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THE FOUNDERS' DECISION N 1 ON  
FOUNDING OF  
«CREATION» SOCIOCULTURAL  
FOUNDATION  
Dated 28.04.2021

THE AGENCY OF THE  
STATE REGISTER OF LEGAL ENTITIES  
OF THE REPUBLIC OF ARMENIA

«\_\_» «\_\_\_\_\_» 2021

Interim Executive Director of the Foundation:

Aram Torosyan

Registration number:

\_\_\_\_\_

TIN:

\_\_\_\_\_

Employee:

\_\_\_\_\_

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**“CREATION” SOCIOCULTURAL FOUNDATION**

**CHARTER**

Yerevan, 2021

## 1. GENERAL PROVISIONS

1.1. The “Creation” Sociocultural Foundation (hereinafter referred to as the Foundation) is a non-profit organization created by the founders on the basis of voluntary property payments and has no membership, which pursues educational, social, scientific, charitable, cultural and other social benefit purposes. The Foundation was established by the founders' decision No. 1 of April 28, 2021 and operates in accordance with the RA Constitution, the RA Civil Code, the RA Law “On Foundations” (hereinafter referred to as the Law), RA international treaties, other legal acts and this Charter.

1.2. The Foundation's activities are based on the principles of legality, publicity, self-government, equality and volunteerism.

1.3. The Foundation's name

- *In Armenian - in full:* «Արարում» սոցիալական մշակութային հիմնադրամ,
- *In Armenian – abbreviated:* «Արարում» հիմնադրամ,
- *In Russian - in full:* Социально-культурный фонд “Созидание”,
- *In Russian – abbreviated:* Фонд «Созидание»,
- *In English – in full:* “Creation” Sociocultural Foundation,
- *In English – abbreviated:* “Creation” Foundation:

1.4. The location of the foundation is: RA, c. Yerevan 0010, Tigran Mets Ave., building 4, premises 4/7.

1.5. The founders of the Foundation are Aram Torosyan, s/o Suren (citizen of the Republic of Armenia, identification card: 001808385, issued on 14.03.2014, by 004, address: Yerevan, 0056, 10 Gay Avenue, apt. 17) and Martiros Avetisyan, s/o Andranik (Citizen of the Republic of Armenia, identification card: 000270850, issued on 19.11.2012, by 009, address: RA, Yerevan, 0020, Vardashen, the 5th street, the 1st alley, house 29):

1.6. The founders are not responsible for the obligations of the Foundation created by them. The Foundation is not responsible for the obligations of its founders.

1.7. According to the Law, the Foundation is obliged to publish an annual report on its activities:

1.8. The Foundation is a legal entity and is considered established from the moment of state registration in accordance with the law. The foundation may have a logo, a seal with its name, may have stamps and letterheads, a symbol, as well as trademarks, and other marks and personalizing requisites registered in accordance with the law. The Foundation has the right to open bank accounts in the banks of the Republic of Armenia and foreign countries in drams and (or) foreign currency in the manner prescribed by law.

1.9. The Foundation independently determines the strategic plans of its activity.

1.10. The Foundation has separate property as an ownership and is responsible for its obligations with that property. The Foundation may enter into contracts, agreements, and other transactions on its behalf, acquire and exercise property and personal non-property rights, bear responsibilities, and appear in court as a plaintiff or defendant.

1.11. The Foundation manages, uses and possesses its property in accordance with this charter, with the right of the owner.

1.12. The Foundation may establish branches and representative offices in the Republic of Armenia and abroad, as well as institutions acting on behalf of the Foundation in accordance with the charters approved by the Board of Trustees of the Foundation.

