

The Association of Municipalities of Tartu County

ARTICLES OF ASSOCIATION

I GENERAL PROVISIONS

1.1. The Association of Municipalities of Tartu County (hereinafter referred to as the Association) is a voluntary union of the local governments of Tartu County, the association of local governments of the county.

1.2. The Association is a legal person governed by private law which is subject to the Non-profit Associations Act, taking into consideration the peculiarities established by the Local Government Associations Act, and follows the law, other pieces of legislation, and these articles of association in its activities.

1.3. The official name of the Association is Tartumaa Omavalitsuste Liit (abbreviation: TOL) and the name of the Association in English is the Association of Municipalities of Tartu County.

1.4. The Association is the legal successor of the Association of Rural Municipalities of Tartu County, which was founded on 12 September 1991. The Association has a seal and bank accounts bearing its name; the Association may have its own flag and other insignia. The Association is situated in the Republic of Estonia, the City of Tartu.

II THE PURPOSE, DUTIES, AND RIGHTS OF THE ASSOCIATION

2.1. The purpose of the Association is to support the balanced and sustainable development of the county through joint activities of the local governments of Tartu County, preserving and promoting the cultural traditions of the county, representing the county and its members and defending the shared interests of its members, promoting the cooperation of the local governments, and creating opportunities for the members to better fulfil their legal duties.

2.2. The duties of the Association include:

2.2.1. creating better opportunities for the members through joint activities for fulfilling their legal duties;

2.2.2. representing the shared interests of the local governments of the county in the relations with government authorities, other persons, and international organisations;

2.2.3. planning and directing the development of the county;

2.2.4. planning investments which are made together and have an impact on all local governments;

2.2.5. supporting the organisation of events in the county in cooperation with other organisations, submitting joint projects, if necessary;

2.2.6. supporting the cultural and sports activities of the county, preserving and promoting traditions;

2.2.7. supporting the organisation of education in the local governments;

- 2.2.8. supporting the tourism-related activity of the county;
- 2.2.9. coordinating the activities of the fields of public health, promotion of health, and security;
- 2.2.10. organising joint trainings, refresher training, and advising for representatives of local governments;
- 2.2.11. forming county working committees for coordinating issues of joint interest and solutions thereto;
- 2.2.12. collecting, communicating, and generalising information for the members;
- 2.2.13. submitting proposals for the amendment of laws and other pieces of legislation, expressing opinions on draft legislation;
- 2.2.14. organising the activities related to the insignia of the county;
- 2.2.15. acknowledging the work and services provided to support the development of the county, granting bonuses, scholarships, and support payments if possible;
- 2.2.16. organising the activities of the home decoration programme;
- 2.2.17. representing the county in external communication;
- 2.2.18. developing international cooperation and friendships in different fields;
- 2.2.19. defending shared interests in court, if necessary;
- 2.2.20. fulfilling other duties pursuant to the legislation in force, these articles of association, resolutions of the council, or agreements concluded.

2.3. The Association fulfils state functions placed on it by the law or on the basis of the law if none of the local municipalities included in the Association is opposed to this. The Association may conclude an agreement with a state authority for fulfilling a duty with the related costs covered from the state budget.

2.4. The Association fulfils the functions of a local government if the general assembly has decided on jointly fulfilling of the duties through the Association. The Association fulfils the duties of a local government on behalf of those local government units, the councils of which have decided on jointly fulfilling of the specific duty.

2.5. The Association may:

- 2.5.1. represent its members in relations with state bodies, other persons, and international organisations;
- 2.5.2. establish legal persons, endowments, and foundations to ensure its principal activity and participate in the activities of other legal persons;
- 2.5.3. possess, use, and dispose of the assets of the Association;
- 2.5.4. issue publications which are related to the activity of the Association;
- 2.5.5. perform other operations necessary for fulfilling duties.

III TERMS AND CONDITIONS OF AND PROCEDURE FOR ACCEPTING MEMBERS INTO THE ASSOCIATION AND THEIR RESIGNATION OR EXCLUSION FROM THE ASSOCIATION

3.1 The local governments of Tartu County may become members of the Association. The members of the Association are represented in the Association through their representatives.

