

Articles of Association of the Estonian Fund for Nature

The Articles of Association of the Estonian Fund for Nature were approved at the foundation meeting held on 1 February 1991 and amended by the resolutions of the general meetings of 14 March 1998 and 14 October 1998 and by resolutions of the meetings of the supervisory board of 9 December 2003, 27 April 2007, 28 November 2012, and 27 October 2020.

I General provisions

1.1. The name of the foundation is 'Sihtasutus Eestimaa Looduse Fond' (hereinafter referred to as 'the ELF'). The official abbreviation of the name of the foundation is 'ELF'. The English form of the name of the ELF is the 'Estonian Fund for Nature'.

1.2. The ELF is located in the city of Tartu.

1.3. The aim of the ELF is to protect Estonian nature and environment.

1.4. The ELF is a non-profit foundation. The main activity of the ELF is not entrepreneurship – the income earned is only used for objectives specified in the Articles of Association.

1.5. To achieve its aim, the ELF:

- a) collects, aggregates, and disseminates expert knowledge on the state of nature and the environment, their significant problems, and ways to solve such problems;
- b) initiates and implements nature and environmental protection projects, addressing research and development needs in the fields of basic and applied sciences;
- c) engages in advocacy; initiates and, where needed, participates in public debates;
- d) informs the public about nature and environmental challenges and solutions and promotes everyone's participation in nature and environmental protection;
- e) collects money and other resources from foundations, individuals, and other sources to fulfil its objectives specified in the Articles of Association;
- f) supports nature and environmental protection projects implemented by others and issues scholarships.

1.6. The ELF is established without a term.

1.7. The ELF's financial year begins on 1 January and ends on 31 December.

II The ELF's assets

2.1. The ELF's assets are the result of donations, gifts, estates, earmarked allocations, and other legal income that the ELF receives in the course of its activities.

2.2. The ELF may own any property that is necessary to achieve the objectives specified in the Articles of Association of the ELF and the acquisition of which is not legally prohibited. The ELF possesses, disposes, and uses all of its assets independently; it has the right to purchase and sell, encumber with a limited real right, rent, lease, gift, exchange, and write off fully depreciated or morally obsolete fixed assets.

2.3. The money transferred to the ELF is transferred to the current account of the ELF. A contract or other document certifying the transfer of assets shall be prepared for the transfer of financially valued assets to the ELF. Cash received by the ELF is accepted by the Management Board of the ELF or a person authorised by the Management Board.

2.4. The earmarked donations received by the ELF are accounted for by the Management Board with a corresponding note and are used according to the donor's wishes. The

Management Board may not accept earmarked donations that have an intended purpose that does not coincide with the objectives of the ELF or have been made for illegal purposes.

2.5. The Management Board may make allocations for administrative expenses from the money transferred to the ELF for an earmarked purpose to the extent approved by the Supervisory Board.

2.6. The Supervisory Board of the ELF forms the fixed and operating capital, determining the procedure for their use by a resolution.

2.7. No payments are made from the fixed capital (except in exceptional cases by a $\frac{3}{4}$ majority of the members of the Supervisory Board) and it shall be deposited or invested in accordance with the procedure established by the Supervisory Board. The income from investments is used to fulfil objectives specified in the Articles of Association.

2.8. The ELF's working capital is formed from the profit of fixed capital and other assets received by the ELF, which are not included by the fixed capital by the Supervisory Board.

2.9. Upon termination of the ELF, after the satisfaction of creditor's claims, the remaining assets of the ELF shall be transferred to another association or other associations listed in the list of non-profit associations and foundations benefiting from income tax operating for environmental or nature protection purposes or to a legal person or legal persons governed by public law in accordance with the resolution of the liquidators.

III Governance of the ELF

3.1. The ELF's activities are governed and organised by the Supervisory Board and the Management Board.

3.2. The Supervisory Board plans the activities of the ELF, organises the governance of the ELF, and supervises the activities of the ELF.

3.2.1. The Supervisory Board has ten to fifteen members. The Supervisory Board re-elects half of its composition every two and a half (2.5) years. The term of office for a member of the Supervisory Board is five (5) years. A member of the Supervisory Board may also be elected in office for several terms. A member of the Supervisory Board does not have the right to vote if the question of electing them for the next term of office is being decided.

3.2.2. A member of the Supervisory Board may be removed from office before the end of the term of office for a good reason, which may, inter alia, be significant non-fulfilment of obligations, inability to participate in the work of the Supervisory Board, threatening the independence of the ELF, and significant damage to the ELF's reputation or assets. A member of the Supervisory Board may be removed by a resolution of the Supervisory Board, which is supported by at least $\frac{2}{3}$ of the members of the Supervisory Board. The person whose removal from office is being discussed shall not participate in the voting on the issue of removal of a member of the Supervisory Board.

3.2.3. The Supervisory Board:

- a) approves the strategy of the ELF,
- b) approves the annual budget of the ELF,
- c) approves the annual report of the ELF,
- d) approves the principles for the use and disposal of the ELF's assets,
- e) approves the formation of the ELF's fixed capital and working capital,
- f) approves the salaries of the members of the Management Board,
- g) provides the Management Board consent for transactions which involve the acquisition or termination of a shareholding in a company, the transfer, acquisition, or

encumbrance of immovable property and movable property to be registered, or the monetary value of which exceeds the limit approved by the Supervisory Board,

- h) provides the Management Board consent for the participation of the ELF in the establishment of new non-profit associations and foundations,
- i) appoints and removes members of the Management Board,
- j) appoints an auditor for the ELF,
- k) performs other functions assigned to it by law and the Articles of Association.