1.13. The rights of the foundation may be restricted only in cases provided by law and in the manner prescribed by law.

- 1.14. The term of activity of the foundation is indefinite.
- 1.15. The Foundation has the right to protect its rights in all ways not prohibited by law.
- 1.16. The Foundation has the right to establish or participate in economic companies in order to carry out business activities.
- 1.17. In pursuit of the goals enumerated by this charter, the Foundation may personally carry out business activities, in particular:
- 1.17.1. educational activities in the field of art, creative art,
  - 1.17.2. Production of films and video films, TV programs,
  - 1.17.3. Post-production activities of films and video films, TV programs,
  - 1.17.4. Distribution of film and video films, TV programs,
  - 1.17.5. movie screening
  - 1.17.6. Renting and leasing of other machinery, equipment and other items not included in other groups (for example, film production equipment);
  - 1.17.7. book publishing
  - 1.17.8. Retail sale of books in specialized stores
  - 1.17.9. Publishing of books, periodicals and other publishing activities
  - 1.17.10. Activities of cultural objects,
  - 1.17.11. organization of cultural events,
  - 1.17.12. creative activity,
  - 1.17.13. Activities in the field of organizing creative, art, cultural and spectator performances,
  - 1.17.14. other courses for acquiring narrow professional knowledge,
  - 1.17.15. activity in the field of photography,
  - 1.17.16. Other educational activities in the field of culture,
  - 1.17.17. other professional, scientific and technical activities not included in other groups;
  - 1.17.18. making and broadcasting TV programs,
  - 1.17.19. Other ancillary activities in the field of education.
- 1.18. The Foundation may engage in certain types of activities defined by the Law only in case of availability of a license, from the moment of obtaining a license or within the period specified in it. If the terms of the license stipulate that the Foundation may not be engaged in any activity other than the licensed activity, or restrictions are imposed on certain types of activity, the Foundation has no right to be engaged in any activity during the validity of the license, except for the activities provided for in the license or the activities mentioned in the license.

## **2. THE PROPERTY OF THE FOUNDATION**

- 2.1. The property of the Founders transferred to the Foundation is the property of the Foundation.
- 2.2. The Foundation possesses, uses and manages the property it owns and acquires, including financial resources, in accordance with its business objectives and the significance of the property.
- 2.3. The Foundation can own immovable and movable property, cash in drams, foreign currency, etc.
- 2.4. The sources of the Foundation's assets, including financial resources, are:
- a) Financial and material investments (also in the form of immovable and movable property) made by the founders;
  - b) donations and contributions by citizens and legal entities;

c) Other sources not prohibited by the Law.

### **3. THE MISSION OF THE FOUNDATION, THE GOALS OF THE ACTIVITY, THE GROUPS OF BENEFICIARIES OF THE FOUNDATION**

3.1. The mission of the foundation is to support the socio-economic, educational and cultural development and implementation of reforms in the RA and other countries.

3.2. The main goals of the foundation are:

3.2.1. to contribute to the reform and improvement of the scientific, educational, cultural, social and healthcare systems;

3.2.2. to support the implementation of charitable programs of great importance;

3.2.3. Provide financial and logistical assistance to individuals and legal entities.

3.3. The beneficiary groups of the Foundation are:

3.3.1. Armenian or foreign filmmakers and other cultural figures

3.3.2. Individuals in the Republic of Armenia or abroad interested in film production, art, education, cultural sphere in general, as well as specialized in the mentioned spheres,

3.3.3. RA or foreign educational, cultural, social organizations / legal entities and individuals operating in the mentioned spheres.

### **4. THE GOVERNING BODIES OF THE FOUNDATION, THE BOARD OF TRUSTEES**

4.1. The governing bodies of the Foundation are the Board of Trustees of the Foundation and the Executive Director of the Foundation.

4.2. The supreme governing and supervisory body of the Foundation is the Board of Trustees of the Foundation (hereinafter referred to as the Board).

4.3. The Board consists of 5 (five) members, who elect the Chairman of the Board by the majority of the total number of votes for a term of 2 (two) years.

4.4. The first members of the board are appointed by the founders by unanimous decision.

4.5. Subsequent members of the Board are appointed by the Board of Trustees in force at the time, by a simple majority of votes. In case of impossibility, the appointment of the new members of the Board is carried out by the founders by unanimous decision. The current Board continues to function until a new Board of Trustees is formed.

