

**CLOSED JOINT-STOCK CORPORATION *KAZIMIERO SIMONAVIČIAUS UNIVERSITETAS***

**STATUTE**

**Article 1. General Provisions**

- 1.1. Closed Joint-Stock Corporation *KAZIMIERO SIMONAVIČIAUS UNIVERSITETAS* (hereinafter – the University) is a non-public education and education university institution training specialists with higher university education, operating in the legal form of a joint-stock corporation whose authorised capital is divided into shares.
- 1.2. The University enjoys the autonomy, business and commercial, financial and organisational independence stipulated in the laws and the present Statute. The University has its seal with the name of the University.
- 1.3. The University conducts its activities in accordance with the Constitution of the Republic of Lithuania, the Civil Code, the Law on Stock Companies and the Law on Education and Studies of the Republic of Lithuania, other laws and legal acts, the present Statute and other internal documents of the University.
- 1.4. The University operates in the legal form of a joint-stock corporation. The University is a limited third party liability legal entity. Liability of the University shall be limited to the amount of its assets. Liability of shareholders shall be limited to the amount of their contribution for the shares.
- 1.5. The financial year of the University shall be a calendar year.
- 1.6. The university shall be an open-ended formation.
- 1.7. Official and publicly used name of University is *KAZIMIERAS SIMONAVIČIUS UNIVERSITETAS*, name of university according to the legal form is “*KAZIMIERAS SIMONAVIČIUS UNIVERSITETAS*” UAB.
- 1.8. International official and publicly used name of the University is *KAZIMIERAS SIMONAVIČIUS UNIVERSITETAS*.
- 1.9. Acronym of the University - KSU.

**Article 2. Objects of University Business Activity**

- 2.1. The University aims at ensuring competitive, economic and socially effective development of education and studies, engaging in scientific research focused on the business and society needs, experimental development and innovations, comprehensive provision of education and studies services. The University organizes and carry out studies, provide qualifications that require university higher education, train specialists and scientific employees, carry out scientific research and apply results of scientific research, create, accumulate and disseminate scientific knowledge, develop creative activity and culture, foster academic community tradition. Operations of the University shall be based on the unity of education and studies as well as academic freedom and autonomy stipulated in the present Statute and the laws.
- 2.2. Other aims of the University shall include:
  - 1) Organising and providing full-time, integral and part-time BA (first cycle), MBA (second cycle) and PhD (third cycle) studies and teaching in the social, humanitarian, physical and technology spheres and junctions thereof stipulated by the Academic Council of the University;

- 2) Creating conditions for an individual to acquire higher education, qualification and scientific degree based on scientific research and in accordance with the cultural level, universal human values, education and state-of-the-art technology;
  - 3) Creating conditions for personal continued learning, life-long learning, improvement of one's skills and changing of one's qualification;
  - 4) Creating conditions for individual, team and community distance training/learning as well as training/learning at one's workplace;
  - 5) Development of fundamental and applied scientific research in the respective fields;
  - 6) Compile and publish scientific research works, text books, teaching aids and other publications;
  - 7) Training scientists, strengthening the impact of education and studies on economic and cultural advancement of Lithuania and Europe as well as development of democratic civil society;
  - 8) Shaping of effective scientific and business cooperation activities and associated structures, develop start-ups, instruments of scientific results and technologies, effective forms for education and studies commercialization;
  - 9) Developing an education- and culture-susceptible society capable of using education in an efficient way and competing in the international market of advanced technologies, products and services;
  - 10) Developing of creative and innovative activity;
  - 11) Disseminating humanistic ideas and scientific knowledge to the society;
  - 12) Encouraging and developing international co-operation of higher education and academic institutions;
  - 13) Co-operating closely with representatives of business and industry, education and technology parks and valleys as well as civic organisations;
  - 14) Stimulate regional and national development through scientific, educational and other cultural activity;
  - 15) Operating in an efficient and profitable way.
- 2.3. In pursuing its aims, the University shall proceed in accordance with the following principles:
- 1) Striving for progress and efficiency in education and studies;
  - 2) Development of humanistic values, active civic involvement and culture;
  - 3) Formation of education-conscious society;
  - 4) Integration into the Lithuanian and foreign academic community;
  - 5) Life-long education, studies and learning;
  - 6) Social orientation;
  - 7) Academic freedom.

### **Article 3. Object of University Economic Activity**

3.1. The University shall engage in lawful business and commercial activities including but not limited to (see the classifier CEA (liet. EVRK) ed. 2 approved by the Department of Statistics under the order No. DJ-26 date 31 October 2007 by the Director General of the Government of the Republic of Lithuania):

- 1) Book publishing (58.11);
- 2) Publishing of newspapers (58.13);
- 3) Publishing of journals and periodicals (58.14);
- 4) Sound recording and music publishing activities (59.20);
- 5) Other publishing activities (58.19);
- 6) Printing of newspapers (18.11);
- 7) Other printing activities n.e.c. (18.12);
- 8) Book binding (18.14);
- 9) Pre-press and pre-media services (18.13);
- 10) Reproduction of recorded media (18.20);
- 11) Retail sale of books in specialised stores (47.61);
- 12) Retail sale of computers, peripheral units and software in specialised stores (47.41);
- 13) Other accommodation (55.90);
- 14) Other food service activities (56.29);
- 15) Other passenger land transport (49.39);

