

## TI-M Charter

### 1. Name, Address, Business Year

- 1) The organization (hereafter also referred to as “TI-M”) is called “Транспэрэнси Интернэшнл Монгол” in Mongolian and “Transparency International Mongolia” in English. Its abbreviation is “TI-M”.
- 2) TI-M’s office address is: Ulaanbaatar City 14230, Sukhbaatar District, 1 Khoroo, UNESCO Street, Dalai Tower, 8<sup>th</sup> floor, Room #803.
- 3) TI-M’s postal address is: Ulaanbaatar 14230, POB 46/158.
- 4) The business year of the organization is the calendar year.

### 2. General Provisions

- 1) TI-M is a non-profit and non-governmental voluntary organization. It is an independent national organization working in close cooperation with “Transparency International” international NGO (hereafter referred to as “TI international”).
- 2) TI-M was founded in Ulaanbaatar on the 14<sup>th</sup> day of May of the year 2003. After its registration it became a legal entity in accordance with the law. TI-M has its own stamp, logo, bank account, and official letter head.
- 3) In its activities it shall abide by the Constitution of Mongolia, Law on Non-Governmental Organizations and its By-Laws, the National Chapter Guidelines set by TI international, TI-M’s own by-laws, as well as universally accepted international principles.

### 3. Purpose of the organization

TI-M’s purpose is to take action to combat corruption and prevent criminal activities arising from corruption in order to mitigate the damaging effects corruption can potentially have on economic development, poverty alleviation, and political stability. The organization is serving the society and is devoted to making the State and Government activities transparent, to improve effective public oversight on them, to fight corruption and bribery in all sectors, and to educate the general public about methods and forms for fighting against corruption. The organization acts on a national and subnational level and, where applicable, also on a regional level with other international organizations and organizations led by TI international.

To achieve these goals the organization particularly carries out the following activities:

- I. Raise public awareness of the occurrence and impact of corruption;
- II. Develop coalitions to address corruption
- III. Enforce public oversight of government activities;

- IV. Conduct surveys and disseminate information to educate the general public about corruption;
- V. Develop and disseminate tools for curbing corruption to enhance transparency and accountability in politics and business and to engage the public in the fight against corruption;
- VI. Provide recommendations for the improvement of legislative acts related to corruption and support institutions and mechanisms to enhance their effective enforcement;
- VII. Collect corruption related complaints and suggestions from individuals and organizations, analyze them, develop recommendations and possible solutions, and cooperate with related parties on the implementation of solutions;
- VIII. Monitor the control of corruption;
- IX. Provide support to and establish contacts with like-minded national and international organizations and individuals;
- X. Support and collaborate with institutions and mechanisms to combat corruption.

#### 4. Structure of the Organization

The governing body of the organization is the Board of Directors. The ongoing management of the organization is undertaken by the Executive Director and the Co-Managing Director as the deputy of the Executive Director. The governing structure, as well as the roles, responsibilities, and regulations regarding these two organizational entities are defined in the organization's bylaws.

#### 5. The Board of Directors

- 1) The Board of Directors has the highest decision-making power within the organization.
- 2) The Board of Directors comprises the Chairperson, the Vice-Chairperson and between three to five additional members. No less than two members of the Board of Directors shall be representatives of the TI-M founding organizations.
- 3) Individuals with a high degree of integrity may submit their candidacy as Board member to the Board of Directors, and Board members may in addition individually or collectively recommend further name(s) for consideration of the Board at one of its regular meetings. The Board shall consider all candidacies received and shall prepare a shortlist of nominees sufficient to fill vacancies as and when the Board deems it appropriate. The election of Board members shall be made by simple majority of all Board members, present or in proxy, at the meeting of the Board in which such election shall take place.
- 4) The Board members shall be elected for a two-year term and shall be eligible for re-election for a maximum of two further terms.
- 5) Once in every two years two members who have served for at least two full terms of two years each would voluntarily stand down making room for new members to be elected following the same process as described above.