4.6. In case of a vacancy for a member of the Board, the appointment of a member is carried out in the manner provided for in Paragraph 4.5.

4.7. Board members are elected for a term of 2 (two) years.

4.8. The authority of a board member is terminated according to the RA Law "On Foundations".

4.9. The term of office of a member of the Board may also be terminated if he / she does not fulfill his / her duties properly by at least 3/4 of the votes of the other members of the Board.

4.10. The powers of the Board are defined by the RA Law "On Foundations".

4.11. Matters within the competence of the Board may not be transferred to another body by the Charter.

4.12. The Board has the right to get acquainted with all the documents of the Foundation.

4.13. The Board supervises the targeted use of the Foundation's property, as well as the activities of the Foundation's Executive Director.

4.14. The Board carries out its activities through sessions. Each member of the Board has one vote during

the voting. The sessions can be held by using e-mail or other means of communication. The sessions are convened at least once a year by the Chairman of the Board. Extraordinary sessions of the Board are convened on the initiative of the Chairman of the Board or at the request of 1/3 of the Board members. Board sessions are considered valid if attended by more than half of the total number of Board members. Decisions of the Board are made by a majority vote of the members participating in the session, unless the Charter of the Foundation provides for a larger number of votes.

4.15. Decisions on the election and dismissal of the Chairman of the Board, the election and dismissal of the Executive Director of the Foundation, as well as the change of the name of the Foundation, liquidation and amendment of the Charter or approval of the Charter shall be adopted by a majority vote of the total number of Board members.

4.16. The reorganization of the Foundation may be carried out by a qualified (2/3) majority of the total number of votes of the Board members.

4.17. Board sessions are recorded.

4.18. The following information must be specified in the minutes:

4.18.1. year, month, date and place of convening the session,

4.18.2. the number of persons entitled to participate in the session (including members of the governing body);

4.18.3. the number of persons (including members of the governing body) who participated in the session, the names of the members of the Board of Trustees of the Foundation or the position held in the Foundation;

4.18.4. The agenda of the session.

4.19. The minutes of the session of the Board shall contain the main provisions of the speeches made at the session, the issues put to the vote, the results of the voting on those issues, the decisions adopted at the session.

4.20. The minutes of the Board sessions are drawn up in Armenian. They can also be written in a foreign language. In case of any discrepancy between the texts, the Armenian text shall prevail.

4.21. Extracts from the minutes of the Board session shall contain information on the persons who signed the minutes (including those who submitted a special opinion).

4.22. The Chairman of the Board is elected by the members of the Board. The Board may at any time re-elect the Chairman or elect a new Chairman by a majority vote of the total number of its members.

4.23. The powers and responsibilities of the Chairman of the Board are defined by the RA Law "On Foundations".

4.24. In the absence of the Chairman of the Board, by the decision of the Board, his duties are performed by one of the members of the Board.

4.25. The Board carries out its activities in accordance with the regulations approved by it.

## **5. RIGHTS AND RESPONSIBILITIES OF THE MEMBER OF THE BOARD OF TRUSTEES OF THE FOUNDATION**

5.1. The Board member has the right to:

5.1.1. submit proposals on the agenda of the Board sessions and issues to be discussed;

5.1.2. prepare questions, submit proposals and draft decisions to the Board for discussion;

- 5.1.3. receive information on any issues related to the Foundation's activities;
- 5.1.4. receive reimbursement for expenses incurred in the performance of its obligations;
- 5.1.5. leave the Board.
- 5.2. The board member is obliged to:
  - 5.2.1. Participate in Board sessions;
  - 5.2.2. to act in the interests of the Foundation in the performance of his/her duties;
  - 5.2.3. take care of raising the Foundation's reputation;
  - 5.2.4. support the replenishment of the Foundation's investments;
  - 5.2.5. not to violate the requirements of the Board's regulations.
- 5.3. A member of the Board may have other rights and other responsibilities defined by the Law, this Charter and the regulations of the Board.

