

The Charter is approved by the resolution of the General Meeting of Founders of the Suzuki Music Method "Talent Education" Development Association of Citizens and Organizations

Protocol of proceedings No 1 dated 6 March, 2014

Changes and additions approved by the General meeting of members of the Suzuki Music Method "Talent Education" Development Association of Citizens and Organizations

Protocol of proceedings No 1 dated February 13, 2016

Protocol of proceedings No 2 dated May 14, 2016

Protocol of proceedings No 1 dated February 18, 2017.

CHARTER

Of the Suzuki Music Method "Talent Education" Development Association of Citizens and Organizations

Moscow, 2014

1. GENERAL PROVISIONS

1.1. The Suzuki Music Method "Talent Education" Development Association of Citizens and Organizations (hereinafter referred to as "Association"), set up on the basis of the Founders' resolution (Minutes of Proceedings No 1 dated 6 March, 2014), is a non-profit-making and membership-based organization, incorporating legal bodies and citizens to promote and protect common interests, to achieve the objectives detailed in clause 2.1 of the present Charter.

1.2. The Association shall conduct its activities in accordance with the Constitution of the Russian Federation, Civil Code of the Russian Federation, Federal Law "On Non-Commercial Organizations", other legislative regulations of the Russian Federation and the present Charter.

1.3. The Association shall not have, as a major focus, the objective of making profit. It shall not distribute profits received amongst its members.

1.4. The Association shall conduct its activity on the ground of social responsibility, delivery of benefit to the country, voluntary basis of Association membership, equality of the Association members, compliance with the Suzuki method's unitary standards countrywide, self-governance, and independence. The Association shall, at its own discretion determine its internal structure, purpose and scope of activities, working arrangements and competence of its employees.

1.5. Name of Association:

1.5.1. The Association's full name in the Russian language: Ассоциация граждан и организаций по развитию музыкального метода Судзуки «Воспитание талантов».

1.5.2. Russian-language abbreviated name: Ассоциация Судзуки «Воспитание талантов» (The Suzuki "Talent Education" Association).

English-language full name: The Suzuki Music Method "Talent Education" Development Association of Citizens and Organizations.

1.5.3. English-language abbreviated name: Suzuki Association «Talent Education».

1.6. The principal place of Association: Kolpachny Pereulok 6, bdg.5, Moscow, Russian Federation.

1.7. The Association shall have a seal with its full name in Russian; the Association shall be eligible to have stamps and letterheads with its name, as well as duly registered insignia.

1.8. The Association shall have an independent balance sheet, shall be eligible for opening, in the statutory manner, operating and other accounts with banking institutions in the Russian Federation, overseas banks; shall have independent assets in ownership and shall be liable for its obligations to the extent of this property. The Association shall be able to acquire and exercise in its own name, property rights and civil liberties, incur obligations, sue and be sued in the general jurisdiction courts, arbitration courts and commercial disputes panels.

1.9. The Government shall not be liable for the Association's liabilities; and the Association shall not be liable for the Government's liabilities.

1.10. The Association shall have perpetual existence. Maximum number of the Association's members shall not be limited.

1.11. In accordance with article 31.1, clause 1, sub-clause 9, of the Federal Law "On Non-Commercial Organizations", the Association shall be a community-focused non-profit-making organization.

2. PURPOSE AND SCOPE OF ACTIVITIES

2.1. The purpose of setting up and operation of the Association shall be to:

2.1.1. promote and protect the Association members' common interests in connection with development and employment across the Russian Federation of a Japanese Professor, Shinichi Suzuki's "Talent Education" music method (hereinafter – the Suzuki Method), focusing on unlocking abilities for music in every child;

2.1.2. contribute to the country's cultural life;

2.1.3. increase the role and value of music education in the Russian citizens living;

- 2.1.4. introduce the Russian citizens to the values of domestic and international music culture, best masterpieces of folk arts, classic and contemporary music culture;
- 2.1.5. improve the level of professional work with young children amongst the music culture teaching staff.

