

INTERNAL RULES

for Granting Free Aid and Fulfilling Patrons' Will

I. General Principles

Article 1. The Heritage Foundation is a juridical person with non-profit aims for the realization of socially useful activities and an organization aiming at supporting culture in accordance with its founding act-statute.

Article 2. The Foundation performs activities for supporting culture as well as engaging and managing resources granted by patrons for this purpose by strictly observing the laws of the country and in accordance with its aims and statute.

Article 3. The Foundation:

1. cooperates in defining the type and value of free aid, the manner and terms of its granting;
2. grants free aid;
3. exercises control over the patron's will;
4. gives the patron and Minister of culture information about the delivery of the granted free aid;
5. performs other activities stipulated in the Patronage Act and other normative acts.

Article 4. (1) The Foundation concludes with the patron and the receiver of the free aid, respectively, written contracts by which their relations are settled. Copies of the contracts are presented to the Minister of Culture.

(2) The parties, the type and value of the free aid, the aim, manner and terms of its granting and its usage are specified in the contract according to Paragraph 1. The contracts also settle the ways of information exchange and control on the part of the patron and the Foundation.

(3) The Foundation rejects concluding a contract in case the patron's will is unrealizable or contradicting the aims of the Patronage Act, good manners and orders of these rules or when the free aid is granted under apparently unsuitable conditions or conditions questioning the fulfillment of the contract.

II. Inadmissible Support

Article 5. The support cannot be in favor of:

1. members of the bodies of the Foundation and their spouses and relatives on the direct line of descent – with no restrictions, the lateral branch of the family – to the fourth degree, or by marriage – to the second degree inclusive.
2. persons who have been members of the bodies of the Foundation up to two years before the date of taking the decision;



3. juridical persons which have sponsored the Foundation up to three years before the date of taking the decision;
4. juridical persons in which the persons according to Sections 1 and 2 are managing directors or they can impose or hamper the taking of decisions;
5. related persons according to Article 1, Paragraph 1, Sections 1-8 of the additional orders of the Trade Law.

III. Public Competitions

A. General Principles

Article 6. (1) When the patron has not clearly specified the receiver of the free aid then the choice is made after a public competition organized by the Heritage Foundation under the conditions and order stipulated in these internal rules.

(2) The conditions and order of carrying out the competitions according to Paragraph 1 guarantee equal footing of the candidates and objective criteria of evaluation. Additional rules are acceptable only with regard to the patron's will on the grounds of the concluded contract with the Foundation and can be defined in accordance with these internal rules.

Article 7. (1) The Foundation informs the Minister of Culture about carrying out a competition and its conditions at least 30 days before the date of the competition and announces it on its web-site.

(2) By the decision of the Administrative Council or at the request of the patron, the Foundation may announce a competition using other suitable means of information distribution as well.

B. Competitions for Keeping and Preserving Works of Culture

Article 8. (1) When the resources granted by the patron are meant for keeping, preserving, restoring, resocializing or popularizing the existing works of culture and when the beneficiary in question is not specified by the patron, then the resources are directed by the Foundation at performing the stipulated aims in its statute according to their priorities as follows:

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(2) Among the potential beneficiaries of free aid and in accordance with the aims and priorities of the previous paragraph, the resources granted by the patron are directed to beneficiaries, owners or holders of rights over works of culture as follows:

1. local self-governing bodies;
2. physical persons;
3. state bodies, departments and institutions;
4. juridical persons of the private law;
5. juridical persons of the public law.

(3) The choice of the beneficiary is done by the Administrative Council of the Foundation on the grounds of their comprehensive estimation including the status of the candidate according to the previous paragraph, estimation of the candidate's degree of necessity for



aid, the correspondence of the need to the aims and priorities of the Foundation, administrative or other professional capacity for putting this aid to use.

(4) The Administrative Council, through the Managing Director, informs the patron of their choice for beneficiary and the reasons for this choice. Provided that the patron makes no objections to the choice of the beneficiary within a week, a procedure for concluding a contract with the latter is set to work. In case of objection on the part of the patron a new classification of the candidates for free aid is carried out with the participation of the patron or an authorized representative with a decisive vote.

Article 9. (1) When the patron has granted financial resources meant for keeping, preserving, restoring, resocializing and popularizing of existing works of culture, and when for the realization of the aims of the donation there is a necessity for carrying out construction, installation, conservation, restoration, printed or other technical and technological works, then these resources are spent as follows:

1. through a competition for assigning an order by the beneficiary;
2. through a competition for assigning an order by the Foundation.

