

REGULATIONS

ON THE INTERNAL ELECTIONS OF THE 3 (THREE) CATEGORY GROUPS OF THE BOARD OF TRUSTEES OF THE AYB EDUCATIONAL FOUNDATION

1. GENERAL PROVISIONS

- 1.1. The Ayb Educational Foundation (hereinafter referred to as “the Foundation”) is an organization within Ayb system¹. The regulations on the internal elections of the 3 (three) category groups (hereinafter also referred to as “the Regulations”) of the Board of Trustees (hereinafter also referred to as “the BoT”) are based on the Charter of the Foundation and are adopted and approved by the BoT of the Foundation.
- 1.2. The Regulations have been developed in compliance with the legislation of the Republic of Armenia and constitute, along with the Charter of the Foundation, one of the main documents specifying the provisions on establishment of the membership of the Foundation’s BoT and other peculiarities of organization of the BoT’s activity.

2. BOARD OF TRUSTEES; GENERAL PROCEDURE OF FORMATION

- 2.1. The Board of Trustees (BoT) is the highest governing and oversight body of the Board of Trustees (BoT).
- 2.2. The term of office for the BoT’s regular members is 2 (two) years, which is calculated starting from December 12, 2019.
- 2.3. The powers of a BoT member of the Foundation assumed within the already established Board of Trustees shall cease with termination (completion) of the Board of Trustees’ powers.
- 2.4. The Board of Trustees consists of 7 (seven) members, who are elected from the three category groups and approved by a simple majority vote of the actual BoT members.
- 2.5. The BoT members shall elect the BoT Chairperson from among its members, by a simple majority voting. The BoT may re-elect its Chairperson or elect a new one at any time, by the majority of votes of the entire membership.
- 2.6. In the event of termination of a BoT member’s authorities, a new member from the same actual category group of the effective BoT composition shall be appointed in their place, no later than

¹ **Ayb system** (hereinafter also referred to as the System) is a group of organizations associated with Ayb Educational Foundation and/or involved in the System by the Board of Trustees of Ayb Educational Foundation, whose main goal is cooperation around educational, cultural, charity and social development projects.

within 30 (thirty) days following the date of receipt of a BoT member's vacancy notification sent by the Executive Director.

- 2.7. No later than within 10 (ten) days from the date of notification on a BoT member's vacancy, the Executive Director of the Foundation shall notify the BoT members on the available vacancy and organize the filling of the vacant position, in compliance with the BoT-approved internal regulations.
- 2.8. The adoption of a decision on the issue of the persons and/or entities elected by an advisory vote or solely via their participation in BoT meetings shall be reserved exclusively to the BoT by a simple majority of votes.
- 2.9. To efficiently organize the BoT meetings and activities, Regulations for Working Activities may be approved by the BoT by a simple majority of voting.

3. BOT COMPOSITION AND CRITERIA FOR NOMINATING BOT MEMBERS; INTERNAL ELECTIONS PROCEDURE FOR 3 (THREE) BOT CATEGORY GROUPS

- 3.1. During the formation process of the BoT's composition, the candidates shall be elected and approved based on compliance with the following 3 (three) category groups; in particular, the legal capacity of the board's new composition formed on the basis of category groups shall be effective starting from December 12, 2019 (beginning of the activity of the BoT's new composition).
 - 3.1.1. Strategic sponsor (involvement of a maximum of 1 BoT member),
 - 3.1.2. Continuous sponsor with a pledge to involve financial means (involvement of a maximum of 4 BoT members),
 - 3.1.3. Continuous sponsor (involvement of a maximum of 2 BoT members).
- 3.2. To be nominated as a voter within category groups envisaged by Clauses 3.1.1., 3.1.2. and 3.1.3. of the Regulations, community members that meet the criteria set for each category group shall be involved, based on their personal initiative (via filling out an appropriate application²) and in the event of approval by the BoT of the Foundation, within the group of voters for the given category group.
- 3.3. If the candidate nominated by the BoT meets the requirements of one or more category groups, they may participate as a voter within each category group, yet stand for election for only one class rank of their preference.
- 3.4. The final composition of the voting participants for each category group shall be approved by the BoT.
- 3.5. In the event of impossibility, for the candidate elected as a BoT member within the category group envisaged by Clause 3.1.1. of the Regulations to be present at the BoT meetings, they shall have the right to authorize another person to vote and participate, with decision-making powers, in the BoT meetings, on the former's behalf and in their interests. In particular, the information on the authorized person shall be provided to the members of the category group and the BoT prior to the launch of the elections and shall not be changed in the event of being elected, throughout the BoT's activity.

