

1 **"Regional Center for Organization Management"**
2 **Foundation By-Laws**

3
4 **Article I. Name, legal nature, primary office, and duration of foundation**
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6 **Article 1.01 Regional Center for Organization Management Foundation**

7 The Regional Center for Organization Management Foundation is created pursuant to the
8 provisions of OG 26/2000 (as subsequently amended) by the action of its Founder - The
9 Center for International Private Enterprise (CIPE), headquartered in Washington DC,
10 15th St., NW #700, 20005 USA, identification code 52-1398742. The foundation shall
11 bear the name "The Regional Center for Organization Management", such name to be
12 mentioned in all documents and letters issued by the foundation, along with the address
13 of the primary office, the bank account and the fiscal code.

14
15 **Article 1.02 Legal Character**

16 "The Regional Center for Organization Management" is a Romanian private legal not-
17 for-profit, nongovernmental, non-political entity, which is independent of any other
18 institution or person, domestic or foreign.

19 The Foundation is a "foundation" (according to Romanian law) set up in accordance with
20 Government Ordinance no. 26 of 2000 regarding associations and foundations, of the
21 imperative norms of the applicable Romanian legislation and the present By-laws.

22
23 **Article 1.03 Primary Office**

24 The Regional Center for Organization Management will have its primary office in
25 Bucharest, Romania. The primary office of the Regional Center for Organization
26 Management Foundation can be modified by decision of the Board of Directors as
27 provided by law.

28
29 **(a) Branches and Affiliates.**

30 The Regional Center for Organization Management Foundation may create branches at
31 local level or abroad. The Regional Center for Organization Management is an
32 independent Romanian legal person that will affiliate with Center for International
33 Private Enterprise, a US not-for-profit organization, the founder of this Foundation.

34
35 **Article 1.04 Duration.**

36 The Regional Center for Organization Management Foundation is created and will exist
37 for an indefinite period of time. The Regional Center for Organization Management
38 Foundation will begin to function on the date it is enrolled in the register of legal persons
39 and will cease its activity upon a formal dissolution as provided by law.

40

1 **Article II. Purpose, objectives, and operational principles of the Regional Center**
2 **for Organization Management Foundation**

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4 **Article 2.01 Purpose.**

5 The Purpose of the Regional Center for Organization Management Foundation is to
6 support the development of the democracy and market oriented economy in transition
7 economies.

8 The Founder only can modify the Purpose of the Foundation, and if the Founder ceased to
9 exist as a legal entity, the modification of the Foundation purpose can be made only with
10 4/5 Board of Directors votes.

11
12 **Article 2.02 Objectives and activities:**

13 In accordance with these purposes, the Regional Center for Organization Management
14 Foundation shall pursue the following objectives:

- 15 a. Promote development of the legal and institutional structures necessary to
16 establish and maintain open market-oriented societies;
- 17 b. Increase business participation in the democratic process;
- 18 c. Support private voluntary business organizations and freedom of association;
- 19 d. Implement programs that enhance business knowledge and strengthen the
20 entrepreneurial culture of the private sector;
- 21 e. Increase support for and understanding of the rights, freedoms, and obligations
22 essential to a democratic private enterprise system among government officials,
23 businesspeople, and the general public;
- 24 f. Expand access of the business community to information necessary for informed
25 decision-making;
- 26 g. Provide training and consulting services, manage and coordinate The Regional
27 Center for Organization Management.
- 28 h. Organizing courses, seminars and conferences related to long-life learning, in
29 order to inform, educate and train target audience.
- 30 i. Consulting, technical assistance, and implementing programs for organizational
31 development for non-profit organizations as well as corporations.
- 32 j. Activities of supporting newly created associations, by offering management and
33 secretariat services;
- 34 k. Providing information about issues of public interests to citizens, non-profit
35 organizations and companies;
- 36 l. Improving legislative framework and providing consulting and technical
37 assistance on these matters; actively involving the civil society and economic
38 environment in developing decisions and public policies.
- 39 m. Activities of research and development.
- 40 n. Activities for supporting SMEs.

- 1 o. Activities of facilitation, as well as organizing public debates.
- 2 p. Developing programs that supports entrepreneurship, the development of
- 3 corporate social responsibility component, in partnership with similar
- 4 organizations, public authorities, or foreign organizations.
- 5 q. Activities of translating, drafting, editing, and publishing materials meant to
- 6 support the democratic and economic development.
- 7 r. Other activities according to the legislation.

