



**CHARTER**

**OF NTF – NATIONAL TRAINING FOUNDATION**

Moscow, 2010

## **1. GENERAL**

1.1. NTF- National Training Foundation, a non-profit no membership organization (hereinafter referred to as “The Foundation”), was set up by legal persons, based on their voluntary property contributions with the purpose of achieving the goals and objectives, stipulated in the present Charter.

The Foundation was registered as a legal entity by the Ministry of Justice of the Russian Federation on September, 29, 1994, under the registration number IOP-8.

Data on the Foundation were entered into the Uniform State Register of Legal Entities on January, 13, 2003, under the Main State Registration Number 1037739062767.

1.2. The Foundation official name is as follows:

Full name in Russian: НФПК - Национальный фонд подготовки кадров.

Acronym in Russian: НФПК.

Full name in English: NTF – National Training Foundation

Acronym in English: NTF

1.3. The Foundation shall own severalty assets, accounted in its balance, is responsible for its liabilities by its property, on its behalf can make procurements and execute its ownership and non ownership rights, act as a plaintiff and defendant in court.

1.4. The Foundation shall have a round-shaped seal, bearing the Foundation’s full name in the Russian language. The Foundation shall also have its own letterheads, stamps, an emblem and other means of visual identification.

1.5. The Foundation shall be entitled to have current and other accounts have been opened in proper order in credit institutions/banks in the territory of Russian Federation and beyond.

1.6. The State/ the Foundation founders shall not be held liable for the Foundation obligations. The Foundation shall not be held liable for the Russian State and/or the Foundation founders’ obligations.

1.7. With the purpose of achieving its Charter goals and objectives, the Foundation may open branch and representative offices, set up or be involved in setting up non-profit organizations, acquire membership in associations and unions.

1.8. The Foundation possesses the right for entrepreneurial activities complying to the Charter goals and objectives. To this end the Foundation has the right to set up self-financing societies and/or participate in their activities.

1.9. The Foundation is located at the following address: block 1, bld. 7, 1905 Year Street, 123022, Moscow, Russian Federation.

## **2. GOALS AND TYPES OF THE FOUNDATION ACTIVITIES**

2.1. The major goal of the Foundation activities is to assist creation and development of an effective education and science systems; information technologies in education and science; personnel training and re-training to meet requirement of the market economy, including:

- 2.1.1 support innovations aimed at modernization and development of education and science system, information technologies in education and science, personnel training and re-training;
- 2.1.2 analyze emerging requirements and priorities in personnel training and re-training to work out the proposals and recommendations for Federal Authorities and business structures on personnel training and re-training and management system improvement;
- 2.1.3 assist development of management consulting system;
- 2.1.4 assist in attracting loans and grants of international, foreign and Russian organizations and business structures, voluntary contributions, other financial resources, as well as technical assistance for development and implementation of projects aimed at modernization of education and research system, promotion of information technologies in education and science, personnel training and re-training;
- 2.1.5 create conditions for disseminating and wide implementation of advanced experience in reforming and education and science cadre training and re-training;
- 2.2. Objectives of the Foundation activity include:
  - 2.2.1 Development and implementation of international, national, regional and other programmes and projects aimed at modernization of education and research systems, promotion of information technologies in education and science, personnel training and re-training;
  - 2.2.2 Development of mechanisms for carrying out practical research, approbation and implementation of innovative forms, methods and techniques in education/training.
  - 2.2.3 Carrying out relevant research and studies, evaluation of programmes and projects and their results.
  - 2.2.4 Analysis of emerging needs and priorities in education and science, personnel training and re-training, development of recommendations on improving regulatory and information environment for implementation policy in education, science and management.
  - 2.2.5 Initiation and development of programmes and projects aimed at achieving the goals and objectives of Federal target programmes in education and science, information technologies in education and science, personnel training and re-training;
  - 2.2.6 Participation in fulfilling state and municipal orders within the framework of federal target programmes.
  - 2.2.7 Fund-raising and accumulate financial and material and technical resources for financing programmes and projects aimed at achieving goals and objectives, stipulated in the present Charter.
  - 2.2.8 Implementation of training and re-training programmes, carrying out research in this area.
  - 2.2.9 Carrying out an expertise and competitive selection of projects on major training and re-training, education management programmes and their techno-economic evaluation with the purpose of their subsequent financing from own or raised funds.
  - 2.2.10 Creating data bases of regulatory and legal documents, related to training and re-training activity, education management, and render consulting and information services in this area.
  - 2.2.11 Attracting Russian and foreign specialists, define forms and the order of their remuneration.
  - 2.2.12 Conducting conferences, workshops, symposia and other events on topic, related to the Foundation Charter activities.
  - 2.2.13 Rendering consulting and information services on the activities conforming to the Charter objectives.
  - 2.2.14 Undertaking educational activities, mostly in the sphere of adult and other education subsectors, project management and handling procurement within the framework of projects.