² The sample form of the application has been approved and enclosed to the Regulations (see Annex 1).

- 3.6. Other members/representatives of the governing bodies of the Foundation cannot be elected as a BoT member.
- 3.7. The Foundation shall inform the community and potential voters within all category groups on the launch of the Foundation's BoT formation process. In particular, within terms set by the Foundation, the latter shall send to the potential voting members that have been nominated within the three category groups specified by the Regulations individual stories of the donations³ made by them during the last three years, with an indication of the amount of the donation⁴ (for the Strategic Sponsor, for the entire duration of the activity).
- 3.8. The Regulations on the BoT formation, as well as the Code of Ethics to be signed by the BoT members shall be published on the official website of the Foundation at the launch of the process. The procedure on the update option for the e-mail addresses shall also be posted on the website.
- 3.9. Within 5 days from the moment of receipt from the Foundation of the information on the donation amount, the benefactor/sponsor shall confirm or protest the amount of their donation. The failure to respond within a 5-day period shall be interpreted as confirmation of the donation amount on the part of the benefactor.
- 3.10. The launch shall be followed by a statement from a member to be potentially involved, as a voter, within BoT's any category group on their involvement, as a voter, within one or several category groups at the same time, sent to the e-mail posted on the Foundation's website.
- 3.11. The terms for filling out applications to become a voter shall be determined by the Foundation through notifying the potential voters via e-mails on the procedures and terms to nominate their candidacy, which may not exceed (be later than) the terms envisaged for the elections.
- 3.12. Within terms approved by the Foundation, the potential voters from the category groups specified in Clauses 3.1.1., 3.1.2., 3.1.3. of the Regulations shall be provided the opportunity to confirm the total amount of the donations specified in their individual stories or to compensate for the shortfall in an amount necessary to be involved in the group as a voter (the amount shall be calculated based on the exchange rates officially announced by the CBA as of the day of transfer of the donation amount onto the accounts).
- 3.13. Upon receipt of the confirmations from the potential voters within prescribed terms, the BoT of the Foundation shall check the compliance of the nominated persons to the category characteristics.
- 3.14. Upon approval of the electoral polls (voter lists) per category group, the BoT shall inform each category group of its membership composition.
- 3.15. The candidates from each category group may self-nominate themselves or be nominated by any voter within a relevant category group.
- 3.16. All candidates for BoT membership shall familiarize with the provisions set by the Regulations online, i.e. on the Foundation's website.

³ Within the scope of the Regulations, donation may be interpreted as a donation or endowment, except for the obtained grants. Donations and endowments shall be exclusively in the form of financial or in-kind contributions.

⁴ The Foundation shall notify each sponsor/benefactor from the category groups specified in Clauses 3.1.1., 3.1.2., 3.1.3. on the amount of donations determined for the set terms. In the event of objections regarding the amount of the donation, the potential candidate shall bear the risks of collecting and submitting the evidence necessary to address the imbalance, based on which the final adoption of the decision on approval of the candidacy and/or their appointment as a voter shall be reserved to the BoT of the Foundation.

- 3.17.** The persons involved within a category group shall be free to organize, within a format of their preference, internal discussions, to acquaint the nominated candidates with the vision of the Foundation’s development and other related issues. Upon initiative from the category groups, the representatives of the Foundation may participate in the mentioned discussions. The election day and the day preceding their launch shall be days of silence.
- 3.18.** Preferential voting shall be organized for the category groups specified in Clauses 3.1.1., 3.1.2., 3.1.3. of the Regulations, within terms clearly specified in the notifications sent to the candidates (see Clause 3.25).
- 3.19.** The procedure for preferential voting in elections is the following; all voters have as many votes as there are seats envisaged for each category group within the BoT, thus they shall allocate their votes among the candidates, with a ratio of no more than one vote per candidate. The candidates with the majority of votes shall win in the elections. Preferential voting is closed and single-round. A drawing of lots shall be organized for the candidates within the same category group and with an equal number of votes⁵.
- 3.20.** Following the completion of the preferential voting for internal elections, the Foundation shall finalize the results and inform about them all candidates within each category group and the effective BoT.
- 3.21.** All elected candidates shall accept in writing all the provisions of the Regulations and the Code of Ethics approved by the BoT of the Foundation via undersigning the copies of the mentioned documents provided to them.
- 3.22.** The effective (actual) BoT shall approve the new BoT composition, based on the results of the elections, the Regulations and the Code of Ethics signed by the Candidate, as well as the donation agreements signed by the members elected from the category groups with a pledge of financial means involvement.
- 3.23.** The right to approve decisions with respect to disputable issues and/or those not regulated by these Regulations shall be reserved to the BoT of the Foundation.
- 3.24.** The procedures set by Chapter 3 of the Regulations shall apply to each future BoT elections; in particular, the terms for the relevant procedures shall be set by the BoT of the Foundation, compliant to the logics of Clause 3.25 of the Regulations and maintaining the alternation of the terms and phases prescribed for each round.
- 3.25.** Timeline for the formation of the BoT’s first and regular compositions:

