

Statute

The Rule of Law Institute Foundation

I. General Provisions

§ 1

1. Grzegorz Górski, Arkadiusz Piechowicz, Tomasz Sieniow, Marek Siudowski, Delaine Swenson and Richard Warner have established by means of a notarial act drawn up on December 7th, 1987 (A-Nr 2390/01) a foundation to be called "The Rule of Law Institute", hereinafter referred to as "the Foundation". The Foundation carries on its activities on the basis of the provisions of the Act dated April 6th, 1984 On Foundations (Official Journal, No.21, item 97) as well as the provisions hereof.
2. The Foundation has the status of a legal person.

§ 2

1. The Foundation's acting area is the Republic of Poland and territory abroad.
2. The seat of the Foundation is the city of Lublin.
3. For the realization of their statutory aims the Foundation can found bases. They can possess the status of a legal person.

§3

1. The Foundation is established for an unlimited time.

§4

1. The Foundation uses a stamp: „Fundacja - Instytut na rzecz Państwa Prawa”.
2. The Foundation can use an abbreviation of its name, its distinguishing graphical sign and counterparts of its name in foreign languages.
3. The counterpart of its name in English is: „Rule of Law Institute Foundation”.

II. Aims and forms of Foundation's acting

§5

1. The aim of foundation is to support the principle of rule of law, in particular:
 - a. Promoting legal standards based on the rule of law.
 - b. Increasing the public's legal knowledge.
 - c. Increasing the professional skills of lawyers.
 - d. Promoting the European Union and the idea of the European integration process.
 - e. Protection of human rights.

- f. Promoting the Polish experience in political system transition within post-communist countries.
- g. Supporting the education system in the area of promoting the rule of law.
- h. Reform of the system of legal education.
- i. Eliminating corruption from public life.
- j. Supporting initiatives for strengthening judicial independence.

§6

1. The Foundation shall attain its aims by all legal means through:
 - a. Promoting the Foundation's aims in mass media,
 - b. Substantial and financial support of all projects adequate to Foundation's aims,
 - c. Cooperation with institutions, organizations and persons acting in scope of Foundation's activities,
 - d. Sponsoring and supporting publishing that promotes Foundation's purposes,
 - e. Financing and support in organizing meetings, conferences, presentations that promote Foundation's purposes,
 - f. Sponsoring trainings that promote Foundation's purposes among legal professionals,
 - g. Sole attaining of Foundation's purposes or through deputation to other institutions.
2. Foundation cooperates with all persons or organizations: governmental and non-governmental with scope of activities similar to the Foundation's.
3. Particular provisions and conditions of fulfilling Foundation's purposes shall be regulated in Foundation's internal regulations.

III. The Foundation's property and incomes

§7

1. The Foundation property consists of:
 - a. The Initial Fund of the Foundation amounts to the total of Polish Zloty 4.002 (four thousand two zloty),
 - b. Incomes made by the Foundation,
 - c. Acquired Rights of the Foundation.
2. The Initial Fund can be used to the amount of Polish Zloty 1.000 (one thousand zloty) for economic activities.
3. The Foundation's property is located on bank accounts in polish and other currencies.

§8

1. Specifically, the Foundation's income:
 - a. donations, inheritances, bequests ,
 - b. grants and subventions from legal persons,
 - c. incomes of public collections,
 - d. interests from the amount located in banks,
 - e. incomes of economic activities.

2. Incomes gathered from the Foundation's property are specifically destined for realizing the statutory aims and for the covering of the Foundation's undertaking.

§9

1. For gathering funds for the statutory acting the Foundation can provide economic activities based on the provisions in force.
2. The subject of the Foundation's economic activities is production and services, provided on their own costs or indirect, in the field:
 - organizing trainings and courses,
 - publishing and distribution of prints,
 - organizing consultancy,
 - research and development work in the field of legal science.

IV. The organs of the Foundation

§ 10

1. The organs of the Foundation are:
 - a. The Foundation Council.
 - b. The Board.

A. The Foundation Council.

§ 11

1. The Foundation's Council is made up of at least five members.
2. Till the moment of appointment the Foundation Council is made up by their founders: Grzegorz Górski – Head of the Council, Delaine Swenson, Richard Warner.
3. The founders - members of the Foundation's Council shall unanimously supplement Council's membership in a year from registration of the Foundation.
4. Successive members of the Council instead of the persons, who have ceased to hold their posts or to increase the Council's membership are appointed by the Council's decision.

In special grounded cases the recall of a member of the Council can happen as a result of a secret vote by a $\frac{2}{3}$ majority of the remaining members.
5. The Foundation Council elects from among its Members the Council Chairman. The Chairman manages the Council's work, represents it in outside contacts, convenes and chairs the Council's meetings. In the period between sessions of the Council, the Head can provide some of the competences on the base of a proxy given to him.

§ 12

1. The Foundation Council convenes in session at least once a year.
2. The Foundation Council makes its decisions in the form of resolutions adopted by simple majority; in case of tie the Chairman's vote prevails.
3. The Council's decisions shall be made by mail vote.

4. In fulfilling its functions the Council may use the opinion and evaluations of the experts commissioned for that purpose.
5. The Foundation Council proceedings are determined by the By-Laws it has adopted.

