

Approved by Rector's directive No 187 of 22 December 2016 (entry into force 1 January 2017)
Amended by Rector's directive No 15 of 31 March 2021 (entry into force 1 April 2021)

In force from: 01.04.2021

Rules for Participation in Related Organisations

1. General provisions

1.1 The Rules set out the fundamental principles governing the establishment of companies, non-profit associations and foundations by the university, the university's involvement as a shareholder, partner, member or founder, as well as its participation in international organisations and supervision over and cooperation with them.

1.2 The Technology Transfer Office coordinates cooperation with the Estonian legal persons with university participation, as well as with the foreign companies with university participation. The Rectorate Strategy Office coordinates cooperation with international organisations. [entry into force 01.04.2021]

2. Definitions

2.1 For the purposes of the Rules, the terms set out below have the following meaning:

2.1.1 "**participation in a legal person**" means establishment, participation in the establishment or acquisition of a share in a legal person in private law or becoming a member of a non-profit association;

2.1.2 "**legal person with university participation**" means a legal person in private law related to the university, established by the university or in which the university holds a stake as a shareholder, partner, or member;

2.1.3 "**international organisation**" means a foreign legal person or any other organisation, network or association with university participation that operates internationally and has international members ;

2.1.4 "**related organisation**" is a common name denoting legal persons and international organisations with university participation;

2.1.5 "**university representative**" means a person representing the university's interests in the management of a related organisation, incl. at general meetings, as a member of the supervisory or management board or controlling body or as a procurator;

2.1.6 [repealed – entered into force 01.04.2021];

2.1.7 [repealed – entered into force 01.04.2021].

3. Principles

3.1 The following principles shall be applied in relations with related organisations:

3.1.1 participation in a related organisation must contribute to the objectives specified in the Statutes of the university;

3.1.2 cooperation with legal persons with university participation must ensure continuous cooperation and information exchange, aimed at achieving scientific and economic benefits through joint projects;

3.1.3 as a rule, the university's share in a company must be at least 10%.

4. Participation in a legal person

4.1 To participate in an Estonian legal person or an international company, the head of the interested structural unit shall submit a proposal to the Technology Transfer Office. [entry into force 01.04.2021]

4.2 The proposal must include:

4.2.1 an explanatory memorandum that comprises a description of the goals of the legal person with university participation, the reasoning for establishing or becoming a shareholder or member of the legal person, the description of the obligations and costs associated with the university's involvement, etc.;

4.2.2 the articles of association and the memorandum of association:

4.2.3 a three-year action plan (incl. the cash flow plan);

4.2.4 the composition of the assets provided by the university and terms of use, incl. regarding intellectual property.

4.3 The Technology Transfer Office shall analyse the goals and the terms and conditions of establishing the legal person, acquiring a share or becoming a member and shall submit its opinion to that effect to the Rector. [entry into force 01.04.2021]

4.4 To terminate participation in a legal person, a proposal shall be made by the Technology Transfer Office or the head of the interested structural unit through the Technology Transfer Office. [entry into force 01.04.2021]

5. Participation in an international organisation

5.1 The head of the interested structural unit shall inform the Rectorate Strategy Office of an intention to participate in an international organisation, except for a foreign company. [entry into force 01.04.2021]

5.2 The intention must include the description of the goals of the foreign organisation, the reasoning for joining or participating, the description of the obligations and costs associated with the university's involvement, etc.;

5.3 The Rectorate Strategy Office shall analyse the goals and terms and conditions of participating in the international organisation and shall submit its opinion to that effect to the structural unit and the Rector. [entry into force 01.04.2021]

5.4 A decision regarding participation in an international organisation, except for a legal person, shall be made by the person authorised to make such a transaction, in most cases the head of the structural unit with the approval of the Rector. [entry into force 01.04.2021]

6. Authority of the Rector

6.1 The Rector:

6.1.1 makes decisions regarding participation in Estonian and foreign legal persons;

6.1.2 makes decisions regarding termination of participation in a legal person, incl. transfer of shares, withdrawal from a non-profit association and termination of the founder's rights in a foundation;

6.1.3 makes decisions regarding termination, division and merger of a legal person of which 100% is owned by the university;

6.1.4 upon founding a legal person of which 100% is owned by the university, appoints the members of the supervisory board or, in its absence, the management board and approves the articles of association;

6.1.5 exercises the rights of a partner, shareholder, member or founder and other rights of the general meeting in a legal person with university participation;

6.1.6 appoints a university representative in a legal person with university participation, specifying his/her authority in representing the university.