- 2.2.15 Carrying out business, publishing, information and other activities, pursuing the Foundation Charter goals, in accordance with the current legislation of the Russian Federation
  - 2.2.16 Carrying out financing and operating, investing and other types of activities under the current legislation of the Russian Federation with the purpose of achieving the Foundation Charter goals.
  - 2.2.17 Participating in setting up and developing organizational structures in the Russian Federation regions aimed at education system modernization.
  - 2.2.18 Rendering assistance and consultations on developing project and programmes and their management to federal and regional education management structures.
  - 2.2.19 Opening branch and representative offices in the Russian Federation territory and abroad, setting up and participating in non-profit organizations, inter alia associations and unions.
  - 2.2.20 Carrying out other activities, not prohibited by the Russian legislation
- 2.3. Types of activities that require special permits (licenses) shall be carried out by the Foundation only after obtaining appropriate licenses.

### **3. THE FOUNDATION GOVERNANCE AND SURVEILLANCE BODIES. GOVERNING BOARD AND BOARD OF TRUSTEE. THE FOUNDATION EXECUTIVE DIRECTOR**

- 3.1. The Governing Board is the top governance and surveillance body of the Foundation.
- 3.2. The following matters shall fall within the competence of the Governing Board:
  - a. amendments to the Foundation Charter;
  - b. definition of priorities in the Foundation activities and principles for building and using of the Foundations Funds;
  - c. adoption of decisions on the Foundation restructuring;
  - d. election of the members of the Governing Board;
  - e. appointment of the Foundation Executive Director;
  - f. election of the Board of Trustees members;
  - g. adoption of decisions on the Foundation involvement in other organizations;
  - h. adoption of decisions on setting up and opening the Foundation branches and representative offices;
  - i. approval of an independent auditor of the Foundation;
  - j. approval of the Foundation annual budget (financial plan) and changes and/or additions to it;
  - k. approval of the Foundation annual financial report and annual balance sheet;
  - l. adoption of decisions to appeal to court with a claim on the Foundation liquidation.

The matters stipulated in points “a” – “e”, “l” of paragraph 3.2. of the present Charter shall be the exclusive prerogative of the Governing Board.
- 3.3. The Governing Board members should act in their capacity as individuals. There will be not less than five members on the Board.  
The Governing Board members might be elected from among:
  - a) representatives of the Government authorities and organizations acting as contactors or controllers and coordinators within the framework of the projects and programmes implemented by the Foundation;

- b) outstanding representatives in the field of science and education, representatives of the organizations (inter alia, non-government organizations) that have become widely known in the sphere of the Foundation activities.
- c) individuals who have made substantial contributions to the Foundation development and support of the Foundation activities implementation to meet the Charter goals and objectives
- d) The Executive Director of the Foundation shall be a member of the Governing Board.

3.4. The Governing Board shall be elected for a term of five years.

The current Governing Board shall consider and approve candidates nominated for the new Governing Board by open voting not later than thirty days prior to the expiry of its term.

If a contract on a project and a programmer implementation stipulates integration into the Governing Board of the representatives, named in subpoint a) of point 3.3. of the present Charter, such representatives are included into the Governing Board for the whole project (programme) implementation period upon written application of the government authority or organization. In this case, voting is not applicable.

The candidature of a representative included on the Board can be recalled or replaced at any moment during the project (programme) implementation period upon written application of the government authority or organization.