8

9 **Article 2.03 Operational principles.**

- 10 a. The Regional Center for Organization Management Foundation shall not support
- 11 political parties or organizations and shall not conduct political activities.
- 12 b. The Regional Center for Organization Management Foundation shall be
- 13 independent from political parties, shall not ask for or accept support from them
- 14 and does not now and shall not in the future promote or support the candidacy of
- 15 any political person or party at any level of government.
- 16 c. The Regional Center for Organization Management Foundation shall not be
- 17 bound either financially or organizationally to the government or to local
- 18 governments but the Regional Center for Organization Management shall make
- 19 all efforts to always cooperate with the government in furtherance of The
- 20 Regional Center for Organization Management purpose and objectives.
- 21 d. The Regional Center for Organization Management Foundation shall not support
- 22 ecclesiastical organizations and shall not conduct religious activities, however,
- 23 this provision will not preclude The Regional Center for Organization
- 24 Management from joining with faith-based organizations to support activities,
- 25 which meet The Regional Center for Organization Management qualifying
- 26 criteria.
- 27 e. The Regional Center for Organization Management Foundation shall ensure
- 28 compliance with the quality standards and methods of doing business described
- 29 in ‘Standards of Affiliation’ including financial, legal and operational reporting
- 30 for the CIPE’s network.
- 31 f. The Regional Center for Organization Management Foundation shall pursue
- 32 business activities only to achieve its goals and without endangering such goals.
- 33 g. Profits gained through business activities, if any, can only be distributed or
- 34 invested for the benefit of The Regional Center for Organization Management
- 35 Foundation’s goals.
- 36 h. The Regional Center for Organization Management Foundation shall establish
- 37 optimal relationships between the donor and the beneficiaries through raising
- 38 funds and allocating them for Foundation purposes in accordance with the
- 39 CIPE’s standards of affiliation and the By-laws of The Regional Center for
- 40 Organization Management Foundation.
- 41 i. The Regional Center Institute for Organization Management may participate to
- 42 the creation of one or several separate limited liability company with third parties
- 43 individuals or legal entities, Romanian or foreigners, in observance with the
- 44 legislation in place.

1 **Article III. Initial Capital (patrimony), Sources of Income, and Bank Accounts**
2 **for Institute for Organization Management Foundation**

3
4 **Article 3.01 Initial Capital**

5 On the date of its creation, the initial capital (patrimony) of The Regional Center for
6 Organization Management Foundation is the equivalent of 39,000 RON at the \$/RON
7 exchange rate in the day of subscribing the capital by the Founder.

8
9 **Article 3.02 Revenue:**

10 The Regional Center for Organization Management may obtain future funding from:

- 11 a. interest and dividends resulting from lawful investments;
12 b. income dividends from commercial companies established by associations or
13 federations;
14 c. revenues from direct economic activities;
15 d. donations, sponsorships or legacies; donations or legacies can be represented by
16 money, goods, author rights, stocks free of any charge. Donations and legacies
17 will be registered in the Foundation File for donations.
18 Donations can be bonded or not bonded to one of the Foundation's goals. The
19 Foundation, through its governance body can refuse any donation or legacy that
20 contradicts its current by-law. For bonded donations, the Donor can solicit a
21 report about how its donation was used.
22 e. resources from state budget.
23 f. other legal sources of income.

24
25 **Article 3.03 Financial Accounts**

26 The Regional Center for Organization Management Foundation can open accounts at any
27 bank legally authorized to do business in Romania. The President of the Board of
28 Directors, with the approval of the Board, shall designate those persons, who will be
29 authorized by the Board to make transactions in the Foundation's bank account.
30 Authorizations may be limited or conditional.

31
32 **Article IV. Management, Administration and Financial Control**

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34 **Article 4.01 Management and Governance Bodies**

35 The management and governance bodies of The Regional Center for Organization
36 Management Foundation is composed of the Board of Directors, a President, an
37 Executive Director, and an auditor-controller (censor).

38 The Board of Directors of The Regional Center for Organization Management
39 Foundation may establish subordinate management in the form of an Executive

1 Committee as it deems necessary through internal regulations adopted as provided by
2 these by-laws and pursuant to law.

3

4 **Article 4.02 Board of Directors**

5 The Board of Directors is the primary administrative body of the Foundation and is
6 appointed by the founders.

7 The Board of Directors formulates the organizational and operational rules of the
8 Foundation and Rules of Ethics and Conduct. These should include the following:

- 9 ▪ record keeping in compliance with law and the CIPE standards,
- 10 ▪ transparent announcing and publishing the resolutions of the Board of Directors,
- 11 ▪ rules for inspection of documents relating to the Foundation's operation,
- 12 ▪ criteria for selecting new Board Members
- 13 ▪ the public character of the operation of the Foundation, the method of using its
14 services and the publication of its resolutions, and

15 The most important task of the Board of Directors is to decide how to use the
16 Foundation's assets and related business issues in accordance with the goals of the
17 Foundation and the provisions of its By-laws.