3.2. The councils of each member appoint their representatives to the general assembly of the Association, as well as their substitutes, for the duration of the term of the council of the local government. The representative and their substitute are appointed from among the members of the council or government of the local municipality.

3.3. The council of a member may recall its representative or their substitute at any time and appoint a new representative or substitute.

3.4. Every local government in Tartu County may apply to be accepted as a member of the Association. The Association may not refuse to accept a local authority which meets the requirements for a member as a member of the Association.

3.5. The general assembly of the Association makes the decisions on accepting new members of the Association. A local government must submit to the governing board of the Association a written application and the resolution of the council of the local government. The local authorities which are accepted as members of the Association will have the rights and obligations of a member of the Association after the general assembly of the Association has adopted the resolution to accept them as members.

3.6. In the event of alteration of the administrative-territorial organisation, the member status of the members of the Association will be transferred to the new local authority, provided that all of the former local authorities were members of the Association. If not all the former local authorities are members of the same Association, their member status will terminate in the event of alteration of the administrative-territorial organisation.

3.7 Members may resign from the Association by submitting a respective application and resolution of the council of the local government to the governing board of the Association. The governing board of the Association will delete the member specified in the resignation application from the list of members of the Association within two months after the submission of the application. Before resigning from the Association, the member must pay its debts to the Association.

3.8. Members may be excluded from the Association by a resolution of the general assembly if:

3.8.1. the activity of the member damages the good name or reputation of the Association;

3.8.2. its representatives have not taken part in the work of the bodies of the Association or in any of the official events over one calendar year. This provision is not applied in the year of local government elections;

3.8.3. the member has not duly paid the membership fee of the Association or applied for an extension of the payment term or has failed to fulfil another important obligation to the Association.

3.9. Each member of the Association may submit a proposal to the governing board for the exclusion of a member.

3.10. The governing board will notify the member to be excluded of the general assembly organised to discuss the proposal at least two weeks in advance. The member whose exclusion is being discussed may present their verbal or written explanations in the general assembly. In deciding the issue of exclusion, the representative of the respective member does not have a vote and they are not counted in the quorum.

3.11. The resolution to exclude a member is adopted if 2/3 of the representatives participating in the general assembly are in favour.

3.12 In the event of accepting or excluding a member, a member's resignation, or the transfer of the status of a member, the governing board of the Association will immediately submit a respective notification to the non-profit associations and foundations register.

IV THE RIGHTS AND OBLIGATIONS OF A MEMBER OF THE ASSOCIATION

4.1. A member of Association has the right to:

4.1.1. represent their interests in the Association;

4.1.2. be represented in the bodies of the Association through their representatives pursuant

to these articles of association;

4.1.3. make proposals and receive information about the activities of the Association, submit inquiries;

4.1.4. make suggestions to the Association for the joint performance of duties based on an authorisation;

4.1.5. use the assets of the Association pursuant to the procedure prescribed and use the benefits available to the members of the Association;

4.1.6. take part in the trainings and events organised for the members of the Association;

4.1.7. receive services.

4.2. A member of the Association is obliged to:

4.2.1. assist in achieving the goals of the Association, maintain the good name of the Association;

4.2.2. observe their obligations arising from the articles of association and implement the resolutions adopted by the bodies of the Association;

4.2.3. pay the membership fee in a timely manner;

4.2.4. pay the membership fee for the current year even if their membership is terminated in the middle of the year;

4.2.5. notify of any changes in their address, email address, or the details of the representatives within five working days after such changes take effect for the Association to keep the records of the members.

V THE MANAGEMENT BODIES AND ORGANISATION OF WORK

5.1. The general assembly of members and the governing board are the management bodies of the Association.

5.2. The general assembly of members is the highest management body of the Association, in which the representatives of each member have one vote.