## **6. THE EXECUTIVE DIRECTOR OF THE FOUNDATION**

- 6.1. The Executive Body of the Foundation is the Executive Director of the Foundation, who manages the ongoing affairs of the Foundation and is accountable to the Board.
- 6.2. The Executive Director of the Foundation is elected and dismissed by the Board by a simple majority of its total number of votes.
- 6.3. The Board has the right to terminate the contract with the Executive Director at any time in accordance with the Law, the Charter of the Foundation and the procedure established by the contract.
- 6.4. The rights and responsibilities of the Executive Director of the Foundation are defined by this Charter, the RA Law "On Foundations" and the contract concluded with the Executive Director.
- 6.5. The Executive Director
  - 6.5.1. manages the property of the Foundation, including financial resources, in accordance with the budget approved by the Board, concludes transactions on behalf of the Foundation;
  - 6.5.2. Represents the Foundation in the Republic of Armenia and in foreign countries,
  - 6.5.3. acts without a power of attorney,
  - 6.5.4. issues power of attorneys,
  - 6.5.5. concludes contracts, including employment, in accordance with the established procedure
  - 6.5.6. opens current, settlement (including foreign currency) and other accounts of the Foundation in banks;
  - 6.5.7. Submits for approval of the Board the internal working regulations of the Foundation, the charters of separate subdivisions, institutions and economic companies established by the Foundation, the administrative structure of the Foundation, the staff list.
  - 6.5.8. issues orders, instructions within its competence, gives mandatory instructions for execution and supervises their execution;
  - 6.5.9. exercises other authorities arising from the legislation of the Republic of Armenia and this Charter;
  - 6.5.10. applies incentives and disciplinary measures to employees;
  - 6.5.11. submits the Foundation's annual reports to the Board for approval once a year.

## **7. CONTROL OVER THE ACTIVITIES OF THE FOUNDATION**

- 7.1. Supervision over the fulfillment of the requirements of the legislation of the Republic of Armenia by the Foundation is carried out by the State Revenue Committee, and in cases defined by law, also by other competent state bodies, in accordance with their competencies and the procedure of inspections and

examinations provided by law.

7.2. In case of identification of violations of the laws requirements by the Foundation, which can be eliminated by the measures taken by the Foundation, the supervising or state authorized body shall send a written warning to the Foundation, proposing the procedure and terms of elimination of the violations.

## **8. ACCOUNTING AND FINANCIAL REPORTS**

8.1. The Foundation maintains accounting in accordance with the legislation of the Republic of Armenia and submits financial and statistical reports.

8.2. The accounting of the Foundation is organized and maintained, the accounting report is prepared in accordance with the procedure established by the legislation of the Republic of Armenia.

8.3. The Foundation is obliged to publish a report on its activities in accordance with the procedure established by law.

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

9.1. The Foundation may be reorganized and / or liquidated in the manner prescribed by the RA Law "On Foundations".

9.2. The Foundation may be reorganized only in accordance with the procedure established by law for the merger of the Foundation by the decision of the Board.

9.3. The liquidation of the foundation is the cessation of its activity without passing its rights and responsibilities to other persons by way of legal succession.

9.4. The decision on liquidation of the Foundation can be made only by a court based on the application of the interested parties. The Board can act on behalf of the Foundation as an interested person:

9.5. In case of liquidation of the Foundation, after satisfying the creditors' claims, as well as in case the Foundation has no liabilities to creditors at the moment of approving the interim liquidation balance, the property is directed to the goals envisaged by the Foundation, and in case of impossibility, transferred to the state budget.

## **10. THE PROCEDURE FOR MAKING AMENDMENTS TO THE CHARTER**

10.1. Amendments to the charter of the Foundation may be made by both the founders unanimously and the board of trustees by a simple majority of their total number of votes.

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