

ARTICLES OF ASSOCIATION

EUROPEAN BUSINESS ASSOCIATION

July 25, 2017

1. GENERAL PROVISIONS

- 1.1 **THE EUROPEAN BUSINESS ASSOCIATION**, hereinafter referred to as – “Association”, is a membership based, non-profit (non-commercial) legal entity, registered under the laws of Georgia;
- 1.2 Full name of the Association: **“EUROPEAN BUSINESS ASSOCIATION”** and the short name is - **“EBA”**.
- 1.3 The Association operates on the whole territory of Georgia. The length of activity of the Association is unlimited.
- 1.4 The Association will use the whole revenue from its activity for the purposes provided for in the Articles of Association.
- 1.5 The Association will not support any political party, electoral bloc or candidate to any position in the public authorities and will not use any part of its revenue or property to finance them.
- 1.6 The Association is based in: Tbilisi, Georgia. The legal Address of the Association is: 83 Sulkhan Tsintsadze str, app. 66. Postal code: 0160. e-mail: info@eba.ge

2. MISSION, GOALS AND ACTIVITIES

- 2.1. Mission of the Association is to advocate/lobby for European Businesses in Georgia and to facilitate the development of trade and investment between Georgia and Europe.
- 2.2. The Association has the following goals:
 - To promote and harmonise European values and best business management practices in the Georgian entrepreneurial community;
 - To develop Georgia as a regional hub;
 - To accelerate regional development and employment, support development of tourism and agriculture in Georgia;
 - To facilitate business activities between the EU and Georgia;
 - To align the national economy and business legislation to the EU standards.
- 2.3. In order to achieve its goals, the Association may perform the following activities:
 - organize and participate in seminars, conferences, meetings, lectures, etc.,;
 - prepare and submit recommendations for legislative changes
 - provide consultative assistance across all sectors and spheres of economy in accordance with the requirements of legislation;
 - represent the Association members’ interests in relation with public authorities and other organisations;
 - ensure protection of its members’ rights and interests;
 - carry out other actions provided for and allowed by the legislation in-force in order to achieve the goals for which it was established.
- 2.4. In accordance with Georgian legislation, the Association is entitled to perform its economic activity resulting directly from the goals established in the Articles of Association and exclusively to achieve its statutory goals.

3 MEMBERS OF THE ASSOCIATION

- 3.1. The Association has the following types of membership:
 - Core Members and Members - commercial legal entities operating in the territory of Georgia, including branches and representative offices of foreign commercial legal entities.
 - Associated Members - non-commercial legal entities - associations, NGOs, think-tanks, educational institutions, physical persons.

- Founding Members – individuals, who founded the Association and who have not any right and obligations of members.
- 3.2. Categories of membership will be defined by the board (based on the own decision) and are subject to change from time to time in accordance with board resolutions.
 - 3.3. All categories of members have the right to fully participate in the activities of the association equally and to benefit the associations' services and activities. All types of members have equal right and obligations except those indicated in the Articles of Association. Only Core Members have the right to vote for making decisions in the General Assembly.
 - 3.4. A candidate wishing to become a member of the Association shall submit a written/online application form.
 - 3.5. The Board makes the decision about accepting the member and defines the categories of membership within three month of the filing of the application. The board may delegate acceptance of new members to the Chief Executive Officer subject to the Conditions of Membership adopted by board resolution;
 - 3.6. Transfer of membership to any legal entity or person is not permissible;
 - 3.7. The size of the membership fee for each categories of the members will be defined by a Board decision from time to time. Membership fees are not refundable to members under any circumstances.
 - 3.8. Membership ceases: a) due to the member submitting an application to leave and receipt by the Association, b) by the majority decision of the Board to exclude the member from the membership for any reason, c) if required by the legislation of Georgia;

4 MANAGEMENT OF THE ASSOCIATION

4.1. The organizational structure of the Association has the following bodies:

- General Assembly of Members;
- Board;
- Chair of the Board (Chair);
- Chief Executive Officer;
- Deputy Chief Executive Officer;
- Advisory Board.

General Assembly

4.2. The Association's supreme management body is the General Assembly of Members which convenes once a year. All categories of members are entitled to attend the General Assembly of Members. Only Core Members have the right to vote and make decisions.

4.3. The General Assembly of Members shall have the following main duties:

- decide upon adoption, completion or amendment of the Articles of Association (Statute/Charter);
- examine and approve the annual plan, budget and annual financial balance sheet submitted by the Board;
- appoint and revoke members of the Board and the Chair;
- approve the Board reports;
- decide upon reorganization or liquidation of the Association;
- decide upon any other issues related to the Association's activity.