§ 13

1. Specifically, the Foundation Council:
 - a. Supervises the activities of the Foundation.
 - b. Defines the main directions of the Foundation's activity.
 - c. Appoints and recalls the Chairman of the Board and the Members of the Board.
 - d. Makes decisions on employment of the Board Members and on their salaries.
 - e. Evaluates the work of the Board, accepts annual reports and balance sheets and votes on acceptance of accounts of the Members of the Board. The fact of not voting on acceptance of accounts has no influence on claims under employment relations.
 - f. Makes decisions on liquidation of the Foundation.
 - g. Provides changes in the statute of the Foundation.

§ 14

1. The Foundation Council is functioning for three years.
2. Every member of the Council can lodge a resignation without specifying a reason.

B. The Board.

§ 15

1. The Foundation's Board is composed of three up to five members appointed by the Foundation's Council by secret voting for three year term. The first Board is appointed by the founders of the foundation.
2. Member of the Board can serve more than one term in office.
3. If after the term the new Foundation's Board was not made up, the old Board will function till the appointment of the new Board.
4. The head of the Board is the President of the Board. The Members of the Board may elect from among themselves one or two Vice-Presidents.
5. Organizational structure and forms of the Board's activities are defined in the By-Laws.

§ 16

1. Board Membership expires with the end of the term, death, waiver of membership or dismissal.
2. Any member of the Board may be removed from the office with reasonable clause by resolution of Foundation's Council passed with absolute majority.

§ 17

1. The Board of Directors manages the Foundation's activities and represents it in its external relations.
2. Specifically, the Board:
 - a. undertakes decisions in all matters not transferred to the other organs,
 - b. manages of Foundation's actions and administrates Foundation's estate,
 - c. adopts annual and long term financial plans,
 - d. implements resolutions of the Foundation's Council
 - e. organizes and controls Foundation's economic activity,
 - f. adopts regulations,
 - g. undertakes decisions on joining associations and other organizations,
 - h. accepts endowments, legacies and grants,
 - i. decides on the scope of employment, rules and amount of Foundation's employees salaries and all persons cooperating with Foundation based on contract of mandate.
 - j. appoints the Managing Director of the Foundation.
3. The Board shall make its decisions at Board meetings in the form of resolutions which require a simple majority to pass; in case of a tie, the Chairman's of the Board vote prevails. To adopt resolutions the Board may use the procedure of mail voting, if all members of the Board agree to that form.
4. Meetings of the Board shall be held at least once every month. A majority of the Directors shall constitute a quorum for valid Board meeting.
5. The Board may appoint proxies in charge of managing specific areas of the Foundation's statutory business.

§ 18

1. On behalf of Foundation declaration of will shall be made by:
 - a. President of the Board– solely,
 - b. Two members of the Board – acting together,
 - c. Vice president of the Board of Directors and a holder of a proxy – acting together, within the scope of proxy,
 - d. Member of the Board – solely, in acts of ordinary management.
2. To approve any increment of property for the Foundation consent (declaration of will) of a single member of the Board is sufficient.
3. For valid Board's resolution in regard to transfer, exchange and to mortgage Foundation's real estate an unanimous resolution of all members of the Board approved by the Council is required.

§ 19

1. The Managing Director of the Foundation is endowed with executive powers with regard to the resolutions adopted by the Board.
2. The Managing Director of the Foundation is appointed by the Board. The functions of Managing Director may be fulfilled by a Member of the Board.
3. Should a need arise, the Board, on the Managing Director's request, appoint Deputy Directors.
4. The Board determines the terms of employment and salaries of the Director and his Deputies.
5. The administrative business of the Board and the Foundation Council is handled by the Foundation's Office.
6. The Foundation's Office reports to the Foundation's Director.
7. Internal rules of operation of the Foundation Office are adopted by the Managing Director of the Foundation in cooperation with the Board.

§ 20

1. Foundations organizational entities – subsidiaries shall be established in order to attain Foundation's aims.
2. Subsidiaries are organizational entities financially separated with territorial scope of action realizing Foundation's statutory aims.
3. Subsidiaries act upon statutes approved by the Foundation's Council upon Board's request. Statutes shall regulate the scope of subsidiaries Directors' necessary actions and limitation of their decision-making prerogatives without Foundation central organs' consent.
4. Subsidiaries Directors are appointed and dismissed by the Board.
5. Subsidiaries financial activity is based on annual financial plans approved by the Board.

§ 21

1. Amendments to the Foundation Statute are adopted by the Foundation Council by $\frac{3}{4}$ of given votes and approval of the Founders if the amendment is passed during their lives.
2. No Amendments of the Statute may affect the objectives of the Foundation and its name.

§ 22

1. Foundation shall be subject to liquidation in the event that the objectives for which the Foundation has been established have been met or in the event that the financial resources and assets of the Foundation are exhausted.
2. Resolution in regard of the liquidation is adopted by the Foundation Council with $\frac{2}{3}$ of given votes.
3. Liquidation process is conducted by a liquidator appointed by the Foundation Council. In liquidation procedure liquidator has rights of the Board.
4. If, upon the liquidation of the Foundation, there remain any financial assets, those assets will be used for realizing Foundation's aims.

§ 23

Foundation's internal organization regulates "Organization Regulation" adopted by the Board.