**ARTICLES OF ASSOCIATION**

**of**

**Vilniaus prekybos paramos fondas DABAR**

1. **GENERAL PART**
   1. Vilniaus prekybos paramos fondas DABAR (hereinafter referred to as the “Fund”) shall be a public legal person of limited civil liability.
   2. The Fund shall be guided by the Constitution of the Republic of Lithuania, the Civil Code of the Republic of Lithuania, the Republic of Lithuania Law on Charity and Sponsorship, the Republic of Lithuania Law on Charity and Sponsorship Funds, other laws, regulations and these Articles of Associations.
   3. The name of the Fund shall be Vilniaus prekybos paramos fondas DABAR.
   4. The legal form of the Fund shall be a charity and sponsorship fund.
   5. The Fund shall operate in the territory of the Republic of Lithuania.
   6. The Fund shall be established for an indefinite period of time.
   7. The financial year of the Fund shall be a calendar year.
2. **ACTIVITIES OF THE FUND AND OBJECTIVES THEREOF**
   1. The main objectives of activity of the Fund shall be as follows:
      1. To grant sponsorship and other assistance to legal and natural persons in the fields of science, culture, education, arts, religion, sports, health care, social care and assistance, integration and support of the disabled, environmental protection as well as in other fields recognised as selfless and beneficial to society, support other projects and programmes significant to the society.
   2. In implementation of its objectives, the Fund shall be entitled to:
      1. draw up and implement various programmes and projects, participate in them and support them;
      2. organise events, social campaigns and other civic initiatives;
      3. disseminate information, organise lectures, trainings and engage in other educational activities;
      4. grant sponsorship and charity to the persons entitled to receive sponsorship and/or charity under the procedure prescribed in the legislation of the Republic of Lithuania;
      5. accumulate information and literature;
      6. cooperate with the Lithuanian and foreign public authorities, international organisations and other persons;
      7. manage the irrevocable capital if it is formed;
      8. carry out economic-commercial activities the income from which shall be allocated for implementation of the objectives of the Fund;
      9. engage in any other activities intended for or conducive to implementation of the objectives of the Fund.
3. **RIGHTS AND DUTIES OF THE STAKEHOLDERS OF THE FUND**
   1. The rights of the stakeholders of the Fund shall not differ from the ones set out in the Law on Charity and Sponsorship Funds.
   2. The stakeholders of the Fund shall be obliged to comply with the requirements of the Articles of Association of the Fund and other legal acts regulating the activities of the Fund.
4. **procedure of stakeholders’ resignation (removal) and conferring the stakeholders’ rights to supporters**
   1. The rights of the stakeholders shall be conferred to supporters and the existing stakeholders shall be removed only by the general meeting of stakeholders by the majority of votes not lower than 2/3 of the votes cast by the stakeholders present at the general meeting of stakeholders.
   2. A stakeholder may be removed if the stakeholder acts against the Fund’s interests and fails to comply with the Articles of Association of the Fund or other legal acts regulating the activities governing the activities of the Fund.
   3. The supporters of the Fund who have undertaken an obligation to allocate material and/or other sponsorship to the Fund may be granted the Fund stakeholder rights. A decision on conferring the stakeholder’s rights to the supporter may be taken only by the general meeting of stakeholders under the procedure prescribed herein and only in case if the supporter:
      1. undertakes to comply with these Articles of Association;
      2. allocate material and/or other sponsorship to the Fund;
      3. has the right to be a stakeholder of the charity and sponsorship fund according to the valid legal acts.
   4. Grant of sponsorship to the Fund shall not automatically grant the supporter the right to become a stakeholder of the Fund.
   5. A stakeholder shall be entitled at any time to resign from the Fund by giving a 30 (thirty) days’ written notice to the Board of the Fund.
   6. Where the stakeholder is a single person, he may renounce the status of a stakeholder and delegate his stakeholder rights to a supporter (supporters). Such renouncing of the status of a stakeholder and conferring it to a supporter (supporters) shall be executed in written form. The procedure of removing stakeholders and conferring stakeholder rights to supporters shall be executed in writing.
5. **MANAGEMENT OF THE FUND**
   1. The bodies of the Fund shall be as follows:
      1. the meeting of stakeholders;
      2. the collegial management body, i.e. the Board;
      3. the single-person management body, i.e. the director.

1. **GENERAL MEETING OF SHAREHOLDERS**
   1. The general meeting of stakeholders (hereinafter referred to as the “meeting of stakeholders”) shall be the supreme governing body of the Fund. Where the Fund has only one stakeholder, his written decisions shall be equal to the decisions of a meeting of stakeholders.