- 16) Security and commodity contracts brokerage (66.12);
- 17) Renting and operating of own or leased real estate (68.20);
- 18) Renting and leasing of cars and light motor vehicles (77.11);
- 19) Renting and leasing of office machinery and equipment (including computers) (77.33);
- 20) Renting and leasing of other machinery, equipment and tangible goods n.e.c. (77.39);
- 21) Renting and leasing of recreational and sports goods (77.21);
- 22) Computer consultancy activities (62.02);
- 23) Computer programming activities (62.01);
- 24) Computer facilities management activities (62.03);
- 25) Other information and computer service activities (62.09);
- 26) Research and experimental development on social sciences and humanities (72.20);
- 27) Accounting, bookkeeping and auditing activities; tax consultancy (69.20);
- 28) Market research and public opinion polling (73.20);
- 29) Public relations and communication activities (70.21);
- 30) Advertising (73.1);
- 31) Media representation (73.12);
- 32) Activities of employment placement agencies (78.10);
- 33) Translation and interpretation activities (74.30);
- 34) Other information services activities n.e.c. (63.90);
- 35) Organisation of conventions and trade shows (82.30);
- 36) Post-secondary non-tertiary education (85.41);
- 37) Higher university education (85.42.20);
- 38) Doctoral studies (85.42.30);
- 39) Technical and vocational secondary education (85.32);
- 40) Sports and recreation education (85.51);
- 41) Cultural education (85.52);
- 42) Other education n.e.c. (85.59);
- 43) Motion picture, video and television programme production activities (59.11);
- 44) Motion picture, video and television programme distribution activities (59.13);
- 45) Motion picture projection activities (59.14);
- 46) Other reservation service and related activities (79.90);
- 47) Library and archives activities (91.01);
- 48) Library reading room activities (91.01);
- 49) Museums activities (91.02).

3.2. The University shall have the right to engage in other activities which haven't been mentioned in the previous paragraph, provided they are not contrary to the aims of the University and the laws. The University shall engage in licensed or regulated activity only upon obtaining the necessary licenses and/or permits.

#### **Article 4. Authorised Capital and Shares of the University**

4.1. The authorised capital of the University shall amount to 12 180 EUR (twelve thousand one hundred eighty). The authorised capital shall be divided into 42,000 (forty-two thousand) ordinary shares of 0,29 EUR (twenty-nine euro cents) par value each.

4.2. All shares issued by the University shall be intangible ordinary shares recorded in security accounts.

4.3. Each regular ordinary share entitles a shareholder to vote in the general meeting of shareholders of the University (hereinafter referred to as General meeting), except for the cases provided by law.

#### **Article 5. Shareholders of the University**

5.1. Any legal or natural entity could purchase the shares of the University and become its shareholders.

5.2. The shareholders shall enjoy the following property rights:

- 1) the right to receive a certain portion of the University's profit (dividend);

- 2) the right to receive a portion of assets of the University in liquidation;
  - 3) the right to receive shares without payment if the authorised capital is increased with the funds of the University, except in the cases stipulated in the laws;
  - 4) pre-emption right in acquiring new shares or convertible bonds issued by the University, except in cases when the General Meeting decides not to grant all the shareholders the pre-emption right in accordance with the procedure stipulated in the present Statute;
  - 5) the right to lend funds to the University by using the methods and in observance of the limitations stipulated in the laws;
  - 6) the right to receive funds of the University when the company's authorised capital is being reduced in order to pay funds of the University to the Shareholders;
  - 7) other rights stipulated in the laws and the present Statute.
- 5.3. The shareholders shall enjoy the following non-property rights:
- 1) the right to attend General Meetings;
  - 2) the right to provide in advance questions to the University regarding agenda items of General Meetings;
  - 3) the right to vote, in accordance with the rights granted by their respective shares, in favour or against decisions proposed at the General Meetings;
  - 4) the right to receive information specified in the laws about the University;
  - 5) the right to appeal in court the resolutions or actions of the General Meeting, The Academic Council of the University (hereinafter – the Academic Council) and the Rector;
  - 6) the right to approach a court of law with a claim for compensation of damages to the University resulting from non-performance or improper performance of duties by members of the Academic Council or the Rector of the University, also in other cases stipulated in the laws;
  - 7) the right to transfer the voting rights at the General Meeting to any third person. Any such transfer of the voting rights shall be notified to the Rector of the University by submitting copies of the respective contract and/or power of attorney; the copies shall be submitted within 7 calendar days from the date of drawing up of the respective documents;
  - 8) other non-property rights stipulated in the laws and the present Statute.

5.4. The shareholders of the University shall have the right to transfer University shares to other persons in accordance with the procedure stipulated in the present Statute and the laws. Shares can also be inherited in accordance with the law or under a will.

5.5. If a shareholder wishes to transfer or otherwise surrender his share in the authorised capital of the University, he/she shall give a written notice to that effect to the Rector of the University; the shareholder's notice shall specify the beneficiary of the shares and the price of the shares to be transferred or otherwise surrendered. Within 30 days of receipt of the shareholder's written notice the Rector shall forward the applicant's offer to other shareholders of the University; the offer shall be delivered in person against signature or sent via recorded delivery letter. If other shareholders decline or fail, within 14 days of the dispatch of the notice, to communicate their wish to accept the offer, the shareholder who intends to transfer his/her shares shall have the right to transfer the shares to any third person under the terms and conditions which have been offered to other shareholders of the University.