18 The Board of Directors has the power to take all legal actions on behalf of The Regional
19 Center for Organization Management, including but not limited to the following:

- 20 a. to establish general strategy and policy for The Regional Center for Organization
21 Management Foundation;
- 22 b. to develop, verify and approve The Regional Center for Organization
23 Management Foundation's strategy;
- 24 c. to adopt internal regulations for The Regional Center for Organization
25 Management, including Rules of Conduct and Ethics for board members, staff
26 and volunteers;
- 27 d. to delegate authority to an executive committee to act on behalf of the board of
28 directors as provided by the internal regulations of The Regional Center for
29 Organization Management ;
- 30 e. to expand or contract the number of directors on the board;
- 31 f. to name new directors to the Board of Directors;
- 32 g. to remove directors for violations of the Rules of Ethics and Conduct adopted by
33 the board of directors;
- 34 h. to approve budgets;
- 35 i. to delegate authorization to expend Foundation funds;
- 36 j. to approve financial accountings and balance sheets;
- 37 k. to elect and revoke a censor or members of the committee of censors;
- 38 l. to establish branches;
- 39 m. to perform legal acts in the name and on behalf of The Regional Center for
40 Organization Management Foundation;

- 1 n. to delegate the competence of hiring staff;
- 2 o. to hire and fire the Executive Director, with observance to legal procedures;
- 3 p. to approve the staff structure;
- 4 q. to modify the statute, By-laws and internal policies and procedures of Institute for
5 Organization Management Foundation;
- 6 r. to approve donations and legacies not-bonded, and to define the terms and limits
7 for such acceptance;
- 8 s. to accomplish any other duties stipulated in the law or in the statute.

9

10 **Article 4.03 Terms of Directors**

11 The initial Board of Directors is composed of the following:

- 12 • Gheorghe Serban;
- 13 • Simona Predoiu;
- 14 • Valentin Cismaru;
- 15 • Andrew Wilson;
- 16 • Camelia Bulat;

17 The initial Board of Directors is composed of five (5) persons. One director is appointed
18 for an initial term of one year; two directors are appointed for an initial term of 2 years; 2
19 directors are appointed for an initial term of 3 years.

20 Upon completion of each director's term, the members of the board whose terms are not
21 expiring will appoint a new director or reappoint the expired director for a new term of 3
22 years. After the expiration of an initial term, each new or reappointed director will serve
23 for a term of 3 years. No director may serve for more than two successive terms, with the
24 exception of the Executive Director who has no limitation in number of successive terms.

25 Any Board member that served the Foundation for two successive terms can be reelected
26 after a break of at least one mandate.

27 The number of the Board of Directors members can be increased through the decision of
28 the Board Directors. Removal of a member of the Board of Directors requires a 2/3
29 majority of a quorum present in the meeting. A member of the Board of Directors can be
30 removed only for violations of the Rules of Ethics and Conduct adopted by the Board.

31 If a Board member is revoked or resigned for personal reasons from this position, the rest
32 of the Board members will gather in an Extraordinary board meeting called upon in a
33 maximum of 30 days after the announcement, in order to select a new Board member.
34 The mandate of the new Board member will be three years. The selection of the new
35 Board member will be made by direct vote, while the representative of the Founder will
36 bear two votes.

37

38 **Article 4.04 Qualifications of Directors**

39 Any person may be elected to the Board of Directors provided that such person: (1) is
40 capable and willing to perform the duties of Directors, (2) accepts the terms of the Rules
41 of Ethics and Conduct adopted by the Board, (3) is elected by a majority of the Board,

1 and (4) is free from conflicts of interests. The fact that a director was or was not an
2 employee of one of the founders at the time of appointment or that an initial director
3 becomes or ceases to be an employee of a founder shall have no bearing upon his or her
4 continuance in office.

5 All members of the Board of Directors, including the President, shall serve as officers of
6 the Foundation for free, but are entitled to reimbursement of expenses in accordance with
7 approved procedures.

8

9 **Article 4.05 Directors' Powers.**

10 The power to attend meetings and to vote on issues that come before the Board of
11 Directors is personal to the individual appointed. A member of the Board of Director
12 may not delegate or appoint a proxy to act in his or her place at meetings of the Board of
13 Directors.

14

15 **Article 4.06 Directors' Meetings.**

16 The Board of Directors meets in ordinary session, no less than twice per year. The
17 President will call extraordinary sessions as he or she may deem appropriate, or when
18 requested in writing by three members of the Board.

19 Meetings of the Board of Directors are called by a notice and call of a meeting,
20 designating the time, date, and place of the meeting will be delivered by prior post, sent
21 to the official addresses of the members of the Board of Directors as shown in the
22 Minutes of the Board, no later than seven days prior to the designated meeting date.

23 The quorum for a meeting of the Board of Directors is a simple majority of the total
24 number of members. If a meeting has been properly called, but no quorum appears, a
25 second meeting—using regular notice and call procedures as detailed above—must be
26 called no less than 15 days from the first one. At the second meeting, the Board of
27 Directors is empowered to act, regardless of the number of directors present.