5.3. The competencies of the general assembly include the following:

5.3.1. amendment of the articles of association;

5.3.2. decisions on the restructuring or termination of the Association;

5.3.3. accepting and excluding members;

5.3.4. planning the long-term activity of the Association;

5.3.5. approving the amount of the membership fee, the budget, and the action plan of the Association;

5.3.6. approving the annual accounts and the opinion of the audit committee;

5.3.7. approving and recalling members of the governing board;

5.3.8. determining the amount of the fee paid to a member of the governing board and the procedure of payment;

5.3.9. electing the audit committee and appointing an auditor, if necessary;

5.3.10. approving the procedure for the use, disposal, and possession of the assets of the Association;

5.3.11. deciding on the participation of the Association in legal persons and terminating any such participation;

5.3.12. establishing foundations or companies to achieve the goals of the Association and approving the articles of association thereof;

5.3.13. establishing the insignia of the Association and Tartu County and the procedure for using the insignia;

5.3.14. deciding on concluding transactions with a representative of a local government or with a member of the governing board of filing a claim against a member of the governing board and appointing the representative of the Association in such transactions or claims;

5.3.15. deciding on concluding contracts with members of the governing board and authorising representatives for this purpose;

5.3.16. establishing detailed procedures for the representation of the Association, if necessary;

5.3.17. deciding on other issues which are not allocated into the competence of other bodies by the law or the articles of association.

5.4. Ordinary general assemblies are convened by the governing board at least twice a year: within six months after the end of the financial year and before the beginning of the next financial year.

5.5. An extraordinary general assembly is assembled by the governing board upon a request by a member of the Association or 1/3 of the members of the governing board to discuss any issues concerning financial discipline detected in the course of the activity of the Association or in other cases, if necessary in the interests of the Association.

5.6. If the governing board has not assembled the general assembly within one month after receiving the respective application, the member of the Association may assemble the general assembly on their own initiative.

5.7. Members of the Association may request inclusion of further issues in the agenda of the general assembly. Explanations must be provided for each additional issue. This right may be exercised by the members within three days after being notified of the convening of the general assembly.

5.8. If the agenda is amended after convening the general assembly due to requests received from the members, the amendment of the agenda must be communicated before the general assembly pursuant to the same procedure and within the same period which apply to the invitation to the general assembly.

5.9. The general assembly is competent to adopt resolutions on issues which have been included in the agenda in advance. Any issue which has not been included in the agenda of a general assembly before may be included in the agenda if all members of the Association participate in the general assembly and agree with including the issue in the agenda.

5.10. At least seven calendar days of advance notice must be given of convening a general assembly. An invitation to a general assembly must include the time, place, and agenda of the assembly, as well as the materials.

5.11. The new composition of the general assembly after local council elections is assembled by the closing governing board not later than within three months after the results of the local council elections have been announced.

5.12. The general assembly has a quorum if at least half of the total number of the representatives of the members of the Association take part in the assembly. The voting is public, unless secret voting is requested by more than half of the representatives of the members participating in the general assembly. Voting concerning individuals is always held by secret voting.

5.13. A resolution of the general assembly is adopted if over half of the representatives who participate in the assembly vote in favour of the resolution unless the law or the articles of association prescribe a greater majority requirement. Resolutions on the amendment of the articles of association of the Association or the termination of activities of the Association are adopted if more than 2/3 of the representatives of the members of the Association participating in the general assembly vote in favour.

5.14. The general assembly may adopt resolutions without assembling a general assembly if all representatives of the members of the Association vote in favour of the resolution in writing.

In the event of sending a vote by email, it must be signed digitally.

5.15. The representative of a member may not vote on issues concerning relieving the member of an obligation or liability, a transaction between the member and the Association, or a legal dispute with the member and appointing a representative for such transaction, nor on any issues which concern inspecting or evaluating the performance of the member or its representative as a member of the governing board or another body. The vote of the representative of this member is not taken into account in determining the representation.

5.16. The general assembly is chaired by the chairman of the governing board or, in their absence, by a deputy chairman.

5.17. Minutes are taken of the general assemblies. The minutes also include the substance of the differing opinions of the members who have maintained their differing opinions on a resolution of the general assembly. The minutes are signed by the chairman of the general assembly, the individual who took the minutes, and the individual who presented the differing opinion. The list of participants in the general assembly with the signatures of each participant and the written proposals and applications submitted to the general assembly form integral parts of the minutes. The minutes must be made available to the members within 14 calendar days after the end of the general assembly.

5.18. **The governing board** manages and represents the Association. Members of the governing board and their substitutes are appointed by the governing bodies of the members of the Association.

5.19. Members of the governing board may be recalled and replaced by a new member by the member of the Association which appointed them. The powers of a member of the governing board will expire upon their recalling.