5.6. If multiple shareholders of the University express a wish to acquire the shares on offer and the shareholders fail to reach an agreement regarding pre-emption right, the issue shall be resolved by the General Meeting. If no decision is reached 3 (three) times in a row, the shares that are to be transferred shall be distributed to the willing shareholders in proportion to the size of their respective holdings.

## **Article 6. Management of the University**

6.1. The University shall have the following bodies:

- 1) General Meeting of Shareholders;
- 2) Sole management body of the University – Rector of the University.
- 3) Academic Council;

- 4) Senate.
- 6.2. The General Meeting shall be the supreme management body of the University.
- 6.3. No collegial management bodies shall be formed at the University.
- 6.4. The Senate shall be a community-based institution that shall serve as an advisory body to the rector on the matters of education and studies.
- 6.5. Academic council shall become the advisory body for strategic management.

### **Article 7. General Meeting**

- 7.1. The General Meeting shall have the following exclusive rights:
  - 1) amend the Statute of the University (except for the cases stipulated in the laws);
  - 2) elect and dismiss the Rector;
  - 3) elect representatives to the Academic Council and approve of its composition;
  - 4) dismiss the Academic Council or individual members thereof;
  - 5) decide regarding the University's domicile;
  - 6) appoint and recall an audit company, fix compensation terms and conditions for audit services;
  - 7) establish the class, number, par value and minimum issue price of the shares issued by the University;
  - 8) adopt decisions to convert University shares of one class into shares of another class, approve of shares conversion procedure;
  - 9) approve of the set of annual financial accounts and annual activity report of the University;
  - 10) adopt decisions regarding distribution of profit (loss);
  - 11) adopt decisions regarding the formation, use, reduction or annulment of reserves;
  - 12) adopt decisions regarding the issue of convertible bonds;
  - 13) adopt decisions cancelling pre-emption right for all shareholders in acquiring University shares or convertible bonds of a particular issue;
  - 14) adopt decisions to increase the authorised capital;
  - 15) adopt decisions to reduce the authorised capital, except in the cases of exceptions stipulated in the laws;
  - 16) adopt decisions authorising the University to acquire its own stock;
  - 17) adopt decisions to re-organise or separate the University and approve of re-organisation or separation terms and conditions, except in the cases of exceptions stipulated in the laws;
  - 18) adopt decisions to transform the University;
  - 19) adopt decisions to restructure the University;
  - 20) adopt decisions to liquidate the University or cancel liquidation of the University, except in the cases of exceptions stipulated in the laws;
  - 21) elect and dismiss the University's liquidator, except in the cases of exceptions stipulated in the laws;
  - 22) Approve of the price of studies.
- 7.2. The General Meeting shall also advise the Rector of the University on decisions regarding:
  - 1) Approval of the University's structure and setting up of branches and other units;
  - 2) Use of the University's property and setting up the procedure for the management and disposal of the University's property;
  - 3) Establishing internal control procedure within the University;
  - 4) Transfer or rent of fixed assets owned by the University, making the assets available under loan contracts or pledging the assets;
  - 5) Investment, transfer or lease of fixed assets whose balance sheet value is in excess of 1/20 (one twentieth) of the balance sheet value of the University's total assets (calculated separately for each transaction type);
  - 6) Pledging or mortgaging of fixed assets whose balance sheet value is in excess of 1/20 (one twentieth) of the balance sheet value of the University's total assets (calculated separately for each transaction type);

- 7) Issuing surety or guarantee for other persons' liabilities whose total amount is in excess of 1/20 (one twentieth) of the balance sheet value of the University's total assets;
- 8) Acquisition of fixed assets for a price in excess of 1/20 (one twentieth) of the balance sheet value of the University's total assets.

7.3. The procedure of convening the General Meeting shall be identical to the one stipulated in the laws and shall therefore be omitted in the present Statute.

7.4. The General Meeting shall be qualified to take decisions and shall be deemed to have taken place if the shares of the shareholders attending the meeting represent more than ½ (a half) of all votes.

7.5. Resolutions of the General Meeting shall be adopted by a simple majority vote of the shareholders present. Voting at the General Meeting shall be done by open ballot. A 2/3 majority vote of the shareholders present at the General Meeting shall be required for adopting the following resolutions: resolutions amending the Statute of the University, resolutions setting the class, the number, the par value and the minimum issue price of shares issued by the University, resolutions converting University shares of one class into shares of another class and approving of shares' conversion procedure, resolutions regarding distribution of profit (loss), formation of reserves, increasing the authorised capital, reducing the authorised capital, resolutions regarding re-organisation or separation of the University or approval of re-organisation or separation terms and conditions, resolutions to transform the University, resolutions to restructure the University, resolutions regarding liquidation of the University and resolutions cancelling the liquidation of the University. Resolutions to cancel pre-emption right for all shareholders in acquiring University shares or convertible bonds of a particular issue shall require a ¾ majority vote of the shareholders present at the General Meeting.

7.6. A shareholder of the University shall have the right to authorise another person to vote on his/her behalf at the General Meeting or perform other legal actions. A shareholder can submit his/her vote in writing by filling in the voting ballot. Written ballots shall be deemed to be equivalent to voting via telecommunication equipment, provided text protection has been ensured and the signature is identifiable.

