

## DISCLAIMER

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## AMENDMENT HISTORY

Approved by the directive of the Minister of Population Affairs No. 1-3/93 dated 03.11.2020.

Amended by the directive of the Minister of the Interior No. 1-3/49 dated 20.06.2022.

Amended by the directive of the Minister of the Interior No. 1-3/14 dated 27.01.2023.

Amended by the directive of the Minister of the Interior No. 1-3/60 dated 13.06.2024.

# **The Statutes of the National Foundation of Civil Society**

## **I GENERAL PROVISIONS**

1.1 The name of the foundation is the National Foundation of Civil Society (hereinafter referred to as “NFCS”). The name of NFCS in English is “The National Foundation of Civil Society”.

1.2 The founder of NFCS is the Republic of Estonia, represented by the Ministry of the Interior in exercising the founder’s rights.

1.3 NFCS is located in the Republic of Estonia, Viljandi.

1.4 NFCS operates as a civil-law nonprofit foundation in the public interest. The activities of NFCS are governed by the Foundations Act, the State Assets Act, other regulatory acts, and the present statutes (hereinafter referred to as “the statutes”).

1.5 The fiscal year of NFCS starts on January 1 and ends on December 31.

1.6 NFCS holds all its financial resources in the Ministry of Finance, makes payments using these financial resources via the Ministry of Finance, and may hold an account in a credit or financial institution only with the agreement of the Ministry of Finance.

1.7 NFCS receives, maintains, and manages financial resources, gifts, and donations, as well as uses, disburses, or donates the income or principal of these resources to achieve the objectives stated in its statutes.

1.8 NFCS is established for an indefinite period.

1.9 The governing bodies of NFCS are the Supervisory Board and the Management Board.

## **II PURPOSE AND TASKS**

2.1 The purpose of NFCS is empowered non-profit associations acting in the public interest, a strong civil society, and active individuals.

2.2 To achieve its purpose, NFCS performs the following tasks:

2.2.1 Developing and implementing programs to support non-profit sector capacity building, support for the activities of organizations and networks, and allocating project and activity-based grants to active organizations or individuals through public competitions and scholarships or by a decision of the Supervisory Board.

2.2.2 Securing sufficient resources for NFCS from state budget funds, designated external funds, and private donations, and managing and using these for the developmental needs of civil society.

2.2.3 Developing and managing programs, including organizing grants allocation, conducting analyses related to the development of civil society, and commissioning research.

2.2.4 Developing bilateral or multilateral cooperation between Estonian and foreign organizations whose objectives and activities support the development of civil society.

2.2.5 Supporting the growth of awareness about civil society through systematic communication activities.

2.3 NFCS bases its activities on national strategic documents concerning the development of civil society.

## **III EXERCISING FOUNDER'S RIGHTS**

3.1 The entity exercising the founder's rights consults with the government commission (hereinafter referred to as "the Commission") formed for the implementation and evaluation of the action plans for the Estonian Civil Society Development Concept and for developing cooperation between civil society and the state when appointing members of the Supervisory Board.

3.2 Decisions on making changes to the composition of the Supervisory Board and recalling members of the Supervisory Board are made by the entity exercising the founder's rights, after consulting with the Commission. A member of the Supervisory Board cannot be appointed for more than two consecutive terms as specified in paragraph 4.4 of the statutes.

3.2.1 The restriction on the appointment of a member of the Supervisory Board, as mentioned in point 3.2, does not apply to the representative of the Ministry of the Interior in the field of civil society (*amended by the Minister of the Interior's directive No. 1-3/60 dated 13.06.2024*).

3.3 The entity exercising the founder's rights has the authority to amend the statutes of NFCS, either upon receiving a proposal from the Supervisory Board or through consultation with the Supervisory Board. 3.4 The Ministry of the Interior ensures that the purpose of NFCS is achieved and that its resources are used efficiently and transparently.

3.4 The entity exercising the founder's rights determines the remuneration of the members of NFCS's Supervisory Board, taking into account the following:

3.4.1 Members of the Supervisory Board of NFCS are granted equal remuneration unless otherwise stipulated by the State Assets Act. The chairperson of the Supervisory Board may be awarded higher remuneration. A member of the Supervisory Board may be granted additional remuneration in connection with their participation in the audit committee, as defined in the Auditing Act, or in the activities of another organ of the Supervisory Board.

3.4.2 When compensating a member of NFCS's Supervisory Board, consideration is given to their participation in Supervisory Board meetings, decision-making without convening a meeting, and involvement in the activities of other Supervisory Board organs.

