

Estonian Business School Foundation

STATUTE

I GENERAL PROVISIONS

- 1.1 The name of the Foundation is the Estonian Business School Foundation (hereinafter referred to as “the Foundation”).
- 1.2 The Foundation's seat is the Republic of Estonia, Tallinn. As needed, the Foundation may have representative offices and/or places of business.
- 1.3 The Foundation operates in accordance with the legal acts in force in the Republic of Estonia, its founding decision, this Statute, and the decisions of the Supervisory Board of the Foundation and the Management Board of the Foundation.

II OBJECTIVES OF THE FOUNDATION

- 2.1 The objectives of the Foundation are:
 - 2.1.1 Performing the functions of the school operator arising from legislation concerning a private university Estonian Business School and EBS High School.
 - 2.1.2 Managing and/or supervising the institutions of the Foundation and the companies belonging to the Foundation's consolidation group to the extent described in the statutes of the Foundation, its institutions, and the companies in its consolidation group.

III ASSETS OF THE FOUNDATION, THEIR USE AND DISPOSAL

- 3.1 The source of the Foundation's assets consists of the initial capital transferred upon its establishment, the results of its economic activities, donations, gifts, inheritances, earmarked allocations, and other sources. The Foundation may also acquire external capital for asset procurement.
- 3.2 The Foundation shall establish a statutory equity reserve of at least EUR 640,000 to meet the legal capital requirements for a school operator. Contributions to the equity reserve can be made in cash or in-kind. In-kind contributions are assessed by the Management Board of the Foundation. Disbursements from the equity reserve may only be made to the contributor or their legal successor based on a decision by the Supervisory Board, and only if the Foundation's equity exceeds the minimum capital requirement set by law for school operators after the disbursement.
- 3.3 The Foundation manages, uses, and disposes of its assets to achieve the objectives specified in its Statute. Decisions regarding the use and disposition of assets are made by the Management Board of the Foundation in accordance with legal acts and the Statute.
- 3.4 The Foundation may not grant or guarantee loans to its founders, members of the Management Board, or Supervisory Board, nor to persons with equivalent economic interests, unless otherwise stipulated by law.

- 3.5** The Management Board of the Foundation shall accept any assets transferred to the Foundation.

IV MANAGEMENT OF THE FOUNDATION

- 4.1 The governing bodies of the Foundation are the Supervisory Board and the Management Board.
- 4.2 A person cannot be a member of the governing body if they are subject to a business prohibition or have been convicted of an economic, professional, or property-related crime.
- 4.3 The restriction set out in Article 4.2 of the Statute does not apply to individuals whose criminal records have been expunged from the punishment register.

V SUPERVISORY BOARD OF THE FOUNDATION

- 5.1 The Supervisory Board supervises the activities of the Foundation in accordance with the law and the statute.
- 5.2 The Supervisory Board's powers include:
- 5.2.1 appointing members of the Management Board of the Foundation and appointing a representative of the Foundation to conclude contracts with management board members;
 - 5.2.2 hearing information from the members of the Management Board of the Foundation about the activities of the private university Estonian Business School and other institutions of the Foundation, as well as companies belonging to the consolidation group, at least twice a year, at the discretion of the Supervisory Board;
 - 5.2.3 dismissing members of the Management Board of the Foundation;
 - 5.2.4 approving and amending the Statute of the private university Estonian Business School and the Statute of the Rector (which includes the procedure for electing and dismissing the rector);
 - 5.2.5 and approving the Foundation's annual financial report.
- 5.3 The Supervisory Board consists of four to eight members.
- 5.4 The members of the Supervisory Board are appointed by the founder of the Foundation, who also determines their remuneration and other important conditions.
- 5.5 The term of office of Supervisory Board members is five (5) years.
- 5.6 A Supervisory Board member may resign at any time, regardless of the reason, by giving at least 30 days' notice to the founder of the Foundation, as well as to the other Supervisory Board and Management Board members.
- 5.7 The Supervisory Board's work is organised by the chairperson, elected from among the Supervisory Board members by a simple majority vote for a term of one year. If the Supervisory Board decides to rotate the chairperson role, the transfer of this role does not require a separate Supervisory Board decision.
- 5.8 The Supervisory Board makes decisions either at meetings or without convening a meeting, following a written voting procedure.

- 5.9 Supervisory Board meetings are held as needed, but at least twice a year. A Supervisory Board member may participate in a meeting in person, via (video) call, or by voting in a reproducible written format without attending the meeting.
- 5.10 The chairperson of the Supervisory Board, or an acting member, initiates the convening of a Supervisory Board meeting or the written voting procedure. A Supervisory Board meeting must also be convened if requested by the founder, a member of the Management Board or Supervisory Board, or the auditor.
- 5.11 The Supervisory Board meeting has a quorum if at least 2/3 of the Supervisory Board members participate unless otherwise specified in the statute. Each Supervisory Board member has one vote. A Supervisory Board member is not allowed to abstain from voting or refuse to vote, except in cases provided by law. A Supervisory Board decision is adopted if at least 2/3 of the Supervisory Board members vote in favour unless the statute requires a higher majority. In elections, the candidate who receives the most votes is elected.
- 5.12 Supervisory Board meetings are recorded in minutes.
- 5.13 For decision-making without convening a meeting, the chairperson of the Supervisory Board sends the draft decision to the Supervisory Board members by letter or in a reproducible written format, specifying a reasonable response time. A decision made without convening a meeting is considered adopted if at least 2/3 of all Supervisory Board members vote in favour within the set deadline unless a higher majority is required by the statute.
- 5.14 A Supervisory Board member who is involved in a transaction under discussion, or who is related to a party involved in the transaction, may not participate in the voting on the decision, and their votes will not be counted toward the quorum.