7.7. Minutes of the General Meetings shall be kept. Minutes shall not be required when resolutions are signed by all shareholders of the University, also when the University has a sole shareholder. Minutes shall be signed by the Chairperson and the Secretary of the General Meeting and may also be signed by individuals authorised by the General Meeting. When a Secretary of the Meeting is not elected, minutes shall be signed by the Chairperson of the Meeting. When all shareholders present at the meeting choose to cast their vote in writing, minutes shall be compiled and signed by the Rector of the University based on the votes received. The minutes shall be drawn up and signed within 7 (seven) days from the day of the General Meeting. The persons who have attended the General Meeting shall have the right to review the minutes and submit their written comments or opinions regarding the facts entered in the minutes and the drawing up of the minutes; the right can be exercised within 3 (three) days from the moment of the review but not later than within 10 (ten) days from the day of the General Meeting. The following shall be attached to the minutes: list of shareholders attending the General Meeting; powers of attorney and other papers confirming the persons' voting rights; general voting ballots of shareholders who cast their votes in advance; documents confirming that shareholders have been informed about the convening of the General Meeting; comments regarding the minutes and conclusions of the persons signing the minutes regarding the comments.

7.8. When the University has a sole shareholder (a natural or a legal entity), his/her/its written resolutions shall be equivalent to resolutions of the General Meeting.

## **Article 8. Rector of the University**

8.1. Rector of the University shall head the university, act on its behalf and represent it.

8.2. Within the limits of his/her job description and the scope of his/her powers approved by the General Meeting, the Rector of the University shall:

- 1) be responsible that activities of the University comply with the laws, the present Statute and other legal acts;
- 2) organise activities of the University and implement the University's aims;
- 3) issue orders regulating the work of the management;

- 4) hire and dismiss employees, organise competitive hiring, sign and terminate employment contracts, apply incentives and sanctions for employees and announce them publicly,
- 5) admit and expel students, decide on the issues of waiving tuition fees and awarding scholarships in accordance with the guidelines set by the University Council;
- 6) apply incentives and disciplinary sanctions for students and announce them publicly;
- 7) issue orders legalising decisions of the Senate;
- 8) open and close bank accounts and dispose of the University's funds kept in the accounts;
- 9) represent the University in court, court of arbitration, other institutions and in dealings with third persons;
- 10) issue procurations;
- 11) approve of the University's activity strategy;
- 12) approve of the University's structure, adopt resolutions regarding the setting up of branches and other units;
- 13) set the procedure of using, managing and disposal of the University's property;
- 14) set internal control procedure within the University;
- 15) adopt decisions regarding the transfer, rent, loan or pledge of fixed assets owned by the University;
- 16) adopt decisions regarding the investment, transfer or lease of fixed assets whose balance sheet value is in excess of 1/20 (one twentieth) of the balance sheet value of the University's total assets (calculated separately for each transaction type);
- 17) adopt decisions regarding the pledging or mortgaging of fixed assets whose balance sheet value is in excess of 1/20 (one twentieth) of the balance sheet value of the University's total assets (calculated separately for each transaction type);
- 18) adopt decisions regarding the issue of surety or guarantee for other persons' liabilities whose total amount is in excess of 1/20 (one twentieth) of the balance sheet value of the University's total assets;
- 19) adopt decisions regarding the acquisition of fixed assets for a price in excess of 1/20 (one twentieth) of the balance sheet value of the University's total assets.
- 20) be responsible for the presentation of the University's documents and data to the manager of legal entities' register;
- 21) ensure security of the University's property, provide employees of the University with normal working conditions and ensure protection of commercial secrets of the University;
- 22) be responsible for financial activities of the University, proper management, use and disposal of its property;
- 23) compile the set of annual financial accounts of the University and the annual report of the University;
- 24) provide information and documents to the General Meeting in the cases stipulated in the laws or upon request of the General Meeting;
- 25) make reports to the General Meeting annually or at the frequency established by the General Meeting;
- 26) make annual reports to the Academic Council and the Senate;
- 27) publish information stipulated in the laws;
- 28) present the established information to shareholders;
- 29) be responsible for the keeping of personal securities accounts of the shareholders and compiling the list of the University's shareholders;
- 30) take care of the level of the higher education, scientific research, cultural and artistic activity of the University;
- 31) maintain contact with higher education establishments, education and other institutions of the Republic of Lithuania and foreign countries, organise exchange of teachers, scientific staff and students;
- 32) develop contacts with public, business and political institutions, other social partners domestically and abroad;

- 33) perform other functions established in the laws, the present Statute, resolutions of the General Meetings and/or the Academic Council and deal with other issues of the University's activity not assigned to the scope of competence of other bodies of the University under the laws or the present Statute.
- 8.3. Rector's decisions stipulated in sub-paragraphs 12-19 of paragraph 8.2 require an approval of the General Meeting.
- 8.4. The Rector shall appoint his/her deputies (Vice-Rector, University Chancellor) and can delegate a part of his/her functions to them in accordance with the established procedure; the Rector shall also appoint the chief financial officer.
- 8.5. Vice-Rector or the Chancellor shall act as Deputy Rector appointed by the Rector's orders.
- 8.6. The Rector shall convene the Rectorate and direct its work. The Rectorate shall be a collegial advisory institution of the University consisting of Vice-Rectors, the Chancellor, Chairperson of the Senate and heads of structural units of the University as well as a representative delegated by the students. The Rectorate shall consider key strategic and current issues of the University and help implement resolutions adopted by the Rector, the General Meeting and the Academic Council.
- 8.7. The Rector of the University shall be appointed and recalled by the General Meeting. A person who is not entitled to hold the position under the law can't be elected to serve as the Rector of the University. Within 5 (five) days from the election/recalling of the Rector of the University or expiry of the Rector's contract on other grounds, a person authorised by the General Meeting shall communicate the changes to the keeper of the register of legal entities.
- 8.8. In accordance with the present Statute, resolutions of the General Meeting and/or the Council and job description of the Rector of the University, the Rector of the University shall have the right to conclude (sign) transactions of the University.
- 8.9. The Rector shall be liable for his/her actions in accordance with the procedure stipulated in the laws.

