



**STATUTE OF THE MALTA FOUNDATION FOR HUMAN RESOURCE DEVELOPMENT  
(FHRD)**

# **STATUTE OF THE MALTA FOUNDATION FOR HUMAN RESOURCE DEVELOPMENT (FHRD)**

## **1. NAME AND REGISTERED OFFICE**

1.1 The Foundation shall be known as the 'Malta Foundation for Human Resource Development (FHRD)'.

1.2 The address of the Foundation shall be No 5, Clock Tower Building, The Point, Sliema, or such other address as the Board of the Foundation may from time to time determine.

## **2. STATUS**

2.1 The Foundation shall be an autonomous, voluntary and public benefit foundation as per the aims set out in clause 3 below.

2.2 The Foundation shall be a nationally recognised, non-profit making and non-governmental organisation, as defined and regulated by the Second Schedule of the Civil Code (Cap 16 of the Laws of Malta) and the Voluntary Organisations Act (Cap 492 of the Laws of Malta) and any excess of funds received or generated from its activities must always be reinvested in the same Foundation.

2.3 The Foundation shall be a body corporate, having a separate and distinct legal personality. Its assets and its liabilities shall be separate and distinct from those of the Founder and administrators of the Foundation.

Nothing in this document shall be deemed, construed or interpreted so as to hold or render the Founder and administrators, personally responsible for any debts incurred or obligations assumed by the Foundation.

## **3. AIMS and OBJECTIVES**

3.1 The principal aim of the Foundation is the furtherance and the promotion of the development of human resources in Malta and in the Mediterranean region, in light of the following motivations:

- i) That Malta's richest resource is its people, and that its economic and social development is highly dependent on its ability to nurture and to utilise the abilities, skills and motivation of its citizens at work;
- ii) That, in order to further these abilities and skills, and to encourage higher motivation, it is necessary to create and enhance an awareness of the need to develop human resources and to provide workers with adequate and directed training on a continuing basis in order to enable them to meet the present and future challenges in a changing and increasingly competitive international environment;

- iii) That work systems in the world are changing radically and the need to retrain workers, especially those of developing countries, for future requirements, not least in the use of modern technology, is great and urgent.

3.2 The Foundation also aims to be among the prominent thought leaders in the field of human resources in Malta.

3.3 It also aims to be Malta's recognised body for setting standards in the development of human resources and to be the natural home and official voice of HR professionals in Malta.

3.4 The Foundation shall provide assistance, services, personnel and other support to any public and private entity, including any other Foundation in furtherance of such aims.

3.5 The Foundation shall undertake projects and activities connected with the above concerns and aims.

3.6 The Foundation shall promote and maintain best practices and national standards of HR competence.

3.7 The Foundation shall carry out research, share knowledge and create benchmark HR best practices within the local and Mediterranean region.

3.8 The Foundation shall be a point of reference for HR professionals and facilitate networking for HR professionals as well as advocate lifelong learning by providing training programmes to develop HR Professionals and enhance employee skills.

#### **4. POWERS OF THE FOUNDATION**

4.1 As a body corporate, separate and distinct from those of the Founders, the Foundation shall be vested with all such powers competent to legal persons in general in virtue of their legal personality. In order to achieve its aims, purposes and objectives, the Foundation shall be empowered and entitled:

- a. to accept and receive funds or other property, movable or immovable from the government, international organisations, foundations, commercial entities, individuals or any other source, whether *inter vivos* or *causa mortis*, and to invest the same in Malta or elsewhere in its best interests;
- b. to accept and receive from Sponsors, either as individuals, corporate private or public entities or individuals representing private and public entities, and approved by the Board on the basis of their level of HR expertise as further described in Clause 6, an annual contribution to utilize and administer such contributions as the Board may deem fit from time to time for the furtherance of the purposes and objects of the Foundation;
- c. to enter into any agreement whatsoever with any person and/or any other entity in the exercise of its functions and in the attainment of its objectives;