2.2. The scope of activities of the Association shall be to:

- 2.2.1. support the process of establishment and development across the Russian Federation of the Suzuki music method;
- 2.2.2. conduct activities intended to join efforts of the government, educational institutions, organizations and general public towards increasing the value of child music education;
- 2.2.3. study the music culture-related educational services market;
- 2.2.4. oversee the Association members' compliance with Suzuki Method educational standards as well as national requirements;
- 2.2.5. promote family engagement in educational process;
- 2.2.6. develop for the Association members, standards and regulations to establish requirements towards implementing educational activities on the basis of the Suzuki Method (hereinafter-standards & regulations of the Association), as well as membership conditions establishing rights and obligations of the Association members, requirements imposed on their activities (hereinafter- the Association membership terms and conditions).
- 2.2.7. issue specialized publications to provide information on the Suzuki Method-based child music education system;
- 2.2.8. publishing and public awareness activities;
- 2.2.9. carry out information and consultancy services, as well as scientific research and scientific methodology work;
- 2.2.10. organize and/or hold scientific and methodical conferences, symposia, lectures, workshops, meetings, roundtables, professional events, study visits dedicated to the Suzuki Method-based child music education system;
- 2.2.11. facilitate organization and/or hold master-classes, hobby groups, clubs, workshops, fairs, studios, exhibitions, excursions, contests, festivals, performances, concerts and other artistic events;
- 2.2.12. promote organization and arrange for TV, radio broadcasts; manage shooting and recording onto tape-, video-, audio- and other information carriers; hold interactive teleconferences in relation to the Suzuki Method-based child music education system;
- 2.2.13. meet its members' needs to gather knowledge concerning the Suzuki Method-based child music education system; provide scientific methodological and information support, transfer theoretic and practical knowledge; provide other comprehensive assistance and support to the Association members to the extent determined by the Association's internal paperwork;
- 2.2.14. establish and develop contacts with affiliated international and national organizations in other countries; exchange delegations and specialists, professional experience and information; send, in due order, the Association members and specialists on business trips abroad, receive foreign partners and specialists; participate in international organizations' activities; conclude international agreements and contracts purported to develop the Suzuki Method-based child music education system in the Russian Federation;
- 2.2.15. develop proposals to improve professional activities of the Association members;
- 2.2.16. develop, organize and fund target programs and projects in the domain of the Suzuki Method-based child music education system expansion in the Russian Federation;
- 2.2.17. provide for information transparency of the Association members' activities; publish information on these activities in the manner established through the Association's internal paperwork;
- 2.2.18. control activities of the Association members insofar as it refers to their compliance with the Association standards & regulations, terms and conditions of the Association membership;
- 2.2.19. examine grievances concerning the Association members' activities and cases of violation by the Association members of the established Association' standards and regulations, membership terms and conditions;

2.2.20. represent and protect the interests of the Association members (interests, common with the interests of the Association) in public and municipal authorities, judicial authorities, administrative bodies and other public and non-governmental organizations, as well as in relations with third parties;

2.2.21. defend the rights and legal interests of people and organizations involved with the development in the Russian Federation of the Suzuki Method-based child music education system.

3. SOURCES OF FUNDING AND ASSOCIATE PROPERTY

3.1. The Association may be in ownership of land property, buildings and structures, housing and non-housing stock, equipment, implements, monetary resources in rubles and foreign currency, securities and other property. The Association may also be in ownership of property and private non-property rights. The Association shall realize the ownership prerogative pertaining to the owned property and at its own discretion shall dispose the rights in accordance with the corporate objectives and nature of the property.

3.2. The sources of the Association's property generation in monetary and other terms shall be:

3.2.1. Regular and nonrecurrent receipts from the Association Founders (members) (admission, current membership, additional membership fees, voluntary membership contributions) for the Association maintenance and pursuit of the statutory activities;

3.2.2. Donations, treated as such in accordance with the Civil Code of the Russian Federation, from third parties by way of special purpose receipts for the Association maintenance and pursuit of the statutory activities;

3.2.3. Monetary resources and other property conveyed by legal and private bodies in the form of a fee, grant, donation or under the will;

3.2.4. Other receipts which are not prohibited under the current law.

3.3. The Association shall administer its funds at its own discretion. The Association's funds shall be employed solely in pursuing its goals, inclusive of the necessary property and/or property rights acquisition, employees' compensation, setting up or participation in economic groups transacting necessary course of business for the Association, etc.

3.4. The budget of the Association is generated on the basis of own and borrowed money.

3.5. Control of the Association's property and funds usage shall be carried out in the manner established by the present Charter.

3.6. The Association's property also involves the property of its representations and branches.

3.7. Admission fees:

3.7.1. When joining the Association, its members shall pay admission fee in the amount and in the manner as prescribed by the terms & conditions of the Association membership.

3.7.2. The amount of admission fees of the Association Founders were determined individually, their amount has secured meeting overall expenses in connection with setting up, state registration and functioning of the Association during the initial year following its establishment.

3.8. Membership fees:

3.8.1. The Association exercises the following types of membership fees: current membership fee, additional membership fee and voluntary membership contributions.

3.8.2. The Association members shall be entitled to pay current fees in the amount and manner established by the Association membership terms & conditions.

3.8.3. Should the need arise to cover for the Association losses or to cover for insufficient funds to maintain the Association's activities, resolution of the General Meeting of the Association Members may impose universally binding (for all members) additional membership fees in the capacity of special purpose receipts to maintain the Association and to pursuit its statutory activities.

3.8.4. Voluntary membership contributions on the part of the Association members are purpose-oriented, and are deemed to be target contributions (special purpose receipts to maintain the Association and to pursuit its statutory activities); and these shall be payable by the Association members at their wish either in linkage to their involvement in budgeting of a program approved

by the resolution of the General Meeting of Founders or the Association Presidium; or without the linkage specified. Number and modalities of voluntary asset contributions from each individual Association member shall not be limited.

3.9. Third party donations can be accepted both in monetary resources and in other assets. Received conditional (target) donations shall be used by the Association for their intended purpose and shall be subject to a written report.

3.10. Admission, current membership, and additional membership fees shall be payable in monetary means only. Other target contributions can be payable by means of security papers, other choses or proprietary rights that have estimated monetary value, subject to explicit consent on the part of the Presidium of the Association in each individual case.