3.4.3 No compensation is paid to a member of the Supervisory Board upon their recall from the Board.

3.4.4 If NFCS fails to fulfill the obligations listed in Section 84, subsection 2, clauses 1 or 2 of the State Assets Act, the entity exercising the founder's rights may decide to suspend the payment of remuneration to the chairperson of the Supervisory Board or proportionally reduce the remuneration for the period during which the obligations were not fulfilled, pursuant to the procedure specified in Section 85, subsection 2 of the State Assets Act.

3.5 The entity exercising the founder's rights may dismiss a member of the Supervisory Board at any time regardless of the reason.

#### **IV SUPERVISORY BOARD OF NFCS**

4.1 The Supervisory Board plans the activities of NFCS, coordinates its management, and oversees the actions of the Management Board. The Supervisory Board represents NFCS in disputes and transactions with the Management Board.

4.2 A member of the Supervisory Board must be a legally competent natural person who meets the restrictions set forth in Sections 6.1 to 6.4 of the statutes concerning the members of management bodies.

#### 4.3 Responsibilities and obligations of a Supervisory Board member:

4.3.1 A Supervisory Board member is liable for compensating damages caused to NFCS due to the non-performance of their obligations in accordance with the law.

4.3.2 A Supervisory Board member is released from liability towards NFCS if they voiced a dissenting opinion regarding an unlawful decision and the dissent is recorded in the minutes. The limitation period for filing claims against a Supervisory Board member is five years from the date the damage was caused.

4.3.3 A Supervisory Board member is obligated to inform the entity exercising the founder's rights of NFCS's intention to carry out transactions beyond ordinary economic activity.

4.4 The Supervisory Board consists of 7 to 11 members, who are appointed by the entity exercising the founder's rights for a term of three years. The composition of the Supervisory Board is formed on the principle that up to half of the members are representatives of the state and at least half are representatives of the civil society. One representative of the state is proposed by the Minister of Finance. *(amended by the Minister of the Interior's directive No. 1-3/14 dated 27.01.2023)*

4.5 A member of the Supervisory Board has the right to resign if they notify the chairperson of the Supervisory Board in writing at least one month in advance. The chairperson of the Supervisory Board is obligated to forward the request to the entity exercising the founder's rights.

#### 4.6 The key duties of the Supervisory Board include:

4.6.1 Approving NFCS's objectives and budget for the upcoming year no later than the beginning of the fiscal year.

4.6.2 Submitting proposals for amendments to the statutes or providing opinions to the entity exercising the founder's rights.

4.6.3 Appointing and dismissing members of NFCS's Management Board, conducting transactions with members of the Management Board, and deciding on the remuneration for members of the Management Board.

4.6.4 Approving NFCS's strategy, action plan, and support programs.

4.6.5 Approving NFCS's annual report.

4.6.6 Defining the conditions for the allocation of NFCS's grants.

4.6.7 Appointing NFCS's auditor, defining their term of office, and determining the procedure for their remuneration.

4.6.8 Granting consent for transactions that fall outside the scope of daily economic activities.

4.6.9 Approving the rules of procedure for the Supervisory Board, including the principles of operation and ethical standards of the Supervisory Board.

4.6.10 Proposing to the entity exercising the founder's rights decisions regarding NFCS's merger, division, or termination.

4.6.11 Deciding on other matters falling within the competence of the Supervisory Board as stipulated by law.

4.7 The members of NFCS's Supervisory Board elect a chairperson and a deputy chairperson from among themselves. The chairperson of the Supervisory Board of NFCS:

4.7.1 Organizes the activities of the Supervisory Board;

4.7.2 Chairs the meetings of the Supervisory Board or sends the draft decision to the members of the Supervisory Board if the decision is adopted without convening a meeting;

4.7.3 Monitors the implementation of decisions made by the Supervisory Board;

4.7.4 Represents the Supervisory Board;

4.7.5 Makes proposals to the entity exercising the founder's rights, as necessary, regarding the recall and appointment of members of the Supervisory Board;

4.7.6 Submits the agenda of the Supervisory Board meeting to the entity exercising the founder's rights and the minister responsible for the relevant field at least three working days before the meeting takes place, and submits the minutes of the meeting along with the meeting materials within one month after the meeting (*amended by the Minister of the Interior's directive No. 1-3/49 dated 20.06.2022*);

4.7.7 In the case of adoption of a decision without convening a meeting, submits the draft decision of the Supervisory Board to the entity exercising the founder's rights and the minister responsible for the relevant field at the same time as it is sent to the members of the Supervisory Board, and submits the voting protocol or the voting results within five working days after the vote (*amended by the Minister of the Interior's directive No. 1-3/49 dated 20.06.2022*).

