

**APC ENDOWMENT SIHTASUTUS  
ARTICLES OF ASSOCIATION**

**1 NAME, REGISTERED OFFICE, TERM, FOUNDERS AND FINANCIAL YEAR OF FOUNDATION**

- 1.1** The name of the foundation [*sihtasutus*] is APC Endowment Sihtasutus (hereinafter the Foundation).
- 1.2** The registered office of the Foundation is in the City of Tallinn.
- 1.3** The Foundation is founded for an indefinite term.
- 1.4** The founders of the Foundation are Arvo Pärt, Eleanora Pärt and Michael Pärt (hereinafter the Founders, in singular the Founder). Resolutions of the Founders shall be passed by a simple majority of votes of the Founders participating in voting, unless a larger majority of votes is required by law. A draft resolution of the Founders shall be prepared and sent to the Founders by the chair of the council or by one of the Founders. The Founders shall send their digitally signed or autographically signed votes to the council or to the Founder who submitted the draft resolution, by the due date specified by the chair of the council or by the Founder. The council or the Founder who submitted the draft resolution shall prepare a voting record on the results of voting, which shall be signed by the chair of the council or by the respective Founder. The votes of the Founders shall be appended to the voting record. Upon the death of a Founder, the rights of the Founders shall be exercised by the remaining Founders. After the death of the last Founder, the rights of the Founders to elect and remove the members of the council shall transfer to Arvo Pärdi Perefondi Sihtasutus.
- 1.5** The financial year of the Foundation starts on 1 January and ends on 31 December.

**2 OBJECTIVE AND BENEFICIARIES OF FOUNDATION**

- 2.2** The objective of the Foundation is:
- 2.2.1** to intermediate targeted contributions to Sihtasutus Arvo Pärdi Keskus and to similar non-profit associations and foundations engaging in the preservation and distribution of the creative works of Arvo Pärt (hereinafter the Beneficiaries);
- 2.2.2** via the intermediation of contributions, ensure the storage of the musical legacy of Arvo Pärt, explanation of the spiritual message of the legacy of Arvo Pärt, storage and intermediation of the documents and objects related to the life and creative works of Arvo Pärt, and making them available for research and to a wider audience, and co-operation with performers, publishing houses and other organisations in accordance with the articles of association of the Foundation;
- 2.2.3** invest and manage the money and assets received as donations in an economically feasible manner, considering the objectives of the Foundation.

### **3 ASSETS OF FOUNDATION**

- 3.1** The assets of the Foundation will be formed of donations, gifts, targeted contributions, revenue from the economic activities of the Foundation which support the achievement of its statutory objectives, and from other sources permitted by law.
- 3.2** The assets received by the Foundation shall be accepted and accounting thereof shall be organised by the management board of the Foundation or by a person authorised by the management board. After the end of a financial year, the management board shall submit to the council a list of the natural and legal persons that have supported the Foundation during the year, and of the amount of support granted to the Foundation by each of them.
- 3.3** The Foundation shall use and dispose of the assets for achieving its statutory objectives and covering its ongoing expenses. The Foundation shall use and dispose of its assets in accordance with law, the articles of association and resolutions of the council.

### **4 COUNCIL AND MANAGEMENT BOARD**

#### **Council**

- 4.1** The council shall plan the activities of the Foundation, organise the management of the Foundation and exercise supervision over the activities of the Foundation.
- 4.2** The council shall consist of 3 to 8 members. The number of the members of the council within the limits set out in this provision shall be determined by the Founders. The Founders will be entitled to remove a member of the council and appoint a new member at any time.
- 4.3** The term of office of a member of the council shall be 4 years after their appointment, and repeated appointment of a member is permitted for one additional term of office. In case a member of the council wishes premature termination of their term of office, they shall submit an application for resignation to the Founders. The Founders shall appoint a substitute member to replace the prematurely resigned member, and the term of office of the substitute member shall be four years after their appointment.
- 4.4** The meetings of the council shall be held as needed but not less often than twice a year. The meetings shall be convened by the chair of the council or by a member of the council appointed by the chair.

**4.5** The council may pass resolutions at a meeting or without convening a meeting. A meeting of the council has a quorum if more than one-half of the members of the council are present. A resolution of the council is passed if more than one-half of the members of the council who attended the meeting have voted in favour of the resolution, unless otherwise provided by law. The members of the council who are absent from a meeting may participate in voting by sending their vote in a format which can be reproduced in writing. In order to pass a resolution without holding a meeting, the chair of the council shall send the text of the draft resolution to the members of the council by e-mail, specifying a term for submitting the votes. The members of the council shall use a voting form for voting, and send their digitally signed voting forms to the e-mail address of the chair of the council by the due date specified by the chair of the council. The chair of the council shall prepare a voting record on the basis of the received voting forms, and the voting forms of the members of the council who sent their votes in due time shall be appended to the voting record. The chair of the council may arrange the signing also in Dokobit or other similar environment, specifying a voting period which may not be less than 3 working days. The members of the council who have not voted shall be deemed to have voted against the resolution.