4. MEMBERS OF ASSOCIATION, THEIR RIGHTS AND OBLIGATIONS

4.1. The Association membership shall be exceptionally non-mandatory. The Association members shall be legal bodies and/or citizens who share the goals contained in the Association Charter, and undertake responsibility to fulfill the requirements of the present Charter and internal documents of the Associations. Foreign citizens and stateless persons legally residing in the Russian Federation may be members of the Association, except in cases established by international treaties of the Russian Federation or federal laws. The number of the Association members shall not be less than five.

4.2. All Association members shall have equal rights and responsibilities and shall be equally responsible.

4.3. Terms and procedures of Association admittance:

4.3.1. Admission of a new member to the Association is carried out by the President of the Association.

4.3.2. A person wishing to become a member of the Association (hereinafter referred to as a candidate) must submit a written application addressed to the President of the Association with a request to accept him as a member of the Association. The application must contain the recognition of the provisions of the Association's Charter. The President of the Association shall consider the application for membership in the Association within 30 (thirty) days from the date of receipt of the application.

4.3.3. The President of the Association decides positively on the admission of a candidate to the membership of the Association or refuses to accept it. In case of a decision to refuse, this issue is submitted for consideration by the General Meeting of Association members. In this case, the President of the Association shall submit a question on the admission of a candidate to the membership of the Association for the next General Meeting of the Association members or convene an extraordinary General Meeting of the Association members for the specified purposes.

4.3.4. Not later than 15 (fifteen) calendar days from the day of taking a decision on the positive consideration of the candidate's application, the candidate must pay the entrance and membership fees in the amounts established by the conditions of membership in the Association. In case the admission and membership fees are not paid within the specified period, the President decides to expel such member from the membership in the Association. After making the entrance and membership fees to the Association's account, the new member of the Association acquires the rights and duties of a member of the Association provided for by this Charter.

4.4. Membership of the Association Founders shall not require the abovementioned registration procedure. Rights, obligations and responsibilities of both the Association members and Founders shall be deemed equal.

4.5. The President of Association shall maintain a register of members.

4.6. Each member of Association shall have the right to:

4.6.1. make reference without restrictions of their membership in the Association in own information resources, in mass media and in other legitimate sources;

4.6.2. participate in administration of the Association's affairs and participate in the Association's activities;

- 4.6.3. be informed of the Association's activities, with the exception of data subject of temporary restricted access by the decision of the Association's governance body; review accounting and other documentation, as well as results of audits and inspections of themselves following approval of the report by the Association's governance body and after taking a decision by the specified body, on the basis of a written enquiry addressed to the President of Association;
- 4.6.4. in accordance with the statutory procedure, appeal against decisions of the Association's governance bodies implicating legal consequences;
- 4.6.5. where statutorily provided, challenge transactions implemented by the Association, and demand compensation of damages caused to the Association;
- 4.6.6. command on a gratis basis the services rendered by the Association on equal terms with its other members and to the extent and within the limits set by the Association's internal paperwork;
- 4.6.7. at one's own discretion, withdraw from the Association upon expiry of the financial year;
- 4.6.8. come up with proposals to perfect the Association performance;
- 4.6.9. receive organizational, methodic and other assistance within the limits of the Association membership terms and conditions;
- 4.6.10. where applicable, under contractual agreement receive additional methodic or other assistance from the Association or, upon recommendation of the latter, from other organizations that shall have sufficient resource and specialists;
- 4.6.11. use regulatory, guidance, training and methodic materials available in the structural divisions of the Association;
- 4.6.12. receive, as a matter of priority, support and protection on the part of the Association;
- 4.6.13. exercise other rights provided for by the present Charter and/or resolutions of the General Meeting of Association Members.

4.7. Each member of Association shall be obliged to:

- 4.7.1. comply with the effective legislation, requirements of the Association Charter, Association standards and regulations, Association membership terms and conditions; adhere in a timely manner to the decisions taken by the Association governance bodies in accordance with the present Charter, inclusive of orders to rectify violations issued by the Association governance bodies on the basis of decisions concerning results of inspection;
- 4.7.2. participate in the Association's assets generation in such manner, amount, mode and within the time frame as provided for in the present Charter;
- 4.7.3. keep non-public such information, as may be deemed confidential by the decision of the Association governance body;
- 4.7.4. be fully engaged in the Association's activities, render necessary assistance in execution by the Association of its statutory objectives, participate in the decision making process, if such participation should be demandable for making such decisions;
- 4.7.5. refrain from actions that may inflict damage to proprietary or other interests of the Association and its members;
- 4.7.6. pay in an expedient manner, admission, current membership, additional membership and/or other special purpose fees, as shall be imposed in accordance with the present Charter or as a self-imposed commitment of the Association member to the Association;
- 4.7.7. render assistance to the Association in good faith, reasonably and timely;
- 4.7.8. contribute to consolidation of material resources and business expansion of the Association;
- 4.7.9. in a timely manner, provide the Association President with information enabling the Association's statutory activity, in particular, promptly inform through all available means of communication of any reallocation, postal and/or email address change;
- 4.7.10. in case of withdrawal or exclusion from the Association, promptly (during one calendar month) complete all financial commitments and obligations to the Association, Association members and/or authorized commercial organizations (including recovery of business property,

rights and financial resources received from the Association, Association members and authorized commercial organizations).

