property remaining after the settlement of creditor claims shall be transferred to an association entered in the list of non-profit associations, and foundations benefiting from income tax incentives pursuant to the Estonian Income Tax Act, or to a legal person in public law, for the purposes of fostering Praxis's statutory objectives as laid out in Praxis's Articles of Association.