5.20. The governing board of the Association elects the chairman and two deputy chairmen from among its members. In the absence of the chairman of the governing board, their duties are fulfilled by one of the deputy chairmen.

5.21. The governing board:

5.21.1. decides on the organisation of the management of the Association;

5.21.2. if necessary, forms the committees required for achieving the statutory goals and approves the composition thereof; if necessary, appoints representatives to the committees of other organisations;

5.21.3. submits the budget, the amount of the membership fee, and the action plan of the Association to the general assembly for approval;

5.21.4. submits the annual accounts to the general assembly for approval;

5.21.5. ensures preparing for and conducting the general assemblies of the Association and the execution of resolutions;

5.21.6. submits proposals to the general assembly to exclude from the Association any members which have not paid the membership fee in a timely manner or have not participated in the work of the Association;

5.21.7. observes the lawful use of the rights of the Association and takes the measures required to defend their rights, if necessary;

5.21.8. hires and releases the executive manager of the Association and makes decisions on the selection of employees;

5.21.9. determines the compositions and remuneration of the executive manager and employees of the Association;

5.21.10. hears and checks the activity of the executive manager of the Association;

5.21.11. determines within the limits of its powers on the terms and conditions of the contracts

concluded in the name of the Association and grants the powers for signing agreements;

5.21.12. exercises the rights of the founder, member, or shareholder of any foundations, non-profit organisations, or companies founded by the Association or companies which the Association participates in, including appointing the members of the supervisory board or management board;

5.21.13. decides on the organisation of work of the work structures of the Association and approves the rules and regulations of the work structure;

5.21.14. makes decisions on other issues concerning the management of the Association which are not in the exclusive competence of the general assembly.

5.22. Meetings of the governing board are organised as and when needed, but at least once a month. Meetings are assembled and chaired by the chairman of the governing board or, in their absence, by a deputy chairman of the board.

5.23. Invitations to the meetings of the governing board with the agenda and materials are sent to the members of the governing board at least seven calendar days before the meeting.

5.24. The governing board may adopt resolutions if more than half of the members of the governing board participate in the meeting. A resolution of the governing board is adopted by a majority.

5.25. The governing board may adopt resolutions without assembling a meeting. A resolution will be deemed adopted without convening a meeting if all members of the governing board vote in favour of the resolution in writing. In the event of sending a vote by email, it must be signed digitally.

5.26. The chairman of the governing board:

5.26.1. manages the work of the governing board and chairs the general assembly of the members of the Association and the meetings of the governing board;

5.26.2. represents the Association in the extent of their statutory duties. In the absence of the chairman, they are substituted by a deputy chairman of the governing board, or, in the absence of the deputy chairmen, one of the members of the governing board;

5.26.3. reports to the general assembly, submits the annual accounts of the Association;

5.26.4. issues orders and signs the agreements of the Association within the limits of their powers;

5.26.5. convenes and manages the general assembly of the members of the Association after ordinary council elections until the election of the new chairman of the governing board.

5.27. Each member of the governing board has the right to represent the Association. The chairman of the governing board represents Association in any legal operations exclusively. The remaining members of the governing board represent the Association within the limits of the powers granted by a resolution of the governing board.

5.28. The executive manager of the Association:

5.28.1. organises the daily activities of the Association, including keeping the accounting of the members of the Association, organising the accounting of the payment of the membership fees, and organising the accounting of the Association pursuant to the procedure established by the governing board;

5.28.2. represents the Association in its daily activities within the framework of their powers;

5.28.3. participates with speaking rights in the meetings of the governing board and in the general assemblies;

5.28.4. organises trainings and refresher trainings for the employees of the local governments as and when needed;

5.28.5. signs contracts and financial documents within a restricted budget and within the

limits approved by the governing board;

5.28.6. concludes, amends, and terminates the employment contracts of the employees within the restraints of the budget and based on a resolution of the governing board;

5.28.7. issues orders within the limits of their powers;

5.28.8. reports to the governing board of the Association.

VI ECONOMIC ACTIVITIES AND THE ASSETS OF THE ASSOCIATION

6.1. The financial year of the Association begins on 1 January and ends on 31 December.

6.2. Fulfilling the duties of the Association is funded from the following sources:

6.2.1. membership fees;

6.2.2. targeted appropriations;

6.2.3. support payments from the state budget;

6.2.4. support payments and donations;

6.2.5. the income from the statutory activity of the Association;

6.2.6. appropriations from the state budget in the cases established by the law or based on the law;

6.2.7. other income.