3.5. The Chairman of the Governing Board is elected by the Governing Board members from its members for a term of five years.

The Foundation Executive Director can not be elected as the Governing Board Chairman. Chairman of the Governing Board coordinates the Board activities, calls the Board meetings when needed, presides at the Board meetings and signs the minutes of the Board meetings.

In case of temporary absence of the Governing Board Chairman another Board member (excluding the Foundation Executive Director) can be duly authorized by other members of the Board to perform the duties of the Governing Board Chairman.

3.7. The Foundation Executive Director is responsible for the technical assistance in organizing of the Board meetings.

A written notice of the Board meeting shall be forwarded to each of its members not later than seven days prior to the date of the forthcoming meeting. The notice shall include the date/time/place of the meeting, the agenda, approved by the Board Chairman, with all relevant documents attached.

3.8. The Board meeting shall be deemed valid if it is attended by at least half of its members.

3.9. Resolutions of the Board shall be passed by a simple majority vote of all Board members present at the meeting, excluding matters, relevant to an exclusive prerogative of the Governing Board. Such matters should be subjects to decision of 2/3 of the total number of the Board members.

3.10. The Board members who are unavailable during the meeting have the right to present his/her opinion on the meeting agenda in a written form, which should be counted in the quorum and voting procedure.

3.11. In case of a tie the Board Chairman's vote shall be decisive.

3.12. The Board members perform their duties free of charge.

3.13. In case the Board meeting is held out of Moscow, the Governing Board has the right to make a decision on reimbursement of travel and hospitality expenses of the Board members for the period of the meeting.

3.14. The powers of the Board member can be early terminated:

- a) upon an application of the member,
- b) by the decision of the majority of the Board members due to improper execution of this Board member's duties.

3.15. In case the number of members of the Board has become less than required by the present Charter, the Chairman of the Governing Board shall call an extraordinary Board meeting for an election of new members of the Board.

3.16. The following matters shall fall within the competence of the Board of Trustees:

- a) Surveillance of the Foundation's activities; resolutions and decisions taken by other managements bodies of the Foundation and theirs implementation;
- b) supervision of the Foundation funds spending;
- c) supervision of adherence to the Russian legislation by the Foundation;
- d) approval of the Foundation's deals/transactions if conflict of interests emerges.

3.17. Members of the Board of Trustees are elected by the Governing Board for a term of five years. The number of the Board of Trustees' members should be not less than three persons.

The Board of Trustees members might be elected from the following candidatures:

- a) individuals who have made their substantial contributions to the Foundation development and support of the Foundation plans of activities implementation to meet the Charter goals and objectives;
- b) individuals, well- known specialists in the field of law, finance and other fields corresponding to the area wherein projects and programmes are being implemented by the Foundation;
- c) individuals, who have big experience of work in control/supervision and inspection/auditing commissions/bodies.

Neither the Board members nor the Executive staff of the Foundation can be elected to the Board of Trustees.

3.18. The Board of Trustees Chairman is elected by the Board of Trustees members from among themselves. Chairman of the Board of Trustees coordinates the Board of Trustees' efforts, presides at the Board of Trustees' meetings and signs all documentation connected with the Board of Trustees activities.

3.19. The Board of Trustees Chairman can attend the Governing Board meetings without a voting right on the matters of the Board meeting agenda.

3.20. The Board of Trustees holds its meetings when needed but not less than once a year.

3.21. The Board of Trustees meetings, attended by more than half of its members, shall be deemed valid. Resolutions are passed by open simple majority vote of attending Board of Trustees members.

3.22. In case of a tie, the Chairman's vote shall be decisive.

3.23. The Board of Trustees members perform their duties free of charge.

3.24. The Governing Board and Executive staff of the Foundation shall submit to the Board of Trustees all requested information for performing their functions.

3.25. Taking into account the information available Board of Trustees has the right to propose to the Governing Board of the Foundation:

- a) An independent auditing of the Foundation;
- b) An early termination of the powers of a Board member or the Executive Director;
- c) Introduction of amendments and additions to the present Charter.