#### **Article 9. Academic Council**

- 9.1. The Academic Council shall consist of 9 – 15 members. The number of members and formation procedure of the Academic Council shall be established by the General Meeting; the General Meeting shall also approve of the Academic Council. The Academic Council shall not be a management body. Resolutions of the Academic Council shall have consultative capacity; they shall not restrict the right of the Rector of the University and the General Meeting to decide on the issues assigned to their respective scopes of competence by the present Statute and the applicable laws.
- 9.2. The Academic Council is an external advisory institution for the strategic management of University, which aims at the determination of the fields for strategic development of the University, analysis and monitoring as well as the maintenance of strategic international, political, business and cultural relations as well as development, raising funds and investment capital.
- 9.3. The Academic Council shall be elected for a 3- (three-) year term. It shall be formed out of teachers and students of the University, other education and studies institutions as well as representatives of business and the public, prominent scientists and public figures. Students' representative in the Academic Council shall be delegated by Students' Representation. At least one scientist representing each sphere of University studies shall be included in the Academic Council. The Rector of the University shall be an *ex officio* member of the Academic Council.
- 9.4. Members of the Academic Council shall elect Chairperson of the Academic Council and approved by the Rector.
- 9.5. The General Meeting shall approve of the composition of the Academic Council elected in accordance with the Academic Council formation procedure approved by the General Meeting; it can recall the Academic Council *in corpore* or individual members thereof prior to the end of the term.
- 9.6. The Academic Council shall discuss and approve of the following:
- 1) activity strategy;
  - 2) fields of education and studies, perspective plans;



- 3) provisions of the senate;
- 4) assessment of activity results as well as strategic solutions for activity modernization;
- 5) the fields of the most important investments and new business models;
- 6) principles of social responsibility, reputation, prestige and image;
- 7) principles of organization, law and management, fields and tools;
- 8) management and development guidelines of human resources;
- 9) social mission and relation to business development as well as competitiveness;
- 10) strategic plans of international activity and cooperation.

9.7. In accordance with the procedure stipulated in the Statute, the Academic Council shall communicate its decisions to the academic community and shall present an annual activity report.

9.8. The Academic Council shall gather 4 times a year. In the beginning of the year Academic Council approves its work plan. The Chairperson of the Academic Council coordinates the regular activity, calls and presides the meetings.

9.9. The Academic Council shall analyse and assess materials submitted by the Rector of the University concerning:

- 1) Implementation of the activity strategy of the University;
- 2) Organisation of activities of the University;
- 3) Financial condition of the University;
- 4) Results of the University's business activity, income and expenditures estimates, stock-taking documents and other data reflecting changes in the assets.

9.10. The Academic Council shall submit proposals for:

- 1) resolutions for the University to become founder of or a member in other legal entities;
- 2) resolutions for the setting up of the University's branches and representatives;
- 3) other resolutions attributed to the sphere of competence of the Academic Council under the present Statute or resolutions of the General Meeting.

9.11. The rules of procedure of the Academic Council shall be laid down in the work regulations of the Academic Council, adopted by the Academic Council itself. The Academic Council shall be qualified to take decisions and its meeting shall be deemed to have taken place when more than 2/3 (two-thirds) of members of the Academic Council are in attendance. Members of the Academic Council can vote in favour or against the proposed resolutions. A member of the Academic Council shall have one vote during the voting. Resolutions of the Academic Council shall be adopted by simple majority vote. In case of a tie vote, the vote of Chairperson of the Academic Council shall decide.

9.12. Members of the Academic Council shall be under the obligation to keep commercial secrets of the University.

9.13. Members of the Academic Council shall be liable for their actions in accordance with the procedure stipulated in the laws.

## **Article 10. Senate of the University**

10.1. The Senate is a University community management institution that shall advise the Rector on the issues of University studies and education strategy formation. The aim of the Senate is to organize and improve the common processes of education and studies in the University, to coordinate the activity of all departments, to ensure the normative basis, to form the quality criteria and the tools for their monitoring, to improve the qualification of scientific personnel, to foster the fullness and values of the academic community.

10.2. The Senate shall be elected for 3 (three) years. The Senate shall be elected by teachers and scientific staff of the University whose employment with the University is their primary job and who work for the University at least ¼ of the day. Scientists recognised artists, students of the University as well as scientists and recognised artists from other education and studies institutions can be elected or delegated to serve as members of the Senate. Students shall make up at least 10 per cent of members of the Senate. Students' representatives shall be delegated to the Senate by the Students' Representation. Teachers holding

professors' positions shall make up at least a half of the Senate membership. The number or members of the Senate and their election procedure shall be stipulated in the rules of procedure of the Senate.

10.3. The Chairperson of the Senate shall be approved and recalled by the Senate of the University at the motion of the Rector.