4.4. The General Assembly is convened by the Chair of the Board, which shall notify all members of the Association at least 10 days before the date of the General Assembly. Notice may be made by written, electronic or any other communication form which ensures the possibility of confirmation of the receipt of the notice to the recipient. The notice about convening the meeting shall contain the agenda, venue, date and time of the meeting. Any member has the right to submit items for inclusion on the agenda or remarks about the agenda within 2 days after receiving the notice;

- 4.5. The extraordinary General Assembly is convened by the Board at its own initiative, at the request of the Chair or Chief Executive Officer or at the request of at least two thirds of the total number of members of the Association.
- 4.6. The General Assembly is authorized to make decisions if more than half of its total Core Members are present at the meeting either physically, by proxy or via electronic means. The Board authorizes which types of electronic communication are suitable. For the purposes of the Articles of Association “electronic means” is any electronic, real time, two way communication system that allows the member to hear official speakers at the meeting and to make their voting intention clear. Once a quorum is achieved the meeting may proceed even if some members leave or electronic communications is lost. If the member attending the meeting is unable to vote because his electronic connection is lost at the time the votes are cast, his vote is invalidated, but the ballot continues and is valid. Each core member shall have one vote.
- 4.7. Decisions by the General Assembly shall be taken by a simple majority vote of those present, except for the decisions on the reorganization and liquidation of the Association, which shall be adopted by the vote of 2/3 of the Core Members present at the General Assembly.
- 4.8. If the General Assembly is not considered deliberative, then the Board shall convene the General Assembly again within one month, with the same agenda. The reconvened meeting shall be deliberative no matter the number of Core Members present.
- 4.9. The General Assembly can adopt decisions only concerning the issue on the agenda.
- 4.10. General Assembly is led by the Chair of the Board. In case the Chair is not attending the Assembly or refuses to lead the meeting, the head of the Assembly may be elected from among the Core Members;
- 4.11. The works of the General Assembly shall be documented and will be signed by the Chair or, in the case that Chair is not leading the meeting, by other head of the Assembly.

Board

- 4.12. The Board is the elected management body of the Association, consisting of a minimum of 3 and a maximum 10 members. The Chief Executive Officer is an ex-officio member of the Board who has no voting rights and serves as the Board Secretary.
- 4.13. The Board is subordinated to the General Assembly, and has the following powers:
- draw up the development strategy and outline the main directions of the Association’s activity;
 - make sure that the General Assembly decisions are implemented and submit to the General Assembly reports on the activity of the Association;
 - develop the Association’s budget, annual financial statement and submit them to the General Assembly for approval;
 - approve the internal regulations of the Association and establish its organizational structure;
 - appoint the Chief Executive Officer and the Deputy Chief Executive Officer;
 - decide types and fees of membership;
 - adopt code of conduct, code of ethic of the members;
 - accept and expel members of the Association;
 - appoint the auditor;
 - to remove member of the Board, which requires anonymous decision of the Board.
- 4.14. The Members of the Board are elected by the General Assembly for a 2-year term. After expiring the term, authority of the member of the Board is automatically continued until the General Assembly elects new member of the Board.
- 4.15. The Board meetings are convened when needed by the Chair, two thirds of the Board members or the Chief Executive Officer, but not less frequently than once a quarter. 7 days notice of the Board

meeting must be made to all Board Members. The board may unanimously waive the 7 day notice period in case of need.

- 4.16. The Board Meeting is authorized to act if it has a quorum. A quorum is achieved when more than half the members of the board are present either physically, by proxy or via electronic means. In case a quorum is not achieved, a new meeting must be called within 1 month. In the event that a quorum is still not achieved within one month, a General Assembly must be called.
- 4.17. If the Board member will not be able to attend the meeting he/she may give the written proxy, only to another member of the Board or may participate in the Board meeting by any electronic communication. For the sake of clarity, issuing a proxy by Public Notary is not required.
- 4.18. Any decision by the Board is made by the simple majority of votes, except in the case of the expulsion of the Chief Executive Officer, in which case a unanimous decision is required. In case the votes are divided equally, the Chair has the casting vote;
- 4.19. The meeting of the Board is led by the Chair or the Chair's nominee who assumes all the rights of the Chair for that meeting. During the meeting the minutes are written which are then signed by the Chair of the Board or by other person nominated by the Chair for the meeting.
- 4.20. Board membership ends under the following circumstances:
- The term of office expires (but continues until new board members will be elected);
 - Resignation (application about resignation will be written to the Chair of the Board, which submits the application to the General Assembly of members. After one month board member will be considered as resigned regardless what decision will be made by the General Assembly);
 - Removal by unanimous vote of the Board for any reason or no reason at all.
 - Removal by a 2/3 vote of the Core Members present at a General Assembly for any reason.
 - Death;
 - Other situations described by the law.