Term	Activity
By October 1 of the current year ⁶	Community notification about the launch of the activity
By October 10 of the current year	Deadline for submission of approvals and objections
By October 22 of the current year	Deadline for submission of announcements/ statements

⁵ The Candidates shall be invited for online and real-life meetings; the names of the candidates shall be written on slips of papers by several independent representatives, folded, and candidate’s name shall be selected by drawing of lots.

⁶The term “current year” shall be interpreted as the year of termination of the BoT membership’s office and formation of its regular composition.

By the period between October 14 and 25 of the current year	Finalization of lists
By October 31 of the current year	Approval and publication of voter lists for each category group among the voters of the same group by the BoT of the Foundation
By the period between November 1 and 6 of the current year	Nomination or self-nomination of the candidates
By the period between November 7 and 9 of the current year	Receipt of agreement/self-withdrawal of the nominated candidates
By November 10 of the current year	Publication of candidate lists, according to separate category groups, among the voters of the same category
By the period between November 11 and 20 of the current year	Internal discussions per category group
By the period between November 21 and 28 of the current year	Internal voting per category group (elections)
By the period between November 29 and December 3 of the current year	Finalizing the election results
By December 4 of the current year	Presentation of the voting results to the BoT and the voters
By the period between December 4 and 7 of the current year	Approval of the new BoT composition by the effective BoT
By the period between December 4 and 7 of the current year	Informing the participants of the BoT formation process of the approval of the new BoT composition
By December 12 of the current year	The launch of the newly formed BoT's activities

3.26. Strategic Sponsor:

3.26.1. To be involved as a Strategic Sponsor in the BoT composition, the total amount of the donations to the Foundation and/or the Ayb Learning Hub Foundation since the date of their establishment should exceed USD1,000,000 (one million) (the amount shall be calculated based on the exchange rates officially announced by the CBA as of the day of transfer of the donation amount onto the accounts).

3.26.2. Based on the regulations, following the BoT elections and as of the date of each future elections for the next BoT composition (held once every 2 (two) years), the Sponsor shall be involved in the voters' composition within the same category group, provided that the donations made by the Sponsor to the Foundation and/or the Ayb Learning Hub Foundation exceed USD1,000,000 (one million).

3.27. Continuous Sponsor with a pledge to involve financial means:

3.27.1. To be involved as a voter within the "Continuous Sponsor with a pledge to involve financial means" category group (hereinafter also referred to as "Continuous Sponsor with a financial pledge"), the total amount of the donations, made by this person to the

Foundation and/or the Ayb Learning Hub Foundation within the 01/2016-12/2018 period, should comprise, as of the moment of their involvement in the group, a minimum of USD32,000 (thirty-two thousand) (the amount shall be calculated based on the exchange rates officially announced by the CBA as of the day of transfer of the donation amount onto the accounts).