   2. The general meeting of stakeholders shall have the exclusive right to:
      1. amend the Articles of Association of the Fund;
      2. make decisions on the removal of stakeholders from the Fund and conferring stakeholder rights to supporters;
      3. elect (appoint) and remove the manager of the Funds, i.e. the director, and establish the main conditions of his/her work;
      4. elect (appoint) and remove members of the Board of the Fund, the chairman of the Board and set the amount of the remuneration payable to them;
      5. approve the annual report and the set of annual financial statements of the Fund;
      6. approve the sponsorship management rules;
      7. approve the annual report on received (granted) support);
      8. take a decision on the audit of the Fund’s financial statements, elect an audit firm or a certified auditor for carrying out an audit of the financial statements and establish the conditions of payment for the audit services;
      9. take decisions on the transfer of the fixed assets of the Fund to third parties;
      10. make a decision on formation, starting management, increase of the irrevocable capital or terminate its management;
      11. take a decision on becoming a member of limited liability legal persons;
      12. take decisions on establishment and liquidation of the branches of the Fund;
      13. take a decision on restructuring or dissolution (reorganisation or liquidation) of the Fund;
      14. deal with other issues attributable to the competences of the general meeting of stakeholders provided for in the legal acts and these Articles of Association provided that they are not attributed to the competence of other bodies of the Fund and if, by substance, they are not the functions of the management body.
   3. All of the stakeholders shall have the right to vote at the general meeting of stakeholders, each of the stakeholders having one vote.
   4. Members of the Board and the director of the Fund, where they are not the Fund’s stakeholders, may attend a general meeting of stakeholders without the right to vote.
   5. The meeting of stakeholders may adopt decisions if the stakeholders of the Fund having more than 1/2 votes are present at the meeting. A decision of the meeting of stakeholders, except for the decisions referred to in paragraphs 6.2.1., 6.2.3., 6.2.4., 6.2.11., 6.2.12., 6.2.13 hereof shall be deemed to have been adopted if the number of the votes in favour cast by the stakeholders participating in the vote is greater than the votes cast against (persons abstaining in a vote shall not be counted, i.e. they shall be considered as not participating in the vote). The decisions referred to in paragraphs 6.2.1., 6.2.3., 6.2.4., 6.2.11., 6.2.12., 6.2.13 hereof shall be adopted by at least 2/3 of the votes cast by the stakeholders of the Fund present at the meeting.
   6. Meetings of stakeholders shall be convened once a year and extraordinary meetings shall be convened if necessary. The Board, the director and a stakeholder (stakeholders) of the Fund shall have the right of initiative to convene a meeting of stakeholders. The stakeholders and members of the Board shall exercise the right of initiative by submitting a request for convening an extraordinary meeting of stakeholders which shall specify the reasons for convening the meeting, the matters offered for consideration, the draft decisions and other information necessary for consideration of such issues, the proposal for the place and time of the meeting to the manager. The general meeting of stakeholders shall take place within 3 calendar days from the date of receipt of the request for initiation of the meeting. Where a general meeting of stakeholders fails to meet the quorum, a repeat meeting shall be convened in accordance with the procedure laid down in the articles of association which shall have the right to adopt decisions on the issues included into the agenda of the failed meeting irrespective of the number of stakeholders present at the meeting. A repeat meeting shall be convened not earlier than 5 days and not later than 21 days from the date of the failed general meeting of stakeholders under the procedure prescribed in paragraph 6.7 hereof.
   7. A general meeting of stakeholders shall be convened and organised by the director, except for the case provided for in paragraph 8.3 hereof where the afore-mentioned functions of the manager must be fulfilled by the chairman of the Board. The stakeholders of the Fund shall be notified of the date, place of the meeting, the matters to the considered in writing not later than 21 calendar day to the date of the meeting. The time limit may be ignored if all stakeholders agree in writing.
   8. Minutes of the meetings of stakeholders shall be taken. The minutes shall be signed by the chairman and secretary of the meeting of stakeholders. No minutes shall be taken if all stakeholders sign the decision or there is only one stakeholder. In such case, the stakeholder’s decision shall be deemed to be equivalent to the decision of the meeting of stakeholders.
   9. The stakeholders present at the meeting of stakeholders shall be registered in the register of stakeholders which shall be an integral part of the minutes against signed acknowledgement.
2. **BOARD**
   1. The Board shall be a collegial management body of the Fund the activities of which shall be supervised by the chairman. The Board shall consist of three members elected for the period of three years.
   2. The members and the chairman of the Board shall be elected and removed by the meeting of stakeholders. The members of the Board and the chairman of the Board shall start to hold their office at the end of the general meeting of stakeholders at the they were elected (appointed). The number of terms of office of the members of the Board and the chairman of the Board shall not be limited.