Chair of the Board (Chair)

- 4.21. Chair of the Board (Chair), is elected by the General Assembly of Members for a two-year term. Authority of the Chair automatically continues until the General Assembly elects new Chair.
- 4.22. Chair of the Board has the following powers:
- convene and chair the Board meeting;
 - represent the Board in all matters;
 - instruct the executive management;
 - sign employment contract with the Chief Executive Officer and Deputy Chief Executive Officer.

Chief Executive Officer

- 4.23. The Chief Executive Officer is appointed by the Association's Board for a 3-year period. The Chief Executive Officer reports exclusively to the Chair as the representative of the Board. After expiring the term, authority of the Chief Executive Officer is automatically continues until the Board appoints new Chief Executive Officer;
- 4.24. The Chief Executive Officer has the following powers:
- adopt decisions on any issues related to the activity of the Association, which does not fall under the exclusive competence of the Board and/or the General Assembly;
 - represent the Association in courts, in the relations with public authorities and other individuals and legal entities;
 - conclude transactions and sign contracts, issue proxies, open bank accounts, sign other financial papers;

- organize and coordinate the current work of the Association and its units, and ensure full compliance with the decisions adopted by the Board;
- employ and dismiss staff and set terms and conditions;
- ensure that accounting, legal and statistical records are kept in the manner prescribed by law;
- issue orders, indications, instructions;
- decide on the working methods and forms, ensure the integrity and sound use of the Association's property.
- Delegate powers to the Deputy Chief Executive Officer as necessary.
- Other powers maybe delegated by the board.

4.25. Authority of Chief Executive Officer ends under the following circumstances:

- The term of office expires until the new Chief Executive Officer will be appointed;
- Resignation (application about resignation will be written on the name of the Board and submitted to the Chair of the Board. After one month Chief Executive Officer will be considered as resigned regardless what decision will be made by the Board);
- expulsion of the Chief Executive Officer by the unanimous decision of the Board;
- Other situations considered by the legislation.

Deputy Chief Executive Officer

4.26. Deputy Chief Executive Officer conducts tasks delegated by the Chief Executive Officer;

4.27. Deputy Chief Executive Officer is appointed by the Board for a 3 year period and reports to Chief Executive Officer and Chair of the Board;

4.28. Authority of the Deputy Chief Executive Officer end under the following circumstances:

- The term of office expires until the new Deputy Chief Executive Officer will be appointed;
- Resignation (application about resignation will be written on the name of the Board and submitted to the Chair of the Board. After one month Deputy Chief Executive Officer will be considered as resigned regardless what decision will be made by the Board);
- expulsion of the Deputy Chief Executive Officer by the Board decision;
- Other situations considered by the legislation.

Advisory Council

4.29. For Better fulfillment of the Associations goals the Association may have an Advisory Council, which acts as the consultative body of the Association. Nomination for membership of the Advisory Board is made by any member of the board or the Chief Executive Officer. The decision about accepting a nomination to the Advisory Council is made by the Board;

4.30. Advisory Council and its members do not participate in the management of the Association and do not have voting rights. Members of Advisory Council provide advice and recommendations to the governing bodies of the Association based on their knowledge and experience;

4.31. Representatives of European Embassies, European Business Associations, NGOs, educational establishment and suitably qualified individuals are eligible to serve on the Advisory Board.

4.32. Members of the Advisory Board serve as individuals at the discretion of the Board.

4.33. Members of the Association may serve on the Advisory Board but membership of the association is not mandatory.

5. PROPERTY AND SOURCES OF FINANCING

5.22. The budget revenue shall be formed of:

- membership fees;
- sponsorship and voluntary donations, made by individuals and legal entities.
- income received from securities, deposits;
- income from own economic activity;
- revenue of the trade companies founded with the participation of the Association;
- income earned by using or selling the property;
- other sources that are not forbidden by law.

5.23. The Association can own buildings, equipment as well as any other property needed to achieve the goals set by this Articles of Association;

5.24. Movable and immovable assets, copyrights, shares, and others can be donated to the Association;

5.25. The entire property of the Association, as well as the benefits obtained from its economic activity, shall be used to achieve the statutory goals and cannot be distributed among its members;

5.26. The property transferred to the Association by its members in the form of fees and donations cannot be revoked and is owned by the Association.

6. FINAL PROVISIONS

6.22. This Articles of Association is approved by the General Assembly of Members of the Association.

6.23. Any member of the Association, the board and the Executive can propose changes and amendments to the Articles of Association. Changes and amendments shall be submitted to the Board in writing and are considered during the next General Assembly.

6.24. The changes and amendments to the Articles of Association come into force for third parties after their registration in the relevant public authority.

6.25. This Articles of Association is drafted in Georgian and English languages. In case of any conflict between these two versions the Georgian version shall prevail.

**გენერალური დირექტორი
დევიდ ლორენს ლი**

**Chief Executive Officer
David Lawrence Lee**

/signed and officially registered at Business Registry in Georgia: www.napr.gov.ge/