10.4. Deputy Chairperson shall be elected by the Senate's secret voting by a single majority.

10.5. The Senate shall:

- 1) Propose, prepare and approve the documents regulating the education and studies development and quality improvement in the University;
- 2) Propose and approve the study programs and study regulations;
- 3) Propose, discuss and approve the programs of scientific research;
- 4) Establish the requirements, measures, programs and documents for the development of staff qualification;
- 5) Improve the management structure of education and studies in the University, community living standards;
- 6) Discuss the certification procedure for teachers and scientific employees;
- 7) Award, in accordance with the procedure stipulated in legal acts, professor's and docent's pedagogic titles to teachers holding the appropriate positions, also award honorary titles of the University and professor emeritus titles in accordance with the regulations approved by the Senate;
- 8) Submit proposal to the Rector of the University on the issues assigned to his/her scope of competence;
- 9) Award marks of distinction, regalia and honorary titles;
- 10) Set up commissions of the Senate.

10.7. Resolutions of the Senate shall be adopted by simple majority vote in an open or secret ballot. Resolutions of the Senate shall become effective when they have been approved and published by the Rector.

10.8. Senate meetings shall be convened by the Chairperson of the Senate; they shall be convened at least once during a semester.

10.9. Activities of the Senate shall be regulated by the rules of procedure approved by the Council.

10.10. A Honorary Council can be set up at the University; the Honorary Council shall consist of prominent scientists, public and business figures. The Honorary Council shall advise the Rector and the Council. Activities of the Honorary Council shall be regulated by the rules of procedure approved by the Academic Council.

### **Article 11. Structure of the University**

11.1. The University shall consist of faculties, university departments, research institutes, consulting centres, a library and other divisions required for studies, education and student activities; the units shall organise their activities in accordance with the present Statute, the rules of procedure and internal rules approved by the Rector.

11.2. The University shall employ the academic and professional staff of the qualification determined by the study regulations. The Rector shall approve the organizational structure of the University and its amendments upon approval of the general meeting. The provisions approved by the Rector determines the activity of the University departments that are not regulated in this Statute.

11.3. The University shall establish joint departments with Lithuanian and foreign academic institutions, governmental, business and social organizations.

11.4. Other structural units can be set up at the University by the Rector's orders to organise and co-ordinate inter-disciplinary education, studies, consulting and other projects.

11.5. Studies, finances, marketing, personnel, business and other offices can be set up at the University to perform administrative functions.

11.6. The structure and functions of the administration and other units of the University shall be established by the Rector; the Rector shall also appoint heads of the different units.

11.7. The University's structure shall be amended by decision of the Rector of the University, subject to the approval of the General Meeting, except amendments to the structure of the University which require amendments to the present Statute. If the present Statute has to be amended in order to amend the University's structure, such structural changes shall be approved by the General Meeting.

11.8. The branches and representative offices of the University shall be established and activity terminated upon the decision of the Rector and approval of General Meeting. The number of branches and representation offices is unlimited.

11.9. The branches and representation offices operate following the provisions of the branches and representation offices approved by the Rector;

11.10. The Rector shall appoint heads of the branches and representation offices.

11.11. Different employee and student public (non-political) organisations can be set up at the University, provided their activities are not contrary to the laws of the Republic of Lithuania and the Statute of the University.

#### **Article 12. Employees of the University.**

12.1. Teachers, scientific employees, engineering, technical, ancillary teaching and scientific staff, administrative and house running personnel shall be employees of the University;

12.2. Job positions of teachers at the University: professor, docent, lecturer and assistant.

12.3. Job positions of the University's scientific employees shall be established by the Rector of the University.

12.4. Scientists with a scientific degree or a pedagogical title as well as individuals with higher education can hold teaching and scientific employees' positions. Job positions of teachers and scientific employees shall be established and scientific degrees shall be awarded in accordance with the procedure stipulated in the present Statute and the laws. Teachers and scientific employees shall be employed in the University under appropriate employment contracts. Rights and duties as well as responsibilities of University teachers and scientific employees shall be stipulated in their employment contracts with the University and the laws.

12.5. The University shall employ a chief financial officer. A legal entity can perform the functions of the chief financial officer under a contract with the University.

12.6. Upon decision of the Academic Council, retired University teachers and scientific employees shall be provided with conditions to engage in scientific work and teaching activity using the University's facilities.

12.7. The University shall have the right to invite teachers and scientific employees from other education and studies establishments of the Republic of Lithuania and foreign countries and exchange employees with other institutions.

#### **Article 13. Studies and Students**

13.1. Persons admitted to the University to attend a consecutive study programme of their choice shall be considered to be students of the University, provided the persons have signed a contract of studies and paid the established tuition fee. Students who attend non-consecutive study programmes of the University shall be considered to be listeners. All provisions of the present Statute which are applicable to students shall also apply to listeners *mutatis mutandis*.

University studies shall be the prevalent ones at the University. Scientific research takes place at the University in accordance with university study programmes. The University organises undergraduate (first cycle) studies to acquire BA qualifications, graduate (master's)/special professional (second cycle) studies and post-graduate (doctoral) (third cycle) studies resulting in a PhD degree. The University offers consecutive university and non-university studies as well as part-time studies. Consecutive university and non-university studies shall be organised in accordance with the study programmes approved by the Senate which have been included in the Register of Study and Training Programmes of the Republic of Lithuania. Non-consecutive studies shall be organised in accordance with the postgraduate studies regulation of the University approved by the Research Council of Lithuania.