4.8 In the absence or unavailability of the chairperson of the Supervisory Board, the duties and rights of the chairperson are exercised by the deputy chairperson.

4.9 Decisions of the Supervisory Board are made by a simple majority. Each member of the Supervisory Board has one vote. A member of the Supervisory Board does not have the right to abstain or remain neutral in voting, except in cases provided by law.

4.10 Supervisory Board meetings are held as needed, but not less frequently than once every three months. Participation in meetings is possible either in person or by means of electronic communication. Meetings are called by the chairperson or, in their absence, by the deputy chairperson. A meeting must be called if requested by the entity exercising the founder's rights, a member of the Supervisory Board, the Management Board, or the auditor. The notice of the meeting

is sent to the members of the Supervisory Board in written or electronic form at least seven days before the meeting. The notice must specify the time and place of the meeting and the agenda.

4.11 The Supervisory Board meeting has a quorum if more than half of the members, including the chairperson or the deputy chairperson, attend. Members absent from the meeting may participate in voting by submitting their vote in a form that can be reproduced in writing. A decision is adopted if more than half of the members present at the meeting vote in its favor. In the event of a tie, the chairperson's vote is decisive.

4.12 Supervisory Board meetings are minuted. At the request of a member, a dissenting opinion must be included in the minutes. The minutes are sent to the members for review electronically no later than ten days after the meeting. The minutes are signed digitally. All attending members and the recorder sign the minutes.

4.13 The Supervisory Board may make decisions without convening a meeting if, after the chairperson declares written voting open, no member of the Supervisory Board requests a meeting or the suspension of the voting. When declaring written voting open, the chairperson sends the draft decision in a reproducible written form to all members, specifying the deadline by which each member must submit their position in a reproducible written form. If a member does not state within the deadline whether they are for or against the decision, it is considered that they have voted against it. If a member raises a discussion on the decision put to the vote during the written voting, the voting is suspended.

4.14 A decision made without convening a meeting is adopted if more than half of the members of the Supervisory Board vote in favor.

4.15 When a decision is made without convening a meeting, the chairperson of the Supervisory Board prepares a voting protocol regarding the results and immediately sends it to the members. If requested by a member, a dissenting opinion must be included in the voting protocol. Positions submitted by members in reproducible written form are an integral annex to the voting protocol.

4.16 The decisions of the Supervisory Board come into force at the moment of their adoption and are binding on the Management Board.

4.17 The minutes and voting protocols, together with their annexes, are preserved indefinitely. The Management Board of NFCS is responsible for organizing and ensuring the preservation of the minutes, voting protocols, and their annexes.

4.18 To fulfill its duties, the Supervisory Board has the right to examine all documents of NFCS, as well as to verify the accuracy of accounting, the existence of assets, and NFCS's compliance with the statutes and Supervisory Board decisions.

4.19 Expenses incurred in connection with participation in Supervisory Board meetings and representation of NFCS are reimbursed by NFCS.

## **V MANAGEMENT BOARD OF NFCS**

5.1 The Management Board of NFCS (hereinafter referred to as the “Management Board”) represents and manages NFCS. The Management Board may have up to three members. The composition of the Management Board, changes to its composition, and the recall of Management Board members are decided by the Supervisory Board.

5.2 A member of the Management Board must be a legally competent natural person who meets the restrictions set forth in point 6.1 of the statutes regarding members of governing bodies.

5.3 Members of the Management Board may not have a personal interest in the benefits distributed by NFCS. In cases of a conflict of interest, or if a decision concerns the execution of a transaction between a Management Board member and NFCS or the initiation or termination of a legal dispute with a Management Board member, the relevant member of the Management Board does not participate in the decision-making process.

5.4 If the Management Board has more than one member, the members of the Management Board elect a chairperson from among themselves, who organizes the activities of the Management Board.

5.5 The term of office for a Management Board member is four years.

5.6 The Management Board represents NFCS in all legal acts. The right of the Management Board to represent NFCS can be restricted by a decision of the Supervisory Board.