6.3. The Association may own any assets which are required for achieving the statutory goals of the Association and the ownership of which is not in conflict with the law.

6.4. The Association will not bear proprietary liability for the obligations of its members and the members will not bear proprietary liability for the obligations of the Association.

6.5. The governing board of the Association is competent to decide on the acquisition, transfer, or burdening with real rights of the immovables and the movables which are included in the register and to decide on the terms and conditions of those transactions.

6.6. The following principles are taken into consideration in establishing the amount of the membership fee of the Association:

6.6.1. The amount of the membership fee is calculated based on the number of residents of the member on the basis of the population register data as at 1 January of the year before the budget year.

6.6.2. The amount of the membership fee of the Association is adopted by a resolution of the general assembly based on a proposal from the governing board not later than by 1 December of the year before the budget year.

6.6.3. The general assembly may make exceptions to certain local authorities in establishing the amount of the membership fee.

6.7. Further material obligations in addition to the membership fee may only be placed on the members by a resolution of the general assembly with at least 2/3 of the representatives of the members voting in favour and only if this is necessary for the continuation of the activity of the Association or for important developments. Any further material obligations may not be imposed to damage one or several of the members or to make them resign from the Association.

6.8. The accounting, reporting, and administration of the Association are organised pursuant to the procedure established by the law.

VII EVALUATION OF THE RESULTS OF THE ACTIVITIES OF THE ASSOCIATION AND FINANCIAL CONTROL

7.1. Evaluation of the results of the activities of the Association and financial control are conducted by an audit committee consisting of three members.

- 7.2. The term of the audit committee lasts from the election of the members to the election of a new composition of the audit committee by the composition of the general assembly.
- 7.3. The audit committee will elect the chairman and a deputy chairman from among its members.
- 7.4. The audit committee reports to the general assembly.
- 7.5. The general assembly may decide to conduct an audit.
- 7.6. The person conducting the audit may not be a member of the governing board or the accountant.
- 7.7. The audit committee inspects the following:
- 7.7.1. compliance with the articles of association of the Association;
 - 7.7.2. compliance of the activity of the bodies of the Association with the resolutions of the general assembly and the governing board;
 - 7.7.3. timely collection and registration in the books of the membership fees, alignment of the expenses with the budget of the Association;
 - 7.7.4. accuracy of the bookkeeping and targeted use of the assets;
 - 7.7.5. performance of agreements by the Association;
 - 7.7.6. if tasked by the general assembly, the use of resources by the organisations which have received targeted funding from the budget of the Association.
- 7.8. The audit committee submits the comments and suggestions on any deficiencies detected in the course of the inspection to the governing board of the Association, which will implement measures to eliminate the deficiencies.
- 7.9. The opinion of the audit committee is submitted to the general assembly for approval with the annual accounts.

VIII TERMINATION OF THE ACTIVITIES OF THE ASSOCIATION

- 8.1. If the number of members of an Association falls below half of the total number of local authorities in the county and if it does not prove possible to increase the number of members to the number established by the law over a period of six months, the statutes of the Association will be amended to transform the Association into another type of union of local authorities or the activities of the Association will be terminated.
- 8.2. The activities of the Association are terminated by a resolution of the general assembly if 2/3 of the total number of members of the Association vote in favour of termination or on other grounds established by the law.
- 8.3. In order to terminate the activities of the Association, a liquidation committee is formed by the general assembly, which will have the rights and obligations of the governing board which are not in conflict with the nature of the liquidation.
- 8.4. The liquidation committee will terminate the activities of the Association, collect any debts, and satisfy the claims of the creditors, and transfer the remaining assets and means to the entitled parties determined by a resolution of the general assembly.

The articles of association were adopted on the Local Government Day (general assembly) of the Association of Municipalities of Tartu County on 23 April 2003.

Amendments to the articles of association of the Association of Municipalities of Tartu County and this full text were adopted by resolution no. 7 of the general assembly of 14 February 2018

Rain Sangernebo, chairman of the governing board

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