28 In the event of an emergency a meeting may be called without formal notice provided
29 that a quorum of the Board executes a formal waiver of notice certifying the emergency
30 character of the meeting.

31 Decisions of the Board-- except decisions to amend these By-Laws, to adopt or amend
32 Rules of Ethics and Conduct, to remove a Board Member, or to increase or reduce the
33 number of authorized directors—are taken by a simple majority of the directors present.

34 A vote to amend these By-Laws, to adopt or amend Rules of Ethics and Conduct, to
35 remove a member of the Board of Directors, or to reduce or increase the number of
36 authorized directors requires a 2/3 majority of the quorum present in the meeting. For the
37 approval of the annual report, the 2/3 majority vote is required.

38 A Director shall not be allowed to participate in the proceedings relating to the adoption
39 of a resolution, if he/she, close relative, common-law husband/wife, or any such person or
40 entity with whom that Director is so closely aligned as to create an apparent conflict of
41 interest would either be relieved from certain responsibilities and obligations, or benefit
42 from, or otherwise be interested in, the business which is the subject of the resolution.

1 The meetings of the Board of Directors are recorded in the minutes of the meetings. At
2 each meeting the first order of business will be to review, amend and approve the minutes
3 of the preceding meeting.

4 5 **Article 4.07 The President**

6 The President of Board of Directors of The Regional Center for Organization
7 Management Foundation is a member of the Board of Directors, who is elected by the
8 Board to the position. The President serves for a term of one year without the possibility
9 of reelection. The President of The Regional Center for Organization Management
10 Foundation chairs the meetings of the Board of Directors. The President has the following
11 duties:

- 12 a. to issue notice and call of meetings as set forth above;
- 13 b. to lead the sessions of the Board of Directors;
- 14 c. to act on behalf of the Board of Directors, as requested and approved by the
15 Board;
- 16 d. to represent The Regional Center for Organization Management Foundation in
17 public and private meetings and in necessary relations with government or the
18 judicial system;
- 19 e. to fulfill any other task required by law;
- 20 f. to act in compliance with the internal regulations of The Regional Center for
21 Organization Management Foundation and with CIPE's standards of affiliation.

22 The President can delegate his powers in accordance with these By-Laws and with the
23 internal regulations of The Regional Center for Organization Management. With the
24 exception of the appointment or firing of the Executive Director, the President can
25 delegate employer rights issues.

26 27 **Article 4.08 Executive Director**

28 The Executive Director is appointed by the Board of Directors to serve at the pleasure of
29 the Board of Directors. The Executive Director reports to the Board of Directors at
30 meetings of the board, and, on matters of importance that arise between board meetings,
31 to the President or Executive Committee (in the event an Executive Committee has been
32 appointed).

33 The Executive Director shall attend all Board meetings except when the Board shall
34 convene in executive session to discuss the Executive Director's performance or
35 continued appointment. An Executive Director who is not a member of the Board of
36 Directors will not vote at meetings of the Board.

37 The Executive Director may or may not be a member of the Board of Directors, however,
38 if the Executive Director is a member of the Board, he or she shall be recused from any
39 vote concerning the performance or continued appointment of the Executive Director.

40 An Executive Director can only be removed upon a vote of the Board of Directors,
41 respecting Romanian legislation.

1 **Article 4.09 The Censor**

2 The censor is the internal financial control officer of Institute for Organization
3 Management Foundation appointed in this function by the Board of Directors for a period
4 of 4 years. The censor reports to the Board of Directors and is in all other respects
5 independent in the exercise of his duty. At the end of any censor’s term, the Board of
6 Directors may substitute a committee of censors in lieu of appointing a new censor.

7 The censor or the committee of censors has the duty to:

- 8 a. verify and audit the assets, income and expenditures of Institute for Organization
9 Management Foundation;
- 10 b. prepare internal audit reports and submit them to the Board of Directors;
- 11 c. participate in meetings of the board of directors without having the right to vote;
- 12 d. fulfill any other duties assigned to the censor by law or by the Board of Directors.

13
14 **Article V. Dissolution**

15
16 **Article 5.01**

17 Dissolution of The Regional Center for Organization Management occurs as provided by
18 law. After payment of lawful debts of the Foundation, any residual assets will be
19 transferred to a nonprofit juridical person which has a close field of activity as the
20 Foundation. During the first three years of operation, dissolution of The Regional Center
21 for Organization Management and selection of a successor entity may be made solely at
22 the discretion of the Founder. After the first three years of operation, dissolution of The
23 Regional Center for Organization Management and selection of a successor entity is
24 made at a dissolution meeting of the Board of Directors, upon a simple majority of all
25 members of the Board of Directors present at the meeting.