4.8. Withdrawal from Association:

4.8.1. Members wishing to withdraw from the Association shall submit a notice addressed to the President of Association.

4.8.2. The withdrawal notice shall necessarily be registered; note of entry shall be made on a copy of the notice and shall indicate the date of submission.

4.8.3. The President of the Association shall consider the application for withdrawal from the Association and issue a decision on the withdrawal of the Association member from the Association. In the event of a dispute, the President of the Association shall forward the matter to the General Meeting of the Association members.

4.9. Exclusion from Association:

4.9.1. A member of the Association may be expelled from the Association by decision of the President of the Association or the General Meeting of the Association in the following cases:

4.9.1.1. The exclusion by the decision of the President of the Association:

4.9.1.1.1. Failure to pay on time any fee, the mandatoryity of which is established by the Charter of the Association, or the decision on making of which is taken in accordance with this Charter and (or) a voluntary membership fee, the binding of which is established by the respective obligation of the member of the Association to the Association.

4.9.1.2. The exclusion by the decision of the General Meeting of the Association members:

4.9.1.2.1. Violation of the current legislation and (or) the Charter of the Association and (or) the decision of the General Meeting of the Association members;

4.9.1.2.2. Non-fulfillment of decisions of other management bodies of the Association provided for by this Charter;

4.9.1.2.3. Violation of the conditions of membership in the Association;

4.9.1.2.4. Implementation of actions that have had adverse consequences for business reputation and (or) property of the Association and (or) other members of the Association;

4.9.1.2.5. Non-observance of ethical standards of conduct towards the Association, other members of the Association, other persons who are somehow connected with the use of Suzuki's method, including those fixed in the Ethics Code of the Association;

4.9.1.2.6. Carrying out activities that interfere with the statutory activities of the Association and (or) discrediting the Association and / or other members of the Association;

4.9.1.2.7. Implementation of activities with violations of the basic requirements for the statutory activities of members of the Association.

4.10. Procedure for exclusion of an Association member:

4.10.1. Exclusion of an Association member from the Association may be initiated by any member of Association, Presidium of Association, President of Association, Chairman of the Board of Trustees, Auditor of Association. Exclusion application from the Association should be motivated and accompanied by references to the articles of the Charter of Association, which in the initiator's opinion, are subject of violation. Motivated application for exclusion from the Association shall be submitted by the initiator to the President of Association.

4.10.2. In case the members of the Association are expelled by decision of the General Meeting of the Association, a period of one month is granted for the former member to familiarize with a motivated statement of exclusion and submission of justified objections to a member of the Association for whom proceedings have been instituted for expulsion from the Association.

4.10.3. President of the Association shall consider the issue of expelling a member of the Association from the Association himself. In case that member of the Association is expelled by decision of the General Meeting, at the next General Meeting of Association members, but not earlier than the expiration of the period, specified in clause 4.10.2. of this Charter, the question of the expulsion of the said member of the Association from the Association is being considered. In case that the President of the Association or the General Meeting of the Association members decides on the expulsion of the said member of the Association, the President of the Association

enters a registration record in the Association's Register on the expulsion of a member from the Association.

4.10.4. The member of the Association is considered to be excluded since the day following the day of the decision to exclude this member from the Association.

4.10.5. Exit or exclusion from the Association does not relieve a member of the Association from fulfilling its obligations as regards the Association, including the return of property or money received from the Association and compensation for damages. In respect to the liability of an expelled member of the Association, the rules relating to the exit from the Association are applied.

4.11. Rights and obligations of the Association member may not be transferred to third parties.

5. ASSOCIATION GOVERNANCE. TRUSTEES AND EXPERT BOARDS

5.1. The supreme governing body of the Association shall be the **General Meeting of Association Members**. The main function of the General Meeting of Association Members shall be securement of compliance and achievement of the Association's goals underlying establishment thereof. The exclusive competence of the General Meeting of Association members includes the solution of the following issues:

5.2. The exclusive competence of the General Meeting of Association members includes the solution of the following issues:

5.2.1. Determination of priority directions of the Association's activity, principles of formation and use of its property;

5.2.2. Approval and amendment of the Charter of the Association;

5.2.3. Determination of the procedure for admission to membership of the Association and expulsion from its members;

5.2.4. Formation of the Association's bodies and early termination of their powers;

5.2.5. Approval of the annual report and accounting (financial) statements of the Association;

5.2.6. Making decisions on the establishment of other legal entities by the Association, on the participation of the Association in other legal entities, on the establishment of branches and on the opening of the representative offices of the Association;

5.2.7. Adoption of decisions on reorganization and liquidation, appointment of a liquidation commission (liquidator) and approval of the liquidation balance sheet;

5.2.8. Approval of an audit organization or an individual auditor of the Association;

5.2.9. Making decisions on the procedure for determining the amount and method of payment of membership fees, additional property contributions of members of the Association to its property.