- 3.27.2. Since the beginning of the year of the Regulations' entry into force, donations⁷ made to the structures of Ayb system shall serve as grounds for involvement in the "Continuous Sponsor with a financial pledge" category group. As of the moment of adoption of this document, there are three structures under Ayb system, i.e. Ayb Educational Foundation, Ayb School and Dilijan Central School. The donations to be made to the structures of Ayb system shall only be calculated upon completion of their 3-year membership within Ayb system.
- 3.27.3. To maintain their membership within "Continuous Sponsor with a financial pledge" category group, the members shall continue their donations to the structures of Ayb system, in the minimal amount of USD24,000 (twenty-four thousand) per two years.
- 3.27.4. The candidate nominated from the "Continuous Sponsor with a financial pledge" category group, shall assume to obligation to donate to the Foundation, during the two years of BoT Activity, no less than USD24,000 (twenty-four thousand) (the amount shall be calculated based on the exchange rates officially announced by the CBA as of the day of transfer of the donation amount onto the accounts).
- 3.27.5. New community members may also aspire to be involved as voters within the BoT's "Continuous Sponsor with a financial pledge" category group. In particular, the candidates shall assume the obligation to donate to the structures within Ayb system, during the two-year activity of the BoT formed via appropriate elections, in the amount no less than USD24,000 (twenty-four thousand) (the amount shall be calculated based on the exchange rates officially announced by the CBA as of the day of transfer of the donation amount onto the accounts).
- 3.27.6. The BoT shall adopt individual decisions on the involvement of the voting community's new member within a category group. The decision of the BoT on this issue shall not be subject to clarification or interpretation. The fact of assuming and implementing the donation obligations is necessary but not sufficient to be involved in the group as a voter. The new members involved, through this procedure, within the category group, cannot be nominated as BoT membership candidates from their category groups during the first two years since joining the BoT activities.
- 3.27.7. The obligation set by Clause 3.27.4. of the Regulations shall be documented in an agreement concluded in writing between the Foundation and the member of the "Continuous Sponsor with a financial pledge" category group, based on which the annual payments shall be made to the BoT within two weeks before the beginning of each working year. In particular, the financial source of the donation shall not be either credits

⁷ The clause shall also apply to the "Continuous Sponsor" category group defined by the Regulations.

or loans for either the Foundation or the Continuous Sponsor with a financial pledge, while the means shall be directed towards implementation of the statutory goals of the Foundation⁸.

3.28. Continuous Sponsor:

3.28.1. To be involved as a voter in the "Continuous Sponsor" category group within the BoT composition, the total amount of the donations to the Foundation and/or the Ayb Learning Hub Foundation for the 01/2016-12/2018 period should comprise, as of the moment of their involvement in the group, a minimum of USD4,000 (four thousand) (the amount shall be calculated based on the exchange rates officially announced by the CBA as of the day of transfer of the donation amount onto the accounts).

3.28.2. To maintain their membership within the "Continuous Sponsor" category group, the members shall continue to make donations to the structures of Ayb system, in the minimum amount of USD4,000 (four thousand) for every two years (the amount shall be calculated based on the exchange rates officially announced by the CBA as of the day of transfer of the donation amount onto the account).

4. FINAL PROVISIONS

- 4.1.** The Regulations on the Internal Elections of the 3 (three) category groups of the Board of Trustees at the Ayb Educational Foundation shall be approved by the Board of Trustees of the Foundation. Further amendments to them shall be made based on a decision by the BoT of the Foundation.
- 4.2.** The candidate nominated for each category group of the Regulations shall be informed that violations of the nomination/application terms both as a voter and candidate shall lead to non-registration in the relevant list, which shall not be subject to appeal.
- 4.3.** Issues that are not regulated by the Regulations shall be settled in accordance with the Charter of the Foundation and decisions of the Board of Trustees of the Foundation.
- 4.4.** The breach, by a BoT member, of provisions and obligations set by the Regulations and the Code of Ethics may lead to expulsion of the member from the BoT membership.

⁸ The regulations set by this Clause shall apply to all legal relations involving members of all category groups with a financial pledge.

ANNEX 1

APPLICATION

ON REGISTERING IN THE ELECTORAL POLL FOR THE FORMATION OF THE BOARD OF TRUSTEES OF THE AYB EDUCATION FOUNDATION

«__»____ 20__

1	The candidate's name, last name and patronymic		
2	Phone numbers	Cell phone	
		Work	
3	Address	Home	
		Work	
4	E-mail		
5	Preferred category group(s) within BoT	1. 2. 3.	

I HAVE READ THE Charter of the Ayb Educational Foundation, the Regulations for Internal Elections of the 3 (three) category groups within the Board of Trustees of the Ayb Educational Foundation, the Code of Ethics, agree with their provisions and request to apply those to me following the approval of my voter status.

I COMMIT MYSELF TO personally sign the Code of Ethics, if elected as a BoT member of the Ayb Educational Foundation.

I AUTHORIZE the Ayb Educational Foundation to obtain information about me, which may be required to check my compliance with eligibility criteria for a specific category group within the BoT, as well as to use the personal data envisaged by this application within the scope of BoT candidacy and membership.

Based on the aforementioned, I hereby request to:

approve my involvement as a voter in the category group_____ for the formation process of the Board of Trustees of the Ayb Educational Foundation.

Applicant: _____

signature

name, last name, patronymic