3.2.4. The Supervisory Board elects a Chairman of the Supervisory Board from among its members for a term of two and a half (2.5) years. The duties of the Chairman include:

- a) convening a meeting of the Supervisory Board and preparing the agenda for a meeting of the Supervisory Board in cooperation with the Management Board,
- b) chairing a meeting of the Supervisory Board,
- c) nominating, if necessary, a new candidate for the position of a member of the Supervisory Board, if no other member of the Supervisory Board or the Management Board does so.

3.2.5. The Supervisory Board has a quorum if more than half of the members of the Supervisory Board are present at the meeting.

3.2.6. Resolutions of the Supervisory Board are deemed adopted if a simple majority of the members of the Supervisory Board present vote in favour thereof. In the event of a tie in voting, the Chairman of the Supervisory Board will have the deciding vote. A member of the Supervisory Board may participate in the meeting and cast their vote through electronic means.

3.2.7. A member of the Supervisory Board may authorise another member of the Supervisory Board to vote. One member of the Supervisory Board may not represent more than two other members of the Supervisory Board.

3.2.8. Meetings of the Supervisory Board are held as needed, but not less than twice a year. A meeting of the Supervisory Board is convened by the Chairman of the Supervisory Board. An extraordinary meeting shall be convened if requested by a member of the Supervisory Board, the Management Board, or the auditor. Members are notified of a meeting of the Supervisory Board at least two weeks in advance. The invitation to the meeting shall include the agenda of the meeting.

3.2.9. The Supervisory Board may exceptionally approve resolutions without convening a meeting. To do so, the Chairman of the Supervisory Board will send the draft resolution to all members of the Supervisory Board, setting a term within which members of the Supervisory Board must submit their opinion thereon. If a member of the Supervisory Board does not state within the term whether they are for or against the decision, they shall be deemed to have voted against the resolution. A resolution is adopted if more than half of the members of the Supervisory Board are in favour of it, unless the Articles of Association or the law provide for a larger majority.

3.2.10. Members of the Supervisory Board may be paid a fee, the amount of which has also been approved by the Management Board.

3.3. The Management Board represents and manages the ELF.

3.3.1. The Management Board has three to five members, who are appointed by the Supervisory Board for a term of up to three years.

3.3.2. The members of the Management Board elect the Chairman and Deputy Chairman of the Management Board from among themselves.

3.3.3. The Supervisory Board may remove a member of the Management Board for a good reason. The resolution to remove a member of the Management Board must be supported by 2/3 of the members of the Supervisory Board.

3.3.4. The Management Board:

- a) uses and disposes the ELF's assets in accordance with the resolutions of the Supervisory Board and keeps records of the ELF's assets,
- b) manages the ELF's accounting and approves the ELF's internal accounting rules,
- c) enters into contracts on behalf of the ELF on matters in the purview of the Management Board,
- d) draws up the ELF's annual report and draft budget and submits them to the Supervisory Board for approval,
- e) informs the public of the work of the ELF,
- f) submits to the Supervisory Board, at least every four months, a report on the economic activities of, receipt of assets by, and the financial position of the ELF. The Management Board shall immediately notify the Supervisory Board of any significant deterioration in the financial position of the ELF and other significant circumstances related to the economic activities of the foundation,
- g) performs such other functions as assigned to it by the law, these Articles of Association, and resolutions of the Supervisory Board.

3.3.5. When representing the ELF in relations with third parties, the Chairman and Deputy Chairman of the Management Board shall have the right of personal representation; the other members of the Management Board may represent the ELF in relations with third parties only jointly.

3.3.6. The decisions of the Management Board are deemed adopted by a majority of votes. In the event of an equal distribution of votes, the Chairman of the Management Board or the Deputy Chairman replacing the Chairman will have the deciding vote.

3.3.7. A meeting of the Management Board is convened by the Chairman of the Management Board. The members of the Management Board shall be notified of a meeting of the Management Board at least seven days in advance. Invitation to a meeting shall include the agenda of the meeting.

3.3.8. The Management Board may authorise third parties to perform its tasks.

3.3.9. Meetings of the Management Board are held at least four times a year.

3.4. Auditor

3.4.1. The Auditor of the ELF is appointed for a term of up to three years and, if necessary, recalled before the end of term of office by a resolution of the Supervisory Board.

3.4.2. The Auditor's fee is approved by the Supervisory Board.

IV Amendment of the Articles of Association

4.1. The Articles of Association of the ELF may be amended only to take into account changed circumstances, in accordance with the objectives of the ELF.

4.2. At least $\frac{3}{4}$ of the members of the Supervisory Board must support the amendment of the Articles of Association.

V Termination, merger, and division of the ELF

5.1. The ELF's activities are terminated in cases prescribed by law.

5.2. The Supervisory Board of the ELF has the right to terminate the activities of the ELF if the value of the assets of the ELF decrease below the level necessary to achieve the objectives of the ELF.

5.3. The merger and division of the ELF will take place if the achievement of the objectives of the ELF becomes impossible or significantly impractical if the ELF continues its activities in the current manner. The resolution on a merger or division must be supported by at least $\frac{3}{4}$ of the members of the Supervisory Board.