5.3. Resolutions of the General Meeting of Association Members shall be adopted by simple majority of votes of the members present, except for the matters that are subject of exclusive competence of the General Meeting of Association Members whereby resolutions are adopted on the basis of two thirds majority of the Association members present at the meeting, and the matters concerning liquidation of Association whereby resolution is adopted by unanimous vote of the Association members. Resolutions of the General Meeting of Association Members shall be signed by the President of Association and the Secretary of the General Meeting of Association Members.

5.4. Decisions of the General Meeting of Members of the Association are made by a simple majority of the votes of the members of the Association who take part in the General Meeting of the Association members, with the exception of matters falling within the exclusive competence of the General Meeting of Association Members, the decision on which is adopted by a three-fourth majority of the Association members who participate in the General Meeting Members of the Association, and the question of the liquidation of the Association, the decision on which is taken unanimously by all members of the Association. Decisions of the General Meeting of Association members are signed by the President of the Association and by the Secretary of the General Meeting of the Association members.

The decision of the General meeting of the members of the Association can be made without holding a meeting by means of holding an absentee vote (by poll), with the exception of taking decisions on issues attributed to the exclusive competence of the General Meeting of the Association's members. Such voting can be carried out by exchanging documents by post, telegraph, teletype, telephone, electronic or other communication, which ensures the authenticity of transmitted and received messages and their documentary confirmation.

When holding absentee voting, the President of the Association is obliged to inform all members of the Association, not later than 15 days before the start of voting, of possible means of communication (usually via e-mail, based on the addresses declared by the members of the Partnership) on the agenda of the general meeting of the Association members, as well as the deadline for the completion of the voting procedure. The members of the Association have the right to familiarize themselves with all the necessary information and materials before the beginning of voting, and also make proposals on inclusion of additional questions in the agenda at least 7 days prior to the beginning of voting. In case of changing the agenda, the President of the Association is obliged to inform all members of the Association before the beginning of voting if the agenda was amended.

The Protocols on the results of the absentee voting should include:

- the date of acceptance of the documents containing information on voting during the General meeting of the Association members;
- information on persons who participated in the voting;
- the results of voting on each item of the agenda;
- information on the persons who conducted the counting of votes;
- information about the persons who signed the Protocol.

Decision in absentia adopted by the General Assembly of members of the Association, is considered adopted and is equal in legal force to the decision taken by the General Assembly of the members of the Association.

5.5. General Meeting of the Association members may be regular and extraordinary.

5.6. Extraordinary General Meeting of Association Members shall be summoned by the President of Association in the following cases:

5.7.1. at the initiative of the Association President;

5.7.2. at the initiative of the Association Presidium;

5.7.3. upon motivated demand of the Association Auditor;

5.7.4. upon motivated demand of the Chairman of Association's Board of Trustees;

5.7.5. upon demand of at least one third of the Association members.

Subject to provisions of clauses 5.7.2.-5.7.5., the President of Association shall be obliged to summon a General Meeting of Association Members within the period of 20 days following receipt of respective request in writing. Alternatively (delay in summoning a meeting for more than one day), the right to summon General Meeting of Association Members shall be consequently transferred to the Association Presidium, Association Auditor, Chairman of the Board of Trustees or the Association members.

5.8. In between General Meeting of Association Members, the **Association Presidium** shall function as a periodic collegiate authority of the Association.

5.8.1. The Presidium of the Association is elected at the General Meeting of the Association members for a term of 4 (Four) years in the number not less than 4 (four) persons. Members of the Presidium are members of the Association.

5.8.2. By virtue of his position the Association President shall be the member of Presidium and shall chair the Presidium.

5.8.3. The competence of the Association Presidium shall cover:

5.8.3.1. review of complaints, applications and proposals concerning the activities of Association members;

5.8.3.2. deciding on enforcing and protecting the Association members' rights;

5.8.3.3. adoption of statements and appeals to the state, municipal and public authorities, organizations and officials concerning the Association activities-related issues;