3.26. The powers of a member of the Board of Trustees can be early terminated by the decision of the Governing Board. A member of the Board of Trustees can abnegate his/her powers for his/her personal reason.

In case the number of members of the Board of Trustees has become less than required by the present Charter, the Chairman of the Governing Board shall call an extraordinary Board meeting for election of a new members of the Trustees' Council.

3.27. The Executive Director of the Foundation is the Foundation Chief Executive Officer (CEO) who manages the Foundation operating activities.

3.28. The Executive Director is appointed by the Governing Board for a term of five years and is accountable to the Board.

3.29. The Executive Director performs his/her duties on a contract basis, signed by him/her with the Foundation, represented by the Chairman of the Board.

3.30. All matters except those which are the exclusive prerogative of the Foundation Governance and Trustee Bodies under the present Charter are within the competence of the Executive Director. They are as follows:

- a) approve an internal organization structure of the Foundation as well as its executive staff schedule;
- b) hire and discharge the Foundation executive staff;
- c) issue local orders and instructions regulating working relations;
- d) perform deals and transactions on behalf of the Foundation;
- e) organize book-keeping and accounting accordingly to the demands of applicable Russian legislation;
- f) take decisions on carrying out business activities by the Foundation with respect to the demands of applicable Russian legislation and provisions of the present Charter.

3.31. Executive Director performs his/her duties on behalf of the Foundation without a power of attorney.

#### **4. SOURCES OF FINANCING AND PROPERTY OF THE FOUNDATION**

4.1. The Sources of financing and property of the Foundation are as follows:

- contributions of the Foundation Founders;
- funding earmarked and allocated in accordance with the applicable procedure from Federal budget, budgets of the Subjects of the Russian Federation, municipal budgets;
- voluntary contributions and donations; fees obtained/received from goods sold and provision of consulting services; income from business activities, carried out in accordance with the Charter goals and objectives;
- other sources that are not prohibited by the legislation of Russian Federation.

4.2. The Foundation shall publish annual reports on its property use in order determined by the Governance Board.

4.3. The Foundation property and incomes can not be distributed between the Foundation Founders.

#### **5. ACCOUNTING AND REPORTS**

5.1. The Foundation financial year starts on January 1 and ends on December 31.

5.2. The Foundation shall carry out book-keeping and accounting, manage finance and other records according to applicable Russian legislation as well as to the agreements/contracts, concluded by the Foundation, if an additional accounting and recording requirements, which differ from those defined by Russian legislation, are stipulated in the agreements/contracts.

Annual reports and balance sheets are subject to the Governance Board approval.

- 5.3. Accounting and financial reporting are subject to auditing if such responsibility is stipulated by the Russian legislation or the agreements/contracts, concluded by the Foundation.

## **6. REORGANIZATION AND LIQUIDATION OF THE FOUNDATION**

- 6.1. Reorganization of the Foundation shall be subject to the Governance Board resolution, in accordance with applicable Russian legislation requirements.
- 6.2. The Foundation liquidation can be executed only pursuant to a court judgment, passed on interested Parties' claim.

The Foundation might be liquidated, provided:

- available funds and property of the Foundation are not sufficient for implementing its goals and objectives, and there is no possibility of acquiring required funds/property;
  - the Foundation goals and objectives cannot be achieved, and required changes of the Foundation goals cannot be effected;
  - the Foundation breached the provisions of this Charter on its activities, goals and objectives;
  - Other cases, subject to Russian legislative.
- 6.3. In the case of its liquidation, the Foundation property and funds, left after creditors' claims redress, shall be transferred for implementing the goals and objectives, stipulated in Chapter II of this Charter, and/or for philanthropic purposes. The Commission on Liquidation shall be ruled by the contracts between the Foundation and legal bodies/individuals, who made contributions to the funds and property of the Foundation.

## **7. CHANGES AND AMENDMENTS IN THE FOUNDATION CHARTER**

- 7.1. Changes and amendments in the Foundation Charter are subject to the Governance Board resolution, except for special cases provided by this Charter.
- 7.2. If it is necessary to make changes to the Charter, but the Governance Board members do not make appropriate decision, the right to change the Charter is subject to a court decision made on the claim of other Foundation governance bodies.