- 6) Former Board members can be re-elected after 3 years of stepping down provided vacancies exist, and any such re-election is then also subject to the same process of election and for a maximum of three consecutive two-year terms.
- 7) There shall be a Chair, a Vice-Chair within the Board of Directors, who shall be elected by the Board members from amongst themselves by simple majority of all Board members, present or in proxy, at the meeting of the Board in which such election shall take place. The Chairperson and Vice-Chairperson shall hold office as such for a maximum of three successive terms of two years each. Upon any re-election as a Board member, such members shall not automatically be, nor be deemed to be the Chair or Vice-Chair unless also elected as such.
- 8) Members of the Board of Directors will not receive any remuneration from TI-M related to their duties as Board members, Chairperson, or Vice-Chairperson.
- 9) The Board of Directors shall meet not less than once in a quarter at meetings convened by the Chairperson or Vice-Chairperson. Decisions by the Board of Directors shall be made at such meetings. At least two weeks' written notice shall be given along with an agenda by the Chairperson or Vice-Chairperson.
- 10) Extraordinary meetings of the Board of Directors may be called by the invitation of two thirds of the members or by decision of the Chairperson or Vice-Chairperson.
- 11) As an alternative to meetings convened in accordance with Article 5.4), the Board of Directors may determine procedures to conduct official business by teleconferencing, fax, mail, or e-mail. If a decision is to be made by any of the means described in Articles 5.4) and 5.5), all members of the Board of Directors have to be informed in writing about decisions to be tabled, at least one week in advance by the Chairperson or Vice-Chairperson. Agenda and discussion papers shall be given to members of the Board of Directors seven days prior to the meeting date by the Chairperson or Vice-Chairperson.
- 12) A quorum is reached by simple majority of the voting Board members. Members of the Board of Directors unable to attend a meeting may by written notice to the Chairperson appoint another member of the Board of Directors as their proxy to vote on their behalf and will in this case be included in the quorum. Decisions shall be made by open vote of simple majority in person or by proxy. In the event of there being no majority, the Chairperson, and in his/her absence the Vice-Chairperson, has a casting vote.
- 13) Minutes will be kept of the decisions made, and signed by the minute-taker and by the person who chaired the meeting.
- 14) Members of the Board of Directors who do not attend at least fifty percent of the convened Board Meetings during one year may be removed during the next Board Meeting, except there is sufficient justification for their absence (e.g. in the event of hospitalization, significant events within the close family, etc.).
- 15) Members of the Board of Directors may only be removed during the term by majority vote by the remaining members of the Board of Directors.

16) In the event of an unanticipated vacancy on the Board, the seat shall be filled for a full two-year term by election at the next Board Meeting.

17) The Board of Directors shall have the following powers:

- I. Approving amendments to the Charter of the organization, or its dissolution;
- II. Approving and/or amending other By-Laws;
- III. Restructure or dissolve TI-M under the specific conditions lined out in Article 13;
- IV. Approving the annual budget;
- V. Approving TI-M strategy and amendments to it and provide strategic direction for TI-M;
- VI. Approving the Annual Report and financial statements of the organization upon proposal by the Executive Director;
- VII. Determine the fees (if any) payable by Supporters and the date by which such fees shall be payable;
- VIII. Deciding and revising a policy for the appointment of Individual and Institutional Supporters, upon a proposal by the Executive Director;
- IX. Appointing, suspending, removing, and expelling Individual and Institutional Supporters;
- X. Approving staff structure and organization, number of staff, budget, and internal rules based on the proposal of the Executive Director;
- XI. Managing property of the organization, determining or modifying authority and obligations of the Executive Director related to this;
- XII. Approving any expenditure of MNT 20.000.000 million (Twenty million Mongolian Tugrik) or more which has not gained prior approval as part of the annual budget;
- XIII. Approving the appointment of the Executive Director and the Co-Managing Director and evaluate their performance report;
- XIV. Determining from time to time the size of the Board of Directors, within the parameters set by Article 5.2);
- XV. Approving the minutes of Board Meetings, and dissemination of decisions taken at Board Meetings to the staff as well as the Individual and Institutional Supporters;
- XVI. Vote for the election of the Chairperson and Vice-Chairperson of the Board of Directors;
- XVII. Vote for the election of members of the Board of Directors;
- XVIII. Removing members of the Board of Directors by majority resolution;
- XIX. Other powers provided by this Charter and in the legislation.

## 6. Chairperson and Vice-Chairperson of the Board of Directors

- 1) The Chairperson and the Vice-Chairperson shall be appointed by resolution of the Board of Directors from amongst themselves. The Chairperson and the Vice-Chairperson shall be elected for a two-year term. They shall be eligible for re-election for a maximum of a further two terms but will not be eligible for re-election for a third term if they had earlier

served for three terms as an ordinary Board member. The Chairperson and the Vice-Chairperson shall, however, remain in office until a new Chairperson/Vice-Chairperson is elected. If the position of the Chairperson becomes vacant for any reason, the Vice-Chairperson shall act as Chair until the next Board Meeting. If the position of both the Chairperson and the Vice-Chairperson become vacant for any reason, the remaining Board members should appoint one of their members to acting Chair until the next Board Meeting. The Chair and Vice-Chair shall not automatically be, nor be deemed to be elected as such upon any re-election as a Board member, unless they have been also reelected as Chair or Vice-Chair.