- 5.8.3.4. recommendations to the General Meeting of Association Members;
- 5.8.3.5. in accordance with the approved financial plan, approval of the estimates of the Association and the report on its implementation;
- 5.8.3.6. on presentation of the Association President of a nominee for the position of Chairman of Expert Board, confirmation of appointment and early dismissal from the office;
- 5.8.3.7. approval of programs subject of funding through voluntary donations from the Association members;
- 5.8.3.8. approval of the financial plan of the Association and making changes to it;
- 5.8.3.9. convening of regular and extraordinary meetings of the General Meeting of Association Members;
- 5.8.3.10. approval of Association's internal paperwork, inclusive of approval of Association's standards and regulations, membership terms and conditions, amendment and modification thereof.
- 5.8.4. The Presidium of the Association as a general rule, with the exception of cases provided for by this Charter, is authorized to resolve issues within its competence by a simple majority vote, on condition that no less than 75 (seventy-five)% of the members of the Presidium of the Association participate in its activities. Each member of the Presidium of the Association has the right to one vote. In case that the votes of the members of the Presidium of the Association participating in the meeting are equally divided, the decision is deemed not to be accepted.
- 5.8.5. Extraordinary sessions of the Association Presidium shall be summoned at the initiative of the Association President or at least one fifth of the Presidium members. Presidium sessions can be held in the absentee mode, i.e. without immediate presence of the participants in one place, by using modem, fax and other communication means. Following such resolution by default, the President of Association shall promptly advise all Presidium members at their contact addresses (usually, e-mail addresses specified by the Association members) of the content of the decision taken by the Presidium in the absentee mode. If, during 10 (ten) working days following such decision by default taken by the Presidium, there are no objections received from at least one third of the Presidium members of the Association, eligible to vote under the present Charter, such decision shall be considered adopted and shall have equal legal effect as a decision adopted by the Presidium of Association in the ordinary course.
- 5.8.6. The President of the Association convokes regular meetings of the Presidium of the Association at least once a month and presides over them, organizing the conduct of the Protocols of the meetings.
- 5.8.7. By resolution of Presidium of Association, the mandate of a Presidium member may be suspended with subsequent introduction of an early termination issue to the General Meeting of Association Members, for the following reasons:
- 5.8.7.1. in the event of violation by a Presidium member of the present Charter requirements, systematic avoidance of the Presidium sessions (absence at one half and more sessions during a year), and avoidance of participation in discussions;
- 5.8.7.2. in the event of violation by a Presidium member of standards of ethics;
- 5.8.7.3. in the event of physical impossibility to perform duties (death, illness disabling personal performance in office, or long-term, over six months, absence);
- 5.8.7.4. in the event of inflicting harm to the legal interests of Association, as well as incurring losses to the Association.
- 5.9.8. To the extent that the Presidium shall fail to be composed or shall be unable to perform its duties for other reasons, its functions shall be performed by the General Meeting of Association Members.
- 5.10. The ultimate executive body of the Association on an on-going basis shall be the **President of Association**.
- 5.10.1. The President of the Association is elected by the General Meeting of the Association members for four (4) years. The President of the Association is accountable to the General Meeting of the Association members.

5.10.2. The President of the Association organizes the implementation of decisions taken by the General Meeting of Association members, takes part in the activities of the Presidium of the Association, acts without a power of attorney on behalf of the Association, including:

5.10.2.1. representing the Association in all dealings with any authorities, official bodies, organizations, citizens and their societies;

5.10.2.2. concluding, amending and cancelling deals, managing funds and assets of Association, as well as managing resources of the Association's funds in accordance with regulations for the latter;

5.10.2.3. open and close all types of accounts with banks;

5.10.2.4. issue orders, directions, give instructions subject to compulsory implementation by all Association employees;

5.10.2.5. on instructions of the General Meeting of Association Members, following a decision of the Presidium of association, he shall issue orders, directions subject to compulsory implementation by all Association members;

5.10.2.6. approve staff schedule, remuneration provisions, job descriptions, and other in-house documents governing the working conditions of the Association employees;

5.10.2.7. proposes to the Presidium of the Association the candidacy of the Chairman of the Expert Council of the Association, at its own discretion or by choosing from the nominations proposed by the members of the Presidium;

5.10.2.8. invites to the position of the Chairman of the Board of Trustees a person either at his own discretion or by choosing from the nominations proposed by the members of the Presidium;

5.10.2.9. appoint and discharge one's deputies, employ and dismiss other personnel, use incentives and penalties;

5.10.2.10. ensure compliance with labor legislation and labor discipline, be in charge of the Association employees' compliance by with occupational safety rules and sanitary regulations;

5.10.2.11. summon regular and extraordinary General Meetings of Association Members and Presidium sessions;

5.10.2.12. chair the General Meeting of the Association Members and Presidium sessions, sign their resolutions;

5.10.2.13. ensure implementation of resolutions of the General Meeting of Association Members and bear responsibility for the Association functioning before the General Meeting of Association members;

5.10.2.14. arrange for financial accounting and reporting, bear responsibility for their authenticity;

5.10.2.15. demand and obtain from the Association members necessary documents to carry out inspection of implementation and compliance with Association's standards and regulations, membership terms and conditions;

5.10.2.16. submits the annual report and balance of the Association to the General Meeting of Association members for approval;

5.10.2.17. admission to the Association;

5.10.2.18. making decisions on the expulsion of members of the Association from the Association, in cases specified in the Association's Charter.

5.11. The President of the Association has the right at any time to refuse to perform his duties, declaring his voluntary resignation at a meeting of the Presidium of the Association or the General Meeting of the Association members. Forced resignation of the President of the Association is possible by decision of the General Meeting of the Association members in the following cases:

5.11.1. Physical inability to perform duties (death, illness, excluding personal performance of duties in office or long absence for more than six months);

5.11.2. The entry into force of a court decision, arbitration court or court verdict, which establishes the fault of the President of the Association in causing damage to the Association, the inaction of the President in relation to the Association, in committing any offense, as a result of which the President of the Association cannot be allowed to exercise his powers.

5.12. For control and supervision on the part of the government and society, furtherance of the Association's activities, an Association's **Board of Trustees** can be composed.