13.2. Rights and duties of the University's students and listeners shall be stipulated in the contracts of studies between the University and the student/listener, respective studies regulations and the laws.

13.3. Students can set up non-political public organisations or form associations, circles, societies and clubs at the University in order to satisfy their professional, creative, cultural, social, sports or other needs, as long as the articles of association of such formations are not contrary to the present Statute and the laws. Articles of association of the public organisations, circles, societies and clubs shall be approved and registered by the Rector.

13.4. Students can take part in the work and project activity of the University, perform scientific research and experimental development work under guidance of the teaching staff and participate in the improvement of teaching processes.

13.5. The Rector of the University can apply disciplinary sanctions to students for violations of student's duties; the following sanctions can be applied: warning, censure, strict censure, expulsion from the University (deletion from the students' lists). Disciplinary penalties shall be applied in accordance with the procedure stipulated in the laws and the respective studies regulations.

13.6. A student can be expelled from the University for gross violations of the laws, the present Statute and documents regulating the internal order, also for failing to comply with requirements stipulated in the study programme or terms and conditions of the studies contract.

#### **Article 14. Students' representation**

14.1. Students' Representation shall represent the interests of the University's students.

14.2. Students' Representation shall take care of students' rights and duties, help organise the studies process, deal with social issues of the students and delegate representatives to the Senate.

14.3. Members of the Students' Representation of the University shall be elected by the general meeting of the University's students.

14.4. Students' Representation uses the name of Kazimieras Simonavičius University and is an inseparable, self-government part of University community regulated by the Senate of the University.

14.5. The Articles of Organization of Students' Representation shall match the Statute of the University, values and strategy of the community.

14.6. Students' Representation shall operate in accordance with the procedure stipulated in the laws.

#### **Article 15. Procedure for the Settlement of Disputes and Applying Penalties to Students**

15.1. Students' complaints regarding violations of their lawful interests and rights shall be submitted to the Rector of the University or his/her authorised representative via the Students' Representation of the University. Such complaints shall be lodged in writing and shall be examined within 30 (thirty) days.

15.2. Dispute Settlement Commission shall be formed at the University; it shall examine disputes between administration of the University and students. The commission shall be formed and operate on *ad hoc* principle. The Dispute Settlement Commission shall be formed when a student is dissatisfied with a reply of the Rector of the University or his/her authorised representative to the statement or complaint submitted by the student, or has not received a reply to the statement or complaint within an established period. The administration of the University and the Students' Representation of the University shall be equally represented in the Commission.

15.3. The Dispute Settlement Commission shall operate and hear disputes in accordance with the regulations approved by the Council. The responsibility for the formation of the Dispute Settlement Commission and implementation of its decisions shall be with the Rector of the University.

#### **Article 16. Studies at University**

16.1. University studies shall be the prevalent ones at the University. Scientific research takes place at the University in accordance with university study programmes.

16.2. The University organises undergraduate (first cycle) studies to acquire BA qualifications, graduate (master's)/special professional (second cycle) studies and post-graduate (doctoral) (third cycle) studies resulting in a PhD degree. The University offers consecutive university and non-university studies as well as part-time studies. Consecutive university and non-university studies shall be organised in accordance with the study programmes approved by the Senate that have been included in the Register of Study and Training Programmes of the Republic of Lithuania. Non-consecutive studies shall be organised in accordance with the postgraduate studies regulation of the University approved by the Research Council of Lithuania.

16.3. The University offers the following forms of studies: consecutive and part-time studies. The University uses distance training forms and organises skills improvement courses.

16.4. Individuals having at least the secondary education or an education established in the respective studies programme shall be admitted to study at the University.

16.5. Admission terms and conditions, forms and stages of training as well as qualification and diploma awards shall be established by the Senate and approved by the Academic Council in accordance with the present Statute, the laws and other legal acts.

16.6. When a student properly completes a programme of any consecutive studies cycle the University shall issue a diploma of a certain form. A person who has studied individual subjects or a set of subjects at the University but has not completed a full programme of a consecutive studies cycle shall receive an appropriate certificate in accordance with the procedure established by the Senate.

16.7. Post-graduate (doctoral) studies shall consist of studies, scientific research and thesis (writing and defending). Doctoral thesis shall be defended and scientific degrees awarded in scientific research spheres actively developed at the University.

16.8. The University charges a fee for the studies. The price of studies shall be determined by the Academic Council and approved by the General Meeting. The Rector can waive a student's tuition fees in full or in part.

#### **Article 17. Property and Funds of the University**

17.1. The University shall own the property which has been lawfully acquired to ensure its operation, the funds collected in tuition fees, financial resources, securities, products of intellectual work (inasmuch as this doesn't infringe copyright) and other lawfully acquired property. Responsibility for the management and disposal of the University's property shall be with the Rector of the University acting in accordance with the present Statute as well as resolutions of the General Meeting and the Academic Council. The University shall use its property in accordance with the procedure stipulated in the laws. Employees and students of the University shall use the University's property in accordance with the rules (regulations) of internal procedure.

17.2. The University shall have the following sources of income:

- 1) tuition fees, income from other services and contract works;
- 2) interest on deposits with credit institutions;
- 3) funds received for events organised by the University, publishing, business and other activity of the University;
- 4) other lawfully received income.