- 2) The Chairperson and the Vice-Chairperson represent the organization in judicial and extra-judicial matters. The representative authority of the Chairperson or Vice-Chairperson is limited insofar as expenditures of the equivalent of MNT 20,000,000 (Twenty million) Mongolian Tugrik or more which have not gained prior approval as part of the annual budget must be approved by the Board of Directors.
- 3) Decisions of the Chair and Vice-Chair are taken at meetings convened by the Chairperson or by teleconferencing, fax, mail, or e-mail within the parameters set by Article 5.3) to 5.5).
- 4) The powers of the Chairperson and in his/her absence the Vice-Chairperson are:
  - I. Represent the organization in judicial and extra-judicial matters nationally and internationally with the limitation set out in Article 6.2);
  - II. Convene the meetings of the Board of Directors, determine the agenda in consultation with the remaining members, and chair the meetings;
  - III. Appointing the Executive Director with the approval of the Board of Directors through an official contract. Amending and invalidating the contract;
  - IV. Appointing the Co-Managing Director with the approval of the Board of Directors through an official contract. Amending and invalidating the contract;
  - V. Ensure fulfilment of this Charter, decisions made and tasks assigned by the Board of Directors;
  - VI. Other powers provided by this Charter and the legislation.

## 7. Executive Director and Co-Managing Director

- 1) The Chairperson and Vice-Chair person, in order to perform their duties, may appoint, with the approval of the Board of Directors, one Executive Director. The Executive Director represents the organization in all matters of up to MNT 20,000,000 (Twenty million) Mongolian Tugrik. He/She can enter into, terminate, and nullify contracts of employment. A Co-Managing Director shall be appointed by the Chairperson and Vice-Chair person, with the approval of the Board of Directors, acting as the deputy and proxy of the Executive Director, in case of his/her absence.
- 2) Both Supporters and Non-Supporters may hold the Executive Director's or Co-Managing Director's position. If a member of the Board of Directors applies for the position of the

Executive Director or Co-Managing Director, he/she shall not participate in the selection process, and if appointed as Executive Director or Co-Managing Director, shall be suspended from the Board of Directors, or if remaining on the Board of Directors he/she shall not have voting rights.

- 3) Powers of the Executive Director as well as the Co-Managing Director, working terms and conditions, as well as salary and benefits shall be determined in a contract signed with the Chairperson or Vice-Chairperson of the organization.
- 4) In absence of an Executive Director, the Co-Managing Director shall be appointed as acting Executive Director until a replacement is appointed. In case of absence of an Executive Director and a Co-Managing Director, the powers of the Executive Director shall be exercised by a staff member appointed as acting Executive Director by the Board of Directors until a replacement is appointed.
- 5) Powers of the Executive Director shall include:
  - I. Preparing annual budget for the approval by the Board of Directors;
  - II. Determining staff structure and organization, number of staff, budget, and internal rules for the approval by the Board of Directors;
  - III. Entering into, terminating, and nullifying contracts of employment;
  - IV. Drafting TI-M Annual Reports and financial statements for the revision and approval by the Board of Directors;
  - V. Approving work plan and overseeing and supporting the implementation of TI-M's activities in accordance with the strategic plan;
  - VI. Evaluating work results;
  - VII. Managing daily operations of the organization and reporting progress to the Board of Directors;
  - VIII. Within the scope of power received from the Board of Directors managing and disposing of TI-M property;
  - IX. Representing TI-M within the scope of authority received from the Board of Directors;
  - X. Preparing and maintaining Supporter records, managing financial records of membership fees and donations;
  - XI. Other powers given to him/her by the Board of Directors or provided in the legislation.
- 6) Powers of the Co-Managing Director shall include
  - I. Undertaking the Executives Directors tasks in case of his/her absence.
  - II. Acting as proxy of the Executive Director when necessary.

## 8. Individual and Institutional Supporters

- 1) Eligible as Individual Supporters are individuals of recognized integrity from diverse geographical, cultural, and professional backgrounds who acknowledge this Charter and

its underlying By-Laws and are committed to the active promotion and realization of its goals.