5.7 A member of the Management Board has the right to appoint a representative for the duration of their temporary absence (e.g., during business trips or vacation) through a power of attorney. The power of attorney must specify, among other things, the scope and validity period of the authorization and must be pre-approved in writing by the chairperson of the Supervisory Board.

5.8 The Management Board (manager) of NFCS:

5.8.1 Is responsible for organizing NFCS’s accounting.

5.8.2 Makes decisions regarding expenditures necessary for NFCS’s activities within the scope and framework of the budget approved by the Supervisory Board.

5.8.3 Hires and dismisses NFCS employees, including signing, amending, and terminating employment contracts with them.

5.8.4 Issues powers of attorney for the representation of NFCS.

5.8.5 Participates in Supervisory Board meetings unless the Supervisory Board decides otherwise.

5.8.6 Provides the Supervisory Board with an overview of NFCS’s economic activities and financial status at least once every four months. Additionally, the Management Board must

immediately inform the Supervisory Board of any significant deterioration in NFCS's financial situation and other significant circumstances related to NFCS's economic activities.

5.9 The Management Board must comply with the lawful instructions of the Supervisory Board and fulfill the duties set forth in the statutes when managing NFCS.

5.10 The Management Board prepares a balanced budget covering all revenues and expenses. The budget must align with NFCS's financial plan, comply with the budgeting and net debt rules specified in the State Budget Act, and adhere to the restrictions established in the State Budget Act.

5.11 The Management Board prepares and submits an annual financial plan, approved by the Supervisory Board, in accordance with the requirements of the State Budget Act. This financial plan serves as the basis for drafting NFCS's budget. *(amended by the Minister of the Interior's directive No. 1-3/49, dated 20.06.2022)*

5.12 Transactions that exceed the scope of daily economic activities may only be conducted by the Management Board with the consent of the Supervisory Board.

5.13 The Supervisory Board may delegate to the Management Board the authority to decide on all matters related to NFCS's activities, provided they do not conflict with the law.

5.14 The Supervisory Board may dismiss a member of the Management Board at any time, regardless of the reason. The rights and obligations arising from the agreement with the Management Board member terminate in accordance with the terms of the agreement.

5.15 The work procedures and other conditions (including remuneration) of the members of the Management Board are determined by the agreement between the Management Board member and the Supervisory Board. When entering into an agreement with a member of the Management Board, NFCS is represented by the chairperson of the Supervisory Board.

5.16 Remuneration of a Member of the Management Board

5.16.1 A member of the Management Board may be remunerated only based on a Management Board member agreement concluded with them. If a member of the Management Board performs other tasks necessary for NFCS in addition to fulfilling the duties of a Management Board member, they may only be remunerated for these tasks if this is specified in the Management Board member agreement.

5.16.2 A member of the Management Board may be paid additional remuneration based on their performance. The amount of additional remuneration must be justified, taking into account the achievement of NFCS's objectives. The total amount of additional remuneration paid during the financial year may not exceed four times the average monthly salary paid to the Management Board member in the previous financial year, excluding the additional remuneration paid for performance in the previous financial year. *(amended by the Minister of the Interior's directive No. 1-3/49, dated 20.06.2022)*



5.16.3 A member of the Management Board may be paid severance compensation only in the case of their dismissal at the initiative of the Supervisory Board before the end of their term of office. Severance compensation may be paid up to the amount of three months' remuneration applicable at the time of the dismissal.

5.16.4 A member of the Management Board may, on the basis of a justified decision by the Supervisory Board, be paid compensation for complying with a non-compete obligation for up to 12 months after the end of their term of office. The monthly compensation may not exceed the monthly remuneration applicable at the time of the termination of their term. *(amended by the Minister of the Interior's directive No. 1-3/49, dated 20.06.2022)*

5.17 A member of the Management Board who has caused damage to NFCS by violating their obligations is liable for that damage. If there is more than one member on the Management Board, the members are jointly liable for the damage caused.