   3. A member (chairman) of the Board shall be entitled to resign before expiry of the term of office by giving a 14 calendar days’ written notice to the Board. The general meeting of stakeholders shall be entitled to remove the whole Board or individual members thereof before expiry of the term of office of the Board.
   4. The competence of the Board:
      1. to change the registered office of the Fund;
      2. to establish the structure of the Fund, positions and wages of the employees of the Fund;
      3. to establish the operational strategy and main activities of the Fund;
      4. to distribute funds for charity and sponsorship; the Board of the Fund shall also be entitled to authorise the director of the Fund to distribute funds for sponsorship within the limits established by the Board;
      5. to approve assessment of property contributions;
      6. to analyse the results of the activities, income and expense estimates, inventory and other asset accounting data of the Fund;
      7. to consider and present the annual report on received (granted) sponsorship drawn up by the director of the Fund to the meeting of stakeholders for approval;
      8. to consider and present the sponsorship management rules drawn up by the director of the Fund to the meeting of stakeholders for approval;
      9. to deal with other issues attributable to the competence of the Board under the legislation.
   5. The Board shall take decisions at the meetings. A meeting shall be lawful if not less than 2/3 members of the Board are present at the meeting. Decisions shall be taken by a simple majority of the votes. The members of the Board shall have equal voting rights. In the event of a tie, the chairman of the Board shall have the casting vote. The members of the Board shall be obliged to vote at the meetings and cannot abstain from voting, except for the cases where voting by a member of the Board implies a conflict of interest.
   6. The procedure for convening and organisation of the meetings of the Board shall be established by the rules of procedure of the Board which shall be approved by the Board.
3. **DIRECTOR**
   1. The director shall be a single-person management body of the Fund.
   2. The director of the Fund shall hold office from the end of the general meeting of stakeholders appointing the director unless the employment contract with the director sets a later date. Th employment contract with the director shall be signed by the person authorised by the meeting of stakeholders.
   3. The director of the Fund shall be entitled to resign from the office of the director by giving a 14 calendar days’ written notice to the Board of the Fund. In such case, the chairman of the Board of the Fund shall immediately convene an extraordinary meeting of stakeholders at which the new director of the Fund shall be appointed.
   4. The director of the Fund shall organise the Fund’s activities, run the Fund, act on behalf of the Fund. The director shall work in accordance with the laws and other legal acts of the Republic of Lithuania, the Articles of Association of the Fund, decisions of the meeting of stakeholders and the Board.
   5. The director shall:
      1. employ the employees of the Fund and conclude employment contracts with them and organise voluntary works in accordance with the procedure established in the Republic of Lithuania Law on Volunteering;
      2. be liable for drawing up of the annual report and the set of annual financial statements of the Fund for the previous financial year and presentation thereof to the Board;
      3. be liable for provision of the data, information and documents of the Fund to the manager of the Register of Legal Entities;
      4. provide information and documents to the meeting of stakeholders, the Board and stakeholders of the Fund;
      5. be liable for publication of information provided for in the legal acts of the Republic of Lithuania;
      6. enter into transactions on behalf of the Fund in accordance with the Articles of Associations of the Fund, decisions of the meeting of stakeholders and the Board;
      7. distribute funds for sponsorship within the established limits of the competence of the Fund;
      8. implement the decisions of the meeting of stakeholders and the Board;
      9. represent the Fund before court, public authority and government institutions and in relations with other persons;
      10. fulfil other functions provided for in these Articles of Association of the Fund and other legal acts.
4. **SOURCES OF THE FUND’S INCOME. PROCEDURE FOR USE OF THE FUNDS, INCOME AND ASSETS**
   1. The Fund shall own assets necessary for achievement of the objectives of activity provided for herein. The assets of the Fund shall be separate from the stakeholders’ assets.
   2. The Fund shall be entitled to transfer the assets and funds held by the right of ownership or any other rights, secure performance of the obligations or otherwise restrict its rights of ownership, use and disposal of the assets only in case of seeking to implement the objectives of activity provided for in the Articles of Association of the Fund.
   3. The sources of income of the Fund shall be as follows:
      1. contributions of the stakeholders and funds and assets allocated otherwise;
      2. funds and assets donated by the supporters;
      3. sponsorship received under the procedure prescribed in the Law on Charity and Sponsorship;
      4. bequests to the Fund;
      5. interests of credit institutions payable for the funds kept at them;
      6. profit of the companies belonging to the Fund and the companies in which the Fund is a member;
      7. funds and assets allocated for target projects and programmes from analogous funds, programmes and projects;
      8. income from the economic-commercial activities carried out by the Fund;
      9. other lawfully acquired funds and assets.