- d. on its own or with others, to set up other entities in furtherance of its aims and objectives;
- e. to provide assistance in any form, services, personnel and other support to any private and public entity;
- f. To carry out commercial activities in order to raise funds to achieve its purposes, provided, that such commercial activities shall be in terms to the requirements as listed in the Voluntary Organisations Act (Cap. 492 of the Laws of Malta) and in the Second Schedule of the Civil Code (Cap. 16 of the Laws of Malta);
- g. to borrow or raise money in such a manner as the Foundation shall deem fit and to secure payment of money so borrowed or raised by hypothecation, charge or lien upon the whole or any part of the Foundation's property or assets;
- h. if necessary, to carry out trading activities that exceed the marginal income of the Foundation and this through the setting up of a limited liability company in accordance to law and the Administrators of the Foundation shall ensure that such activity shall not burden the human and financial resources of such organisation beyond its means;
- i. To do anything or to carry out such other act as may be conducive, or incidental to the attainment, achievement and implementation of the foregoing.

4.2 The powers and functions of the Foundation as specified in each of the foregoing paragraphs of this Clause (except only if and so far, as otherwise provided in any paragraph) shall be separate and distinct powers and functions of the Foundation and shall not in any way be limited by reference to any other paragraph or the order in which the same occur or by the name of the Foundation. In the event of any ambiguity, this clause shall be construed in such a way as to widen and not to restrict the powers of the Foundation.

## **5. ASSETS OF THE FOUNDATION**

5.1 The Foundation shall have its own assets and shall be able to administer its assets in the most ample and unlimited manner but always within the limits of the objects, purposes and powers of the Foundation.

5.2 The assets of the Foundation shall include:

- a. The initial endowment made by the Founder, new endorsements by subsequent founders, donations, funding, gifts, sponsorships or bequests made to this Foundation by any person provided that these are made and accepted by the Board, for any purposes of the Foundation;
- b. All other income of the Foundation;

- c. All other property which may be determined by the Board as being part of the assets of the Foundation from time to time.

5.3 All assets of the Foundation shall be applied in accordance with this Statute for the attainment of the purposes and objects for which the Foundation is established and provided that nothing herein contained shall prevent the payment in good faith of its reasonable obligations and proper remuneration to any employees of the Foundation, other engagements or the repayment of reasonable out-of-pocket expenses.

5.4 The income and property of the Foundation shall be applied solely towards the advancement of the Foundation's objectives and no portion of such income may be passed on, directly or indirectly, by way of dividend or bonus, to its Administrators.

## **6. SPONSORSHIP**

6.1 The Board shall admit as Sponsors of the Foundation any individual, corporate entity or an individual representing any organization who meets the requirements and qualifications specified by the internal rules and regulations set out by the Board from time to time and who applies for sponsorship in accordance with such rules and regulations.

6.2 Annual Contributions received from Sponsors are non-refundable.

6.3 The Board, may from time to time, modify and revise its internal sponsorship rules and regulations including in regard to any annual contributions as it thinks fit.

6.4 A Sponsor may be suspended or revoked by the Board for any justified reasons in accordance with its internal rules and regulations.

6.5 A Sponsor is free to terminate any sponsorship to the Foundation at any time, provided that this is done by means of a prior written notice addressed to the Foundation.

## **7. THE ADMINISTRATION OF THE FOUNDATION**

7.1 The Foundation shall be governed by a Board of Administrators, which shall determine its general policy and shall be responsible for its activities, organisation, financial administration, approval of its budget and the administration of the property, movable and immovable, bestowed upon or otherwise acquired by the Foundation.

7.2 The Board shall be composed of:

- a) seven (7) voting Administrators appointed from among the Sponsors, who shall serve on the board for a term of three years from appointment but who may submit their re-nomination for another term of three years in accordance with Clause 7.3 below; and
- b) another two (2) non-voting Administrators whereby one is to be nominated by the Maltese Minister responsible for Employment and another by the Maltese Minister responsible for Education.