5.18 Powers of the Management Board:

5.18.1 Ensuring the implementation of decisions made by the Supervisory Board and being responsible for their execution;

5.18.2 Representing NFCS and acting on its behalf based on the restrictions or authorities established by the Supervisory Board;

5.18.3 Planning, organizing, and managing NFCS's daily economic activities, managing assets, entering into contracts, and opening accounts with credit institutions;

5.18.4 Drafting NFCS's strategy, support programs, action plans, annual budgets, and conditions for funding, as well as proposing amendments and submitting them for approval to the Supervisory Board;

5.18.5 Developing NFCS's investment strategy and submitting it to the Supervisory Board for approval;

5.18.6 Preparing NFCS's annual report and submitting it for approval to the Supervisory Board within three months after the end of the financial year; *(amended by the Minister of the Interior's directive No. 1-3/49, dated 20.06.2022)*

5.18.7 Entering into agreements to secure additional financial resources based on a decision of the Supervisory Board;

5.18.8 Preparing a financial overview of NFCS quarterly and submitting it to the Supervisory Board;

5.18.9 Performing other duties arising from the law.

## **VI RESTRICTIONS FOR MEMBERS OF GOVERNING BODIES**

6.1 A person cannot be a member of the Supervisory Board or the Management Board of NFCS if:

6.1.1 Their culpable actions or inaction have led to their bankruptcy;

6.1.2 Their culpable actions or inaction have resulted in the revocation of a license granted to a legal entity;

6.1.3 They are subject to a business prohibition;

6.1.4 Their culpable actions or inaction have caused damage to a legal entity;

6.1.5 They have been convicted of an economic, professional, or property-related crime.

6.2 The restrictions mentioned in points 6.1.1 to 6.1.4 of the statutes apply for five years after the declaration of bankruptcy, revocation of the license, expiration of the business prohibition, or compensation for damage. The prohibition in point 6.1.5 does not apply to individuals whose criminal records have been expunged.

6.3 A person cannot be a member of the Supervisory Board if they have a substantial conflict of interest with NFCS, which may arise, among other things, from the fact that the person or someone related to them:

6.3.1 Is a sole proprietor engaged in the same economic activity as NFCS;

6.3.2 Is a partner in a general partnership or full partner in a limited partnership engaged in the same economic activity as NFCS;

6.3.3 Holds a significant stake in a company that conducts the same economic activity as NFCS;

6.3.4 Is a member of the management body of a company operating in the same field as NFCS, except when it is a state-owned enterprise or a company that belongs to the same group as that enterprise;

6.3.5 Has significant business interests related to NFCS, which may include holding a significant stake in such a legal entity or being a member of the management body of such a legal entity that is a significant seller or buyer of goods, or a service provider or customer for NFCS;

6.3.6 Is a member of NFCS's Management Board.

6.4 A member of the Supervisory Board may not have a personal interest in receiving benefits distributed by NFCS. In cases of a conflict of interest, or if a decision is made regarding a transaction between the member of the Supervisory Board and NFCS or the initiation or termination of a legal dispute against them, the member of the Supervisory Board does not participate in decision-making or voting on that matter.

## **VII PROPERTY AND ASSETS OF NFCS**

7.1 The property of NFCS consists of allocations from the state budget, donations, and purpose-specific allocations, as well as income from NFCS's economic activities.

7.2 NFCS may participate in, acquire, and transfer shares in business companies, establish other foundations, merge with other foundations, or divide only based on the decision of the entity exercising the founder's rights. NFCS may only participate in a business company whose activities directly support the achievement of NFCS's objectives. The management of property, including its acquisition, usage, and transfer, is carried out by the Management Board in accordance with the rules established by the statutes.

7.3 When acquiring a real estate or right of superficies without charge, NFCS shall assume obligations for the designated use of this property and must comply with the provisions of Section 33 of the State Assets Act regarding paying contractual penalties.

7.4 NFCS may incur debt and enter into capital lease agreements only based on a unanimous decision of all members of the Supervisory Board.

7.5 NFCS's administrative expenses may not exceed levels justified by the objectives and nature of its activities.

7.6 Procedure for transferring assets:

7.6.1 Financial resources received by NFCS shall be deposited into NFCS's settlement account(s);

7.6.2 A valuation of the transferred assets shall be provided by a generally recognized expert;

7.6.3 Assets shall be transferred to NFCS based on a contract and/or a transfer-acceptance act;

7.6.4 The transfer of money and other assets shall be certified by the signature of NFCS's Management Board;

7.6.5 NFCS may not accept assets that do not align with its objectives or are contrary to good practices.

7.7 General procedure for the use and management of assets:

7.7.1 Assets shall be used to achieve NFCS's statutory objectives and to fulfill its duties, as well as to cover NFCS's current expenses and compensate its employees;

7.7.2 NFCS may not provide loans, guarantee the obligations of third parties, enter into deposit agreements with credit or financial institutions, or invest its financial resources in financial assets, including securities, unless such authority is specified in the statutes;

7.7.3 Designated donations may only be used for the purpose indicated by the donor.

## VIII REPORTING, INTERNAL CONTROL, INTERNAL AUDIT, AND AUDITOR

8.1 After the end of the financial year, the Management Board prepares the annual financial statements and the activity report (hereinafter referred to as “the annual report”) and submits them to the auditor for review in such a way that the Supervisory Board can approve the audited report before the deadlines established by law and by the statutes.