VI MANAGEMENT BOARD OF THE FOUNDATION

- 6.1 The Management Board is the governing body of the Foundation, responsible for leading and representing the Foundation and its institutions.
- 6.2 The statutes of the Foundation's institutions may establish additional governing bodies for these institutions.
- 6.3 The Management Board of the Foundation consists of three to six members. The chairperson of the Board is the Rector of the private university Estonian Business School.
- 6.4 The members of the Management Board are appointed and dismissed by the Foundation's Supervisory Board in accordance with the law, the Foundation's statute, and the regulations for electing the Rector of the private university Estonian Business School.
- 6.5 The Supervisory Board has the right to appoint the acting Rector of the private university Estonian Business School as a member of the Management Board until a new Rector is elected and their Management Board contract comes into effect.
- 6.6 Each Management Board member may represent the Foundation, except in cases of granting loans and/or guarantees exceeding €50,000, where only the Chairperson of the Board or a Board member specifically authorised by the chairperson for that transaction may represent the Foundation.

- 6.7 For transactions specified in Section 25(1) of the Commercial Code, the Management Board does not need the Supervisory Board's approval.
- 6.8 The term of office of Management Board members is five (5) years.
- 6.9 A Management Board member's right of representation may be restricted by a decision of the Supervisory Board or by an agreement concluded with the Management Board member.
- 6.10 The Supervisory Board may remove a Management Board member at any time and for any reason. A Management Board member may resign by giving at least 30 days' notice to the Supervisory Board. The rights and obligations arising from the agreement with the Management Board member terminate according to the agreement, which may also specify more precise notice periods for removal or resignation.
- 6.11 The Management Board provides the Supervisory Board with an overview of the Foundation's economic activities for each half-year and presents an overview of the key objectives for the next 12–24 months within 40 days after the end of the half-year. In the middle of each half-year, the Management Board submits a written report to the Supervisory Board on the economic results of the previous quarter and significant events that occurred during the quarter.

VII AUDITOR OF THE FOUNDATION

- 7.1 In cases prescribed by law, the Foundation must have an auditor. The auditor is selected, and their remuneration is agreed upon by the Management Board of the Foundation. The Supervisory Board may dismiss the auditor at any time and appoint a new auditor. In such a case, the Supervisory Board determines the scope of work and remuneration for the new auditor.

VIII REPORTING

- 8.1 The financial year of the Foundation begins on July 1 and ends on June 30.
- 8.2 After the end of the financial year, the Management Board prepares the annual accounts and activity report (hereinafter referred to as the "annual report") and submits them to the auditor for review if an audit is required by law. No later than four months after the end of the financial year, the annual report is submitted to the Supervisory Board for approval.
- 8.3 The Management Board submits the approved annual report to the register of non-profit associations and foundations within six (6) months from the end of the financial year.

IX AMENDMENT OF THE STATUTE

- 9.1 The Statute may be amended by the founder or the Supervisory Board of the Foundation only to reflect changes in circumstances, having due regard to the objectives of the Foundation.
- 9.2 If the statute needs to be amended due to changed circumstances but neither the founder nor the Supervisory Board makes the necessary changes, the court may decide on the amendment.
- 9.3 An amendment to the statute takes effect upon its registration in the register of non-

profit associations and foundations.

X MERGER, DIVISION AND DISSOLUTION

- 10.1 The dissolution, merger, and division of the Foundation are carried out in accordance with the procedures established by law.
- 10.2 A decision by the Supervisory Board to dissolve, merge, or divide the Foundation is adopted if all members of the Supervisory Board vote in favour or sign the decision.
- 10.3 Upon dissolution of the Foundation, liquidation proceedings take place unless otherwise provided by law.
- 10.4 The Management Board acts as the liquidator unless the Supervisory Board decides otherwise. In the case of compulsory dissolution, the court appoints the liquidators.
- 10.5 In the event of dissolution, contributions made to the equity reserve are refunded or compensated to the contributor (or their legal successor) to the extent of any unpaid portion at the time of the termination decision.
- 10.6 After all creditor claims have been settled (including the balance of equity capital reserve contributions), any remaining assets are transferred to the Foundation's founder or their legal successor.

XI IMPLEMENTATION OF THE STATUTE

- 11.1 Amendments to the statute take effect upon their registration.
- 11.2 The term of office of the current members of the Supervisory Board remains valid until the end of their respective terms.

The amendments to the statute were approved by the Supervisory Board's decision on October 1, 2024.