   4. The Fund’s supporter may indicate an area where the funds (property) donated by him should to be used, but only within the scope of activities specified in the articles of association. The Fund must supply the supporter, at his request, with the information necessary to control the Fund’s compliance with the conditions set forth by the supporter.
   5. The Fund shall use the money received as sponsorship as well as other donated money and property for the purposes indicated by the person who donated the money or property if the said person has specified such purposes. The Fund shall keep such money in a separate account and shall keep an estimate of expenditure where this is provided for in the legal acts or where the person who donated the money has so requested.
   6. The fund may not accept money or other property if the purposes indicated by the person who donated the money or property are other than provided for in the Articles of Association.
   7. The funds of the Fund may be used for reimbursement of the Fund administration expenses to the extent permitted by the legal acts.
   8. The Fund shall accumulate and keep its funds in banks or other credit institutions.
5. **CONTROL OF FINANCIAL ACTIVITIES**
   1. The manager of the Fund shall draw up an annual report and the set of annual financial statements of the Fund within the time limits provided for in these Articles of Association and laws and provide them to the Board which, upon approval, present them to the annual general meeting of stakeholders. The auditor’s report shall be provided alongside with the set of annual financial statements of the Fund if an audit is carried out.
   2. The Fund shall carry out an audit at the intervals prescribed by the Articles of Association. An audit of the Fund shall be carried out where the general meeting of stakeholders takes a decision to carry out an audit and elects an audit firm or a certified auditor.
   3. The manager and/or the Board of the Fund shall be obliged to furnish the auditor with the requested documents and information necessary for conducting the audit and create conditions for conducting an audit.
   4. The conditions of payment for the audit services shall be established by the general meeting of stakeholders.
6. **PROCEDURE FOR ESTABLISHMENT AND LIQUIDATION OF BRANCHES. POWERS THEREOF**
   1. The Fund shall be entitled to establish branches. They shall be established by a decision of the general meeting of stakeholders in accordance with the procedure established in the law.
   2. A branch shall be a unit of the Fund having a separate registered office. A branch shall not be a legal person and shall use the name of the Fund as a legal person. A branch shall act in accordance with the powers established in the regulations of the branch.
   3. The assets of a branch shall be accounted for in the documents of financial statements of the Fund and the documents of financial statements of the branch.
   4. Branches shall be eliminated by a decision of the meeting of stakeholders in accordance with the procedure prescribed in the law.
7. **PROCEDURE FOR PROVISION OF DOCUMENTS AND OTHER INFORMATION ON THE FUND’S ACTIVITIES TO STAKEHOLDERS**
   1. Upon written request of a stakeholders, the Fund shall be obliged to grant access to and provide copies of the following documents: the Articles of Association of the Fund, the sets of annual financial statements, reports on received (granted) sponsorship, auditor’s opinions and auditor’s reports, minutes of the meetings of stakeholders or other documents executing decisions of the meetings of stakeholders, other documents of the Fund which must be provided according to the legislation in force, to the stakeholder not later than within 7 days from the date of receipt of the request.
   2. A refusal to provide documents shall be executed by the Fund in writing if the stakeholder requests so. Any disputes over the stakeholder’s rights to information shall be resolved by the court.
   3. A fee shall be charged for a copy of the documents and other information of the Fund.
8. **PROCEDURE FOR PUBLICATION OF NOTICES AND ANNOUNCEMENTS**
   1. Where the Funds’ notices must be made public, they shall be published in the electronic publication “Public Notices of Legal Persons (*Juridinių asmenų vieši pranešimai*) published by the State Enterprise Centre or Registers.
   2. Publication of notices shall fall within the liability of the manager of the Fund.
9. **PROCEDURE FOR AMENDMENT OF THE ARTICLES OF ASSOCIATION OF THE FUND AND CHANGE OF THE REGISTERED OFFICE**
   1. The Articles of Association shall be amended by the meeting of stakeholders by the majority of votes of at least 2/3 of the stakeholders present at the meeting.
   2. The stakeholders, the Board and the director shall have the right of initiative to amend the Articles of Association.
   3. The amendments to the Articles of Association shall come into force from the registration thereof in the Register of Legal Entities.
   4. The registered office of the Fund shall be changed by a decision of the meeting of stakeholders.
10. **PROCEDURE FOR RESTRUCTURING, REORGANISATION AND LIQUIDATION OF THE FUND**
    1. The Fund shall be restructured, reorganised and liquidated in accordance with the procedure established in the Civil Code and the Law on Charity and Sponsorship Funds of the Republic of Lithuania.