8.2 Together with the audited and approved annual report, the Management Board submits an overview of how the Supervisory Board has planned, managed, and supervised the foundation’s activities during the reporting period and indicates the total remuneration paid during the financial year to each member of the Supervisory Board and the Management Board, distinguishing the additional remuneration paid to the Management Board. Both documents are published on the foundation’s website. *(amended by the Minister of the Interior’s directive No. 1-3/60 dated 13.06.2024)*

8.3 The annual report is signed by all members of the Management Board immediately after its approval. *(amended by the Minister of the Interior’s directive No. 1-3/60 dated 13.06.2024)*

8.4 The Management Board submits the approved annual report to the Commercial Register within three months after the end of the financial year. *(amended by the Minister of the Interior’s directive No. 1-3/49 dated 20.06.2022)*

8.5 NFCS publishes on its website the profit and loss statement, balance sheet, and cash flow statement for the first and third quarters of the financial year, compared with the figures for the same period of the previous year, as well as a review of the economic activity for the quarter, within one month after the end of the quarter, and the profit and loss statement, balance sheet, and cash flow statement for the second and fourth quarters of the financial year, compared with the figures for the same period of the previous year, as well as a review of the economic activity for the quarter, within two months after the end of the quarter. *(amended by the Minister of the Interior’s directive No. 1-3/49 dated 20.06.2022)*

8.6 The following conditions apply to NFCS’s internal control system:

8.6.1 An internal auditor position shall be established or the service of an internal auditor shall be procured from an audit firm if, as at the balance sheet date of the reporting year, NFCS’s balance sheet total exceeds two million euros or the revenue for the reporting year exceeds two million euros;

8.6.2 NFCS has the right to forgo the establishment of an internal auditor position or the procurement of an internal auditing service from an audit firm if, in the opinion of the Supervisory Board, it is economically justified. Such a decision of the Supervisory Board must be preapproved by the person exercising the founder’s rights;

8.6.3 The person exercising the founder’s rights has the right to carry out a special audit and to use for this purpose the structural unit of the authority under their management.

8.7 NFCS shall have one or more auditors. The auditor(s) for a one-time audit or for a period of up to three years are appointed by the Supervisory Board.

8.8 A member of the Supervisory Board, Management Board, or an employee of NFCS cannot be appointed as NFCS's auditor.

8.9 Each year, the person exercising the founder's rights submits the activity report, approved by the Supervisory Board, to the Ministry of Finance concerning the achievement of the objectives set for NFCS and the exercise of the founder's rights.

## **IX AMENDMENT OF THE STATUTES**

9.1 The statutes may be amended on the grounds and in accordance with the procedures established by law and these statutes.

9.2 To amend the statutes on the initiative of the Supervisory Board, the approval of two-thirds of the members of the Supervisory Board of NFCS is required.

9.3 If, due to changed circumstances, the statutes need to be amended but those entitled to amend them do not do so, the court may decide on the amendment at the request of an interested party.

## **X MERGING, DIVISION, AND TERMINATION OF ACTIVITIES**

10.1 By decision of the entity exercising the founder's rights, NFCS may, in light of changed circumstances and taking into account NFCS's objectives, merge with another foundation or be divided in accordance with the procedure established by law.

10.2 The termination of NFCS takes place by decision of the entity exercising the founder's rights or in cases prescribed by law. NFCS shall be terminated or merged with other foundations at the request of the state. NFCS may not be terminated or merged with another foundation without the consent of the state.

10.3 The liquidators of NFCS are appointed by the Supervisory Board.

10.4 Liquidators have the rights and obligations prescribed by law, and liquidation is carried out in accordance with the law. The liquidators shall deliver NFCS's documents for safekeeping to the entity exercising the founder's rights.

10.5 Upon liquidation, the remaining assets shall be transferred, by decision of the Supervisory Board and with the consent of the entity exercising the founder's rights, to the state, to a foundation with similar objectives included in the list of non-profit organizations and foundations benefiting from income tax incentives, or to a public legal entity.

10.6 After the completion of the liquidation, the liquidators submit an application for the deletion of NFCS from the register.