17.3. The net profit generated during a financial year (less any taxes) shall be distributed by resolution of the General Meeting of the University within 4 months from the end of the financial year at the time of approval of the set of annual financial accounts.

#### **Article 18. Audit of the University**

18.1. When the laws obligate the University to audit its annual financial accounts, and in other cases when the General Meeting so decides, the General Meeting shall elect an audit company (an auditor) to perform control over the University's activities for a period established by the General Meeting.

18.2. In the cases established in the laws, also when the auditor has been appointed by the General Meeting, the audit company (the auditor) elected by the General Meeting shall inspect the set of the University's

annual financial accounts and the annual report of the University; the inspection shall be performed upon the expiry of a financial year, prior to the regular General Meeting.

18.3. The audit company (the auditor) elected by the General Meeting shall protect the University's secrets that came to its knowledge during the performance of its functions.

18.4. In accordance with the procedure stipulated in the laws, the audit company (auditor) elected by the General Meeting shall be liable for unsatisfactory control of the University's activities and concealment of information about activity deficiencies. The Rector shall ensure that the auditor receives all documents of the University necessary to perform the the audit specified in the contract with the audit company.

### **Article 19. Procedure for Publishing the Notices of the University**

19.1. Notices of the University, including information and other documents in connection with convening of a General Meeting, also any notices and information about reorganisation and liquidation of the University, resolutions of the General Meeting, other notices and documents which the shareholders and/or other persons must review under the law shall be sent by recorded delivery letter or delivered in person against signature. If necessary, the notices can be communicated electronically with subsequent dispatch by recorded delivery letter or delivery in person against signature.

19.2. Notices of the University shall be sent in observance of the time-schedule stipulated in the laws; where no such time-schedule exists, the notices shall be sent within 15 (fifteen) days from the day of adoption of the resolution or another document or presentation of information to the Rector of the University.

19.3. The responsibility for the timely dispatch of notices shall be with the Rector.

19.4. Notices to shareholders and other persons shall be sent to their last known address. Shareholders shall notify the University in advance about any changes of his/her/its address (domicile).

19.5. When a shareholder's address (domicile) is unknown and reasonable attempts to find it out yield no results, or when a notice can't be dispatched by recorded delivery letter or delivered to the shareholder in person through reasons beyond the University's control, the notice as well as all other notices that have to be made public in accordance with the procedure stipulated in the laws shall be published in the electronic newsletter for publishing public notices compiled by the keeper of the register of legal entities.

### **Article 20. Procedure for the Provision of the University's Documents and Other Information to Shareholders**

20.1. Within 7 (seven) days from receipt of a shareholder's written request, the University shall create possibilities for the shareholder to review and/or provide copies of the following documents: Statute of the University, sets of annual financial accounts, University activity reports, audit conclusions and audit reports, minutes of General Meetings or other documents documenting resolutions of the General Meeting, shareholders' lists, membership lists of the Academic Council, other documents of the University that have to be public under the laws, minutes of meetings of the Academic Council or other documents documenting resolutions of the Academic Council, as long as the documents do not contain commercial secrets. The list of shareholders of the University presented to the shareholders shall contain the following information based on the most recent data available to the University: shareholders' names and surnames or company names, number of shares of the University owned by the shareholders and shareholders' mailing addresses. A shareholder or a group of shareholders who control more that  $\frac{1}{2}$  (a half) of the shares shall have the right to review all documents of the company; the right shall be subject to the drawing up of a written non-disclosure undertaking. The University's refusal to provide documents shall be in writing, if so requested by the shareholder. Disputes regarding shareholders' right to information shall be resolved in a court of law.

20.2. Documents or other information of the University, or copies thereof, shall be made available to the shareholders at the domicile of the University. The responsibility for the provision of the University's documents or other information to the shareholders and other persons shall be with the Rector of the University.

20.3. Documents or other information of the University shall be made available to the shareholders free of charge.

### Article 21. Procedure for Amending the Statute

21.1. The right of initiative to amend or supplement the Statute of the University shall be with the Rector, the Academic Council and the General Meeting of the University. Resolutions regarding amendments of the Statute require a 2/3 qualified majority vote of the General Meeting.

21.2. Amendments of and supplements to the Statute of the University shall become effective after they have been registered in the Register of Legal Entities in accordance with the established procedure.

21.3. Issues of activities of the University not covered in the present Statute shall be resolved in accordance with the procedure stipulated in the laws and other legal acts.

/signature/

Authorised person:

Rector Prof. Dr. Arūnas Augustinaitis

Date of signing the Statute: 10<sup>th</sup> May, 2017

Sewed and numbered  
22 pages  
/signature/  
/Seal/

*Translation was done at translation agency UAB AIRV, Raugyklos g. 4a, Vilnius, Lithuania.  
I hereby confirm the translation is true and corresponds to the original text.*



Office in **Vilnius**  
Raugyklos g. 4A, LT-01139  
Tel./fax +370 5 2122496  
Mob. 370 612 73093  
E-mail: vilnius@airv.lt

Office in **Kaunas**  
Taikos pr. 2, LT-50187  
Tel./fax +370 37 313455, 313258  
Mob. +370 65051544  
E-mail: kaunas@airv.lt

Office in **Klaipėda**  
Taikos pr. 29, LT-91145  
Tel./fax +370 46 210588  
Mob. +370 650 58996  
E-mail: klaipeda@airv.lt