(2) The financial resources meant for the carrying-out of the activities according to Paragraph 1 are directly given to the beneficiary if the patron's explicit demand on this is present and if the beneficiary is a person according to Article 8, Paragraph 2, Sections 1 and 2 on condition that the person carries out a competition for an executor according to the order and conditions of the Law on Public Orders. The representative of the Foundation must be included in the competition jury with the right of a decisive vote.

(3) Out of the hypotheses according to the previous article the competitions for an executor of the activities according to Article 1 are carried out by the Foundation through a competition. The competition jury includes the Administrative Council and it is presided by its Managing Director. Third parties may be invited to take part in the jury – professionals with a well-established public status in a certain sphere; the patron or an authorized representative of the latter must be invited as well. The competition for an executor is announced through the web-site of the Foundation or through other means of the mass media at least 30 days before its carrying-out. The criteria for participation are defined individually in each particular case and in accordance with the specifics of the order by the Administrative Council of the Foundation and the proceeded propositions are estimated both on the basis of these criteria and on the basis of the most beneficial proposition as well.

Article 10. (1) When the resources granted by a patron are meant for keeping, preserving, restoring or resocializing of existing works of culture or when the particular beneficiary is made explicit by the patron, then the resources are spent according to the order of the previous article.

C. Competitions for Creating New Works of Culture

Article 11. (1) When a patron grants resources meant for the creation of new original works of art of a given genre but no particular beneficiary is indicated, then the beneficiary is chosen at a public competition announced according to the rules of this



section and carried out by the Administrative Council on the basis of criteria indicated by the patron.

(2) When the patron has not indicated the genre in which the financed work is to be created, then it is defined by the Administrative Council of the Foundation.

(3) When the patron has not indicated the criteria, then they are approved by the Administrative Council in accordance with the specifics of the particular case and they are announced together with the announcement for the competition according to the indicated legal order.

D. Aid in Kind

Article 12. In case the patron has granted aid in kind, then for the re-direction and use of this aid in accordance with its aim and the patron's will, the orders of this section should be applied by analogy.

IV. Control

Article 13. (1) After the competitions, according to the order of these rules, the Foundation, through its authorized representatives, concludes a contract with the person who is to receive the aid.

(2) The Foundation exercises constant control over the carrying-out of the patron's will by the receiver of the free aid (the beneficiary) according to the contract concluded with the latter.

(3) In case the receiver of the free aid does not fulfill the contract according to Paragraph 1, the Foundation is obliged to immediately inform the patron and the Minister of Culture and take all the necessary measures for preventing the misuse of the patron's will and the given aid.

Article 14. (1) The Foundation provides conditions for exercising the patron's right to get acquainted at first hand with the carrying-out of the contract by the receiver of the aid.

(2) The right of the afore-mentioned paragraph is guaranteed by:

1. providing possibility of direct visits on the part of the patron to establishments and persons who realize the patron's aid immediately and on request;
2. submitting regular reports including photo and audio- or video-material of the results of the activities at which the free aid is aimed, according to an order and manner chosen by the patron.

Article 15. (1) The Foundation holds and supports a register of the concluded contracts for granting free aid.

(2) For each concluded contract a file is compiled, including:

1. the original (copy) of the contract;
2. data about the organization or the person to whom the carrying-out of the contract is assigned;
3. the results of the checks carried out to control the fulfillment of the contract;
4. copies of the accountancy documents certifying the expenditure of the free aid;



5. other information concerning the carrying-out of the contract.

(3) The register according to Paragraph 1 and the files according to Paragraph 2 are kept by the Managing Director of the Foundation who is responsible for the authenticity of the data written in them.

(4) The register according to Paragraph 1 and the files according to Paragraph 2 are preserved within 20 days from the date of the contract conclusion.

(5) On terminating the activity of the Foundation the register according to Paragraph 1 and the files according to Paragraph 2 are given for storing to the Minister of Culture within 14 days from the date of the termination.

Article 16. (1) The Foundation prepares an annual report of its activity which contains data about:

1. the concluded contracts, their carrying-out and results;
2. the value of the aid received for granting and the value of the granted free aid;
3. the financial result.

(2) The report according to Paragraph 1 and the annual financial report of the Foundation are given to the Minister of Culture not later than 1 March of every calendar year for the previous year.

(3) The report must be published on the web-site of the Foundation and by decision of the Administrative Council it can be published in any other suitable way as well.

Final Orders

§ 1. These internal rules are accepted on the grounds of Article 12, Paragraph 2 of the Patronage Act by the Administrative Council of the Foundation in accordance with its founding act-statute. (Record №1/ 04 January 2006)

§ 2. Changes in the internal rules are approved according to the order of their acceptance.

§ 3. The internal rules are published on the web-site of the Foundation.