5.12.1. The Expert Council of the Association is formed by the Chairman of the Expert Council in agreement with the President of the Association for 3 (three) years. The Expert Council of the Association is headed by the Chairman of the Expert Council of the Association, approved by decision of the Presidium of the Association on the proposal of the President of the Association for a period of 3 (three) years. The President of the Association has the right to early release the Chairman of the Expert Council of the Association from his position at his request. The General meeting of the Association members is entitled to dismiss the Chairman of the Expert Council of the Association from his position without his consent.

5.12.2. The Chairman of the Board of Trustees is invited on a pro-bono basis by the President of Association from among eminent statesmen or public characters. The Chairman of the Board of Trustees shall be appointed for 3 (three) years from the date of the Board of Trustees formation.

5.12.3. The Chairman of the Board of Trustees shall summon Board of Trustees sessions as and when necessary but at least once a year. The Board of Trustees sessions shall be considered eligible providing that these are attended by more than half its members. Resolutions shall be adopted by simple majority of votes.

5.12.4. The President of the Association has the right to early release the Chairman of the Association's Board of Trustees from his position at his request. The General meeting of the Association members is entitled to dismiss the Chairman of the Association's Board of Trustees from his position without his consent.

5.12.5. Motivated recommendations submitted by the Chairman of Board of Trustees on behalf of the Board of Trustees to the President of Association or the General Meeting of Association Members shall be subject to mandatory consideration.

5.12.6. The President of Association, members of the Presidium of Association, Chairman of the Expert Board of Association, Auditor as well as members of the Association staff shall not be voted into the Board of Trustees.

5.12.7. The Board of Trustees shall be entitled to delegate its representatives to take part in the Association's undertakings; request executive documents from the Association governing bodies; monitor the Association's statutory compliance; present for review by the General Meeting of Association Members long-term business programs for the Association, recommendations concerning activity management and other operation-related issues; oversee disbursement of funds received by Association in line with the Charter purposes, in particular demand and receive audit findings, demand out-of-time audits of the Association's financial and administrative transactions, perform other functions provided for under the present Charter.

5.13. In order to ensure: valid and effective decisions by the Association governance bodies, development of Association's internal paperwork and programs, facilitation of on-going cooperation with the Association members and third parties, compliance of Association's statutory activities with the effective legislation, interpretation of current legislative provisions, the present Charter and resolutions of the Association governing bodies, the **Expert Board of Association** shall be set up to act on a permanent basis.

5.13.1. The Expert Board of Association shall carry out scientific, expert and other creative activity in the interests of the Association and its members.

5.13.2. The Expert Board of Association shall be headed by a Chairman of the Expert Board of Association, appointed by resolution of the Presidium of Association upon presentation by the President of Association for the period of 3 (three) years.

5.13.3. A member of the Expert Board shall not be at the same time a member of Association.

5.13.4. Members of the Expert Board shall be specialists in different fields of the Association's activities (education, legislation, financial accounting, child psychology, etc). In the event of necessary works to be executed for the Association, service or commercial contracts shall be concluded.

5.13.5. Maximum number of the Expert Board members as well as the ceiling amount of remuneration payable to the Expert Council members shall be approved by resolution of the Presidium of Association upon presentation by the Chairman of the Association's Expert Board.

5.13.6. Personal composition of the Expert Board of Association, panels, sections and commissions thereof shall be established by resolution of the Chairman of Expert Board in agreement with the President of Association.

5.13.7. The process of expert review of the Association's governing bodies' draft resolutions and internal paperwork, as well as Association's programs may be initiated by (stakeholders): General Meeting of Association Members, Presidium of Association, President of Association, Auditor of Association and Chairman of Board of Trustees.

5.13.8. Subsequent to results of the expert reviews by the Expert Board of Association, expert conclusions shall be drawn up in three copies to be signed by the Chairman of Expert Board, and shall be handed, against written acknowledgement, to the stakeholders concerned and sent to the President of Association files.

5.14. Committees, colleges, sections, commissions, etc., formed on a permanent or temporary basis and acting in accordance with the Regulations on them, may also be formed in the Association.

6. AUDITOR

6.1. Control of financial activity of the Association shall be carried out by an Auditor of Association.

6.2. In the exercise of his mandate, the Auditor of Association shall be governed by the present Charter and Association's internal paperwork.

6.3. The Auditor of Association shall be elected by the General Meeting of Association members.

6.4. The Auditor may not simultaneously be a member of the Presidium of Association, Chairman of the Expert Board, and combine his work with any work for the Association under a service (commercial) contract.

6.5. Audits shall be carried out by the Auditor on instructions from the General Meeting of Association members or on his own initiative.

6.6. Auditor of Association shall be entitled to request from the Association functionaries all necessary documents and individual explanations.

6.7. Auditor shall submit the results of audits for review by the General Meeting of Association members, Presidium of Association.

6.8. By the decision of the General Meeting of Association members, the Association shall be entitled to engage a professional (external) auditor to carry out audit and verify annual financial reporting.

7. ORGANIZATION OF LABOR, PAY AND DISCIPLINE

7.1. All works in the Association shall be carried out by its members and employees on the basis of service or commercial contracts and shall be paid for in the form and in the amount as determined by the President of Association, except for the work of persons specified in clause 7.2 of the present Charter.