- 2) The status of Institutional Supporters is open to corporate or other business entities, and other organizations.
- 3) Individuals and Institutions may apply to become Supporters by declaring in writing to the Chairperson their willingness to further the work of the organization. Their applications are subject to approval by the Board of Directors for a two-year term with possibility of extension.
- 4) Separate policies for Individual and Institutional Supporters on appointment, suspension, and termination will be approved by the Board of Directors, and may be revised from time to time.
- 5) Institutional Supporters shall pay an annual fee, which shall be proposed by the Executive Director and approved by the Board of Directors. Individual Supporters may, on a voluntary basis, provide financial contributions to the organization. All Supporters are further expected to make available to the organization technical assistance for its activities, above and beyond acknowledging their support for the objectives of the organization.
- 6) Individual and Institutional Supporters are entitled to be informed as to the activities of the organization, taking into account the need for confidentiality in some situations. Individual and Institutional Supporters have voting rights with regards to the election of members of the Board of Directors and the Chairperson and Vice-Chairperson as well as to the dissolution of the organization. They may assist with the work of the organization in an advisory capacity.
- 7) The status as Supporter terminates:
  - I. Upon death (for individual Supporters);
  - II. Upon voluntary withdrawal (by declaration of withdrawal in writing to the Chairman, or at the expiry of the specified Supporters' term);
  - III. Upon expulsion;
  - IV. Upon dissolution of the organization.
- 8) All Supporters' rights cease with the termination of the membership. Supporters' fees owed to the organization remain to be paid.

## 9. Honorary Members

Individuals who have distinguished themselves in the fight against corruption may be appointed Honorary Members by the Board of Directors. Honorary Members do not have voting rights and shall not be counted towards the quorum at Board of Directors' elections.

## 10. Funding

- 1) TI-M shall be self-financed.
- 2) TI-M may possess movable and immovable property as well as circulating capital.
- 3) TI-M may be funded from the following sources:
  - I. Supporters' fees and/or donations;
  - II. Donations from individuals, business entities, public institutions, and charitable organizations;
  - III. Income generated from public institutions, business entities, and charitable organizations for activities related to the fulfillment of TI-M goals and the implementation of projects;
  - IV. Loans and/or inherited assets.
- 4) The TI-M minimum annual Supporters' fee for Institutional Supporters is MNT 1.000.000.

## 11. Non-Profit Making Purpose

- 1) TI-M will pursue exclusively and directly non-profit making goals.
- 2) TI-M will act altruistically; its primary motive is not profit-oriented.
- 3) The funds of TI-M may only be used for the stated purposes of the organization pursuant to this Charter. TI-M Supporters shall not, in that capacity, receive allocations from TI-M funds. No individual may benefit from these funds through expenditure which is not in line with the purpose of the organization, or through disproportionately high remuneration.

## 12. Financial Reports

- 1) TI-M annual financial reports shall be authorized through independent audit.
- 2) TI-M activities shall be open and transparent, and annual activity reports as well as annual financial reports shall be open to the public.
- 3) According to the relevant regulations TI-M shall file its annual activity reports and annual financial reports to the respective competent authorities within the period of time stipulated by the law.
- 4) The publicized annual financial reports shall include a list of contributors and the size of their contributions (money or inherent) if the amount exceeds MNT 20.000.000 (twenty million) Mongolian Tugrik.

## 13. Dissolution of TI-M

- 1) A decision to dissolve TI-M requires a resolution passed by the Board of Directors, and the Individual and Institutional Supporters, supported by three-quarters of all valid votes cast in person or by proxy.

- 2) Unless the Board of Directors determines otherwise, the Chairperson and the Vice-Chairperson shall be joint liquidators, and shall represent TI-M.
- 3) Should TI-M be dissolved, the property remaining after all payments shall be transferred to like-minded organizations or, where there is no such organization, shall be used for activities related to the TI-M goals.
- 4) The above provisions shall also apply should TI-M be dissolved for any other reason, or should it lose its legal capacity.
- 5) TI-M may be dissolved by legally justified court decision.

#### **14. Liability**

TI-M shall not bear any liability for damage caused to individuals, business entities, or organizations through illegal activities of TI-M Supporters or staff, and consequences occurred by this.

#### **15. Governing Language**

The Mongolian version of this Charter shall prevail in cases of interpretation and determination of the content of this Charter.

#### **16. Place of Jurisdiction**

Administrative Court of Ulaanbaatar

#### **17. Salvatory Clause**

If any of this Charter shall be held void or unenforceable or contrary to Mongolian law, the validity of the remaining provisions shall remain unaffected.

*Ends*