6.2 The Rector has the right to delegate his authority set out in clauses 6.1.3–6.1.5 to a university representative.

7. Authority of the Technology Transfer Office [entry into force 01.04.2021]

7.1 The Technology Transfer Office organises the establishment of all the Estonian legal persons, as well as foreign companies with university participation, the administrative matters related to their operation and supervision over their activities. [entry into force 01.04.2021]

7.2 The Technology Transfer Office: [entry into force 01.04.2021]

7.2.1 prepares the documents related to the establishment and termination of legal persons with university participation and obtains approval of the relevant structural units of the university;

7.2.2 gathers and analyses the reports of the university representatives and, in the case of non-fulfilment of obligations, makes a proposal to the Rector to remove them or to take legal remedies;

7.2.3 analyses and makes proposals regarding the activities of the legal persons with university participation, the reasons and goals of the university's participation;

7.2.4 makes proposals to the Rector to appoint or remove a person to/from the management body of a legal person with university participation;

7.2.5 enters data into the register of related organisations, obtains and processes the required information.

8. Authority of the Rectorate Strategy Office [entry into force 01.04.2021]

8.1 The Rectorate Strategy Office organises participation and termination of participation, the administrative matters and supervision over the activities of international organisations, except for foreign companies. [entry into force 01.04.2021]

8.2 The Rectorate Strategy Office: [entry into force 01.04.2021]

8.2.1 prepares the documents related to participation of the university and obtains approval of the relevant structural units of the university;

8.2.2 analyses and makes proposals regarding the university's activities, the reasons and goals of the university's participation;

8.2.3 enters data into the register of related organisations, obtains and processes the required information, incl. gathers the reports of the university representatives.

9. Authority of a university representative

9.1 A university representative is appointed in order to represent the university's interests in a related organisation. A university representative may have the right to represent the university as a shareholder, partner, founder, or member in a legal person with university participation or represent the university as a member or contracting party in an international organisation in compliance with the authorisation granted by the Rector.

9.2 A university representative organises communication of the university with a related organisation, analyses the goals of participation and makes proposals regarding rationality of participation, possesses information on the use of the university's assets and the activities of the related organisation.

9.3 A university representative must provide the coordinating structural unit reasonable prior notice of the discussed important issues, e.g., appointment of a member of the supervisory board and appointment of a member of the management board, amendment of the articles of association, increase or decrease of share capital, decisions regarding merger, division, reorganisation, liquidation, taking a substantial loan, etc.

9.4 A university representative must provide the coordinating structural unit a written report on the fulfilment of the goals, changes, requirements, obligations and other relevant circumstances within four months after the approval of the annual report or other equivalent financial summary of the legal person with university participation.

9.5 If there are several university representatives in a legal person with university participation, the obligations set out in clauses 9.2–9.3 shall be performed by the university representative authorised to attend the meeting.

10. Register of related organisations

10.1 For each related organisation, the following data shall be entered in the register of related organisations:

10.1.1 basic information – name, registry code, address, website address;

10.1.2 the start date of participation;

10.1.3 the university representatives and the terms of their authority;

10.1.4 the university's structural unit involved;

10.1.5 the financial obligations of the university associated with participation in the activity and the financing source.

10.2 For legal persons with university participation, the following additional data shall be entered in the register (if any):

10.2.1 the amount of share capital;

10.2.2 the shareholders, other members or founders;

10.2.3 the members of the supervisory board or management board, procurators.

11. Supervision

Supervision over compliance with the Rules shall be exercised by the coordinating structural units and the persons appointed by the Rector.

12. Implementing provisions

Persons appointed by Tallinn University of Technology shall be deemed to be university representatives within the meaning of the Rules.