7.2. Functions of steering and overseeing bodies in the Association may be discharged on a pro-bono basis. Such bodies shall incorporate: President of Association, Auditor of Association, Presidium of Association and Chairman of the Expert Board of Association. With those who discharge the functions of the said bodies on a pro-bono basis, service (commercial) contracts shall not be concluded. In the event of a repayable basis of performance, service (commercial) contracts shall be concluded with those bodies involved.

7.3. Chairman of the Board of Trustees and all members thereof shall perform their activities on a voluntary basis only.

7.4. Duration and agenda of a working day in the Association, leisure time arrangements and other staff-related issues shall be regulated by internal staff regulations and legislation in effect.

7.5. All works in the Association shall be carried out in compliance with the established labor safety, environmental and sanitary norms and regulations.

8. INTERNATIONAL ACTIVITY OF ASSOCIATION

8.1. The Association shall be entitled to carry out external economic activity in the manner established under legislation.

8.2. The Association shall be entitled to join international societies.

9. PROCEDURE FOR AMENDMENTS TO THE CHARTER

9.1. Amendments to the present Charter shall be incorporated by the decision of the General Meeting of Association Members by three quarters majority of votes of those members participating in the General Meeting of Association Members.

9.2. Amendments, incorporated in the Charter of Association, shall become effective for third parties from the moment of their state registration under the statutory procedure.

10. FINANCIAL ACCOUNTING AND REPORTING

10.1. The Association shall maintain operational, accounting, taxation and statistical accounting and reporting in the manner prescribed by the effective legislation.

10.2. Chief accountant (accountant, if there is no staff position of a chief accountant) shall be appointed and released from the position by the President of Association.

10.3. Chief Accountant of Association shall report directly to the President of Association and shall be responsible for formulation of accounting policy, accounting maintenance, timely submission of true and complete accounting statements.

10.4. Chief Accountant of Association shall ensure compliance of accounting transactions with legislation of the Russian Federation, control over assets transactions and performance of liabilities.

10.5. Accounting year shall be synchronized with the calendar year. The first accounting year shall start from the date of registration and run until 31 December of the corresponding year.

10.6. Annual financial statement shall be drawn up during first two months upon expiry of the accounting year and shall be approved by the General Meeting of Association Members before the month of March is out.

10.7. For the purpose of implementation of the national social, economic and taxation policy, the Association shall: have custody of documents (management, financial and business, personnel records); arrange for entrusting to the state custody such documents that shall have academic and historical value; send documents to Moscow Central Archives in accordance with the list agreed with the Moscow City Archives Association ("Mosgorarchive"); retain personnel records and use in due order.

10.8. Association shall submit to the authorized bodies documents containing business report, personal composition of executive board data, documents on purpose of expenditure and use of other property, inclusive of the ones received from overseas sources.

11. REORGANIZATION AND LIQUIDATION OF ASSOCIATION

11.1. Association may be subject to reorganization by the decision of the General Meeting of Association Members, and (where required by law) by the resolution of authorized government bodies or by court or arbitration order, in the manner directed by the Civil Code of the Russian Federation, Federal Law "On non-Commercial Organizations" and other federal laws.

11.2. Decision on reorganization of Association shall be passed by members' solid vote.

11.3. In the event of reorganization of Association, its rights and liabilities shall be transferred to the legal successor.

11.4. The Association may be liquidated:

- 11.4.1. By solid vote of the General Meeting of Association Members;
- 11.4.2. By court order, as provided for by the Civil Code of the Russian Federation.
- 11.5. Members of Association, or the body concluding to liquidate a non-commercial organization, shall appoint a liquidation commission (liquidator) and establish procedure and periods of such liquidation in accordance with the Civil Code of the Russian Federation and the Federal Law “On non-Commercial Organizations”.
- 11.6. Immediately upon the appointment of the liquidation commission, the authority to run the affairs of Association shall be transferred thereto.
- 11.7. The order of liquidation shall be governed by the Civil Code of the Russian Federation and Federal Law «On non-Commercial Organizations».
- 11.8. In the event of reorganization of Association, all documentation (management, financial and business, personnel records) shall be transferred to the legal successor in accordance with the established procedures. In the absence of a successor, perpetual records of academic and historical value shall be entrusted to the state custody of “Mosgorarchive” repository; personnel records shall be entrusted to the custody of archives of the Association’s domicile administrative okrug. In accordance with the archive authorities requirements, records transfer and collating shall be arranged at the cost of Association.
- 11.9. Upon liquidation of Association, the property remaining after discharge of creditors’ claims shall, by decision of liquidation commission, be employed for purposes in benefit of which the Association was created.

12. FINAL PROVISIONS

- 12.1. On all other matters and relations of the Association members that are not covered or not fully covered by the present Charter and Founders Agreement, legislation of the Russian Federation shall apply.
- 12.2. The right to interpret the present Charter and its individual provisions shall be vested to the Expert Board of Association.

Chairman of the General Meeting of the Association Founders
 _____ O.V.Saprygina

Secretary of the General Meeting of the Association Founders
 _____ A.J. Orgina