Provided that both such appointments nominated by the government shall be individuals employed full-time with the Public Sector in an HR role.

Provided further that such individuals nominated by the government shall be subject to the prior approval of the voting members of the Board of Administrators before being appointed on the Board of Administrators of the Foundation.

7.3 Solely in regard to the seven (7) voting Administrators, the Board shall prepare and set out internal rules and regulations on the procedures for appointment of Administrators from amongst the Sponsors.

7.4 One (1) month before the expiry of the Board's term in office, each Board Administrator who wishes to submit its renomination is to submit his/her re-nomination to the Secretary General for the approval by the Sponsors in accordance with the internal rules and regulations of the Foundation.

7.5 When a vacancy arises mid-term, the Board may decide to continue the term without a replacement or request nominations from amongst Sponsors to fill in the vacancy until the expiration of the current term. A Board Member who joins mid-term is still only eligible until the expiration of the term of the current Board.

7.6 If, at any time, the Board fails to nominate any Administrator within thirty (30) days from the time the seat of such person becomes vacant during the term in office, then the remaining Administrators shall, until such nomination, automatically be considered to constitute the Board.

7.7 Each voting Board Administrator must ensure that during his or her tenure, he/she does not have any conflict of interest. Should a potential conflict of interest arise, such conflict must be disclosed to the Board for a decision in regard to such conflict. The Administrator who has a potential conflict of interest, will not be able to vote on that particular decision. The Board's decision is final.

7.8 A voting Administrator who fails to participate in Board Meetings without a valid and acceptable reason for three consecutive meetings will automatically cease to be an Administrator and his/her post will be filled accordingly as per clause 7.5 above.

7.9 In case a non-voting Administrator appointed by the Government fails to participate in Board Meetings without a valid and acceptable reason for three consecutive meetings, the Board shall write to the concerned Ministry to nominate another HR representative from within the public sector as non-voting administrator. Should there be no immediate successful replacements, the position will remain vacant until an adequate replacement is found by the Board while observing the above-mentioned conditions.

7.10 The Board, by a qualified majority vote, may at any time remove any Administrator if, in their reasonable opinion, either he or she acted in any way that is contrary to the interests of the Foundation or was unable to carry out properly the duties of an Administrator.

7.11 Administrators shall at all times, from the date of their appointment and even after termination thereof, keep confidential and take all reasonable and proper steps to keep confidential and prevent unlawful or unauthorised disclosure to or use by any person of all confidential information of the Foundation which is disclosed to the Administrator or which is otherwise obtained by, or comes to the knowledge of, the Administrator at any time after the date of the Administrator's appointment in the course of the performance of his duties as a Board Member.

Notwithstanding the provisions of this clause, Board Members may only disclose confidential information of the Foundation to the extent that such disclosure is required by law.

7.12 At the expiration of their office, Administrators shall, at their own cost and expense, yield up and deliver to the Foundation or to such other person nominated by the Foundation for that purpose, all information, documentation, materials and all other property whatsoever belonging to the Foundation (including, without limitation, all Confidential Information of the Foundation).

7.13 The Administrators shall be chosen on the basis of their competence and integrity and shall, during their term of office, act independently in the best interests of the Foundation.

The Board of Administrators shall have all the powers conferred by Law and by this Statute.

7.14 Nothing in this document shall be deemed, construed or interpreted so as to hold or render the Founder and Administrators, personally responsible for any debts incurred or obligations assumed by the Foundation except as provided by law.

## **8. LEGAL AND JUDICIAL REPRESENTATION**

8.1 The legal representation of the Foundation, that is to say deeds of whatsoever nature and any other documents binding the Foundation, shall be entered into and signed by the President and the General Secretary of the Foundation or by any person or persons appointed for such purpose by the Board of Administrators by means of a written resolution or by means of a power of attorney.