**4.6** The council is competent to:

**4.6.1** give its consent to the management board for necessary transactions which are beyond the scope of everyday economic activities, including transactions which bring along acquisition or termination of a holding in a company, and transfer of immovables and registered movables or encumbering them with real rights;

**4.6.2** approve the general principles of the investment policy and the selection of an asset manager of the Foundation, and approve the agreement with the asset manager;

**4.6.3** approve the plan and terms and conditions of the scholarships, bonuses and grants to be granted by the Foundation;

**4.6.4** check the accuracy of accounting and existence of assets, as well as compliance of the activities of the Foundation with the law and the articles of association;

**4.6.5** request the management report and balance sheet from the management board;

**4.6.6** represent the Foundation in disputes and conclusion of transactions with members of the management board;

**4.6.7** decide on the formation of a supporter meeting of the Foundation,

determine the number of the members of a supporter meeting, term of authority and competence, appoint and remove the members of a supporter meeting, and decide on any other issues related to the activities of a supporter meeting;

**4.6.8** approve the annual accounts and management report submitted by the management board;

**4.6.9** determine the number of auditors and appoint the auditors;

**4.6.10** make proposals to the Founders for amending the articles of association;

**4.6.11** decide on winding up the activities of the Foundation;

**4.6.12** decide on other matters which have not been placed in the competence of other managing bodies by law or the articles of association.

**4.7** In relation to the members of the management board and in other matters placed in the competence of the council by law or the articles of association, the council shall be represented by the chair of the council.

**4.8** A member of the council shall not participate in voting if approval or conclusion of a transaction between the member and the Foundation is being decided, or if approval or conclusion of a transaction between a third person and the Foundation is being decided if the interests of the member of the council arising from such transaction are in conflict with the interests of the Foundation.

### **Management board**

**4.9** The Foundation shall be managed and represented by the management board.

**4.10** Every member of the management board will be entitled to represent the Foundation in the conclusion of all transactions. The members of the management board may perform transactions and legal acts diverging from the usual activities only with the prior consent of the council.

**4.11** The management board shall consist of 1 to 3 members. If the management board consists of more than 2 members, the members of the management board shall elect a chair of the management board from among themselves.

**4.12** The term of office of a member of the management board shall be 3 years.

**4.13** The members of the management board shall be elected and removed by a simple majority of votes of the council.

**4.14** Remuneration may be paid to a member of the management board. The amount of the remuneration payable to a member of the management board and the terms of payment shall be determined by a resolution of the council. Upon determining the procedure for remunerating a member of the management board and the amount of remuneration and other benefits, as well as upon entry into an agreement with a member of the management board, the council shall ensure that the amount of payments disburseable to a member of the management board by the Foundation would be in reasonable conformity with the tasks of the member of the management board and the economic situation of the Foundation, and would not exceed the remuneration usually payable for similar work in business.

## **5 ACCOUNTING AND PROCEDURE FOR ELECTION AND REMOVAL OF AUDITOR**

**5.1** The accounting of the Foundation shall be organised by the management board.

**5.2** The appointment of an auditor of the Foundation, their term of office and procedure for remuneration shall be decided by the council. Unless otherwise decided by the council, the term of office of an auditor shall be one year after the decision on their appointment.

## **6 PROCEDURE FOR AMENDING ARTICLES OF ASSOCIATION**

The articles of association of the Foundation may be amended only in order to take into account changed circumstances, adhering to the objective of the Foundation. A resolution on amending the articles of association is passed by the Founders provided that all the Founders vote in favour thereof. A resolution of the council on amending the articles of association is passed provided that at least 2/3 of the votes of the members of the council are given in favour thereof.

## **7 DISSOLUTION OF FOUNDATION**

**7.1** The Foundation shall be dissolved on the basis of a resolution of a Founder or the council or on other bases provided by law. The council may decide on the dissolution of the Foundation only with good reason. A resolution of the council concerning the dissolution of the Foundation is passed if all the members of the council vote in favour thereof.

**7.2** The members of the management board shall be the liquidators of the Foundation.

**7.3** Upon dissolution of the Foundation, the assets remaining after satisfaction of the claims of creditors shall be transferred to Sihtasutus Arvo Pärdi Keskus and/or to other similar non-profit associations and foundations engaging in the preservation and distribution of the creative works of Arvo Pärt, which are included in the list

of non-profit associations, foundations and religious associations benefiting from income tax incentives.

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The articles of association were approved as an annex to the foundation resolution on 18 June 2021.