8.2 The judicial representation of the Foundation shall be vested in the President of the Foundation and the General Secretary of the Foundation who shall have the right to delegate any or all of their power of judicial representation to any one of the Administrators personally or to any other party by means of a written resolution or by means of a written power of attorney issued by the Board of Administrators. Any judicial actions that may be instituted by the Foundation need to be approved by a qualified majority vote of the Board of Administrators.

## **9. BOARD OFFICIALS**

9.1 The Administrators shall designate from among themselves a President (Chairperson) of the Foundation who shall convene and preside over all meetings of the Board and shall have an original and a casting vote when a tie occurs.

9.2 The Board must also designate from among themselves a Vice-President, and a General Secretary.

9.3 The President, Vice-President and General Secretary shall hold office for a period of three years and can be reappointed through re-nomination on the expiration of their term of office.

9.4 In the event that the post of President, Vice-President or General Secretary becomes vacant, the Board will appoint any one of the incumbent Board Members to fill the vacant post within eight (8) weeks from the date of the vacancy.

## **10. BOARD MEETINGS**

10.1 The first meeting of the Board shall be convened not later than one month from the start of a new term. No less than twenty-four meetings are to be held every term.

10.2 Meetings may be held online or in person at the discretion of the President (Chairperson).

10.3 The quorum shall be fifty percent plus one (50%+1) of the voting members and must include the President (Chairperson) and / or Vice President (Vice Chairperson).

10.4 Save as otherwise provided in the Statute, all decisions of the Board shall be taken by a simple majority. In the case of a tie, the President (Chairperson) will have the casting vote.

10.5 A resolution in writing signed by all the Administrators from the time being shall be as valid and effective as if the same had been passed at a meeting of the Administrators duly convened and held.

## **11. FOUNDATION STAFF**

11.1 The Board of Administrators shall appoint a CEO, or equivalent for such term, at such remuneration and upon such conditions, as the Board shall think fit, through an agreement in writing. Any CEO may be removed by the Board in accordance with employment legislation in force. In addition, the Board shall approve any additional staff / resources as suggested by the CEO.



## **12. SUB-COMMITTEES**

12.1 The Board shall regulate its own procedures and may, inter alia, appoint any committees or sub-committees as it may deem necessary for the attainment of its purposes.

## **13. FINANCIAL PROVISIONS**

13.1 The income and property of the Foundation, however derived, shall be applied solely as set forth in this Statute and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to any person whatsoever.

13.2 Financial Accounts of the Foundation shall be prepared as at the 31<sup>st</sup> December of each year and should be audited and certified every year by a certified public accountant and auditor appointed by the Board. The Board will approve the said accounts.

## **14. AMENDMENTS TO THE STATUTE**

14.1 This Statute, other than this Clause 14 and Clause 15, can be amended by resolution of the Board supported by at least a qualified two-third majority of the voting members of the Board of Administrators.

## **15. TERM & TERMINATION**

15.1. The Foundation, being a social purpose foundation set up in accordance with the Law, is being established for an indefinite period.

15.2 If, for any reason, the Foundation ceases to exist, all its assets shall become the property of any non-profit organization/s having the same or similar principles of the Foundation, as determined by the Board, saving any reservation made by benefactors and donors in respect of any property donated by them.

## **16. ORIGINAL DEED**

This statute shall be annexed to the deed setting up the Foundation and shall constitute an integral part of the Original Deed.

## **17. INDEMNITY**

The Foundation shall fully indemnify, hold harmless and defend the President, officials and all Board Administrators from and against all claims, demands, actions, suits, damages, liabilities, losses, settlements, judgments, costs and expenses (including but not limited to reasonable

lawyer's fees and costs), whether or not involving a third-party claim, which arise out of or relate to any act or omission of the Foundation.

The Statute of the Malta Foundation for Human Resource Development (FHRD) has been amended in accordance with Article 14 by a Resolution of the Board at a Meeting held at No. 5, Clock Tower Building, The Point, Sliema, Malta on the 6<sup>th</sup> December 2022.