

Approved by the General Assembly of Members

**CHARTER**  
**OF THE NON-PROFIT MAKING PARTNERSHIP**  
**“ASSOCIATION OF EUROPEAN BUSINESSES”**  
**in Russia**

May 2006

## **1 General Provisions**

### **1.1 Full Name and Abbreviation**

The full official name of the non-profit making partnership in the Russian language shall be: *некоммерческое партнерство « Ассоциация Европейского Бизнеса»*.

The abbreviated name of the non-profit making partnership in Russian shall be: АЕБ.

The full official name of the non-profit making partnership in the English language shall be: non-profit making partnership “Association of European Businesses”.

The abbreviated name of the non-profit making partnership in English shall be: AEB.

### **1.2 Regulation of Activities of the AEB**

In implementing its activities, the AEB shall comply with the laws of the Russian Federation, including all its revisions and amendments (the “**Legislation of the Russian Federation**”), and the Civil Code of the Russian Federation, Federal Law “On Non-profit Institutions”, as well as with this Charter (the “**Charter**”).

### **1.3 Legal Form and Status of the AEB**

**1.3.1** The AEB is a legal entity and non-commercial organisation, organised as a non-profit making partnership, of European legal entities and physical persons that have business with and/or inside Russia, in accordance with the Legislation of the Russian Federation.

**1.3.2** The AEB shall be established for an unlimited period of time.

**1.3.3** The AEB disposes of its own assets as recorded on its balance sheet and is responsible for its liabilities in the entire amount of its assets. The AEB may, on its own behalf, acquire and exercise property and non-property rights, bear liability, and act as plaintiff and defendant in court. The AEB shall use its property to attain its statutory aims and objectives in accordance with the Legislation of the Russian Federation.

**1.3.4** AEB Members shall have no rights with regard to the property of the AEB, including to the Membership fees paid. AEB property and profit received by the AEB may not be distributed among the AEB Members.

**1.3.5** The AEB has the right to open bank accounts in roubles and other currencies in the territory of the Russian Federation and abroad. The AEB possesses a seal with its full name in Russian, its own headed paper, and its own emblem.

**1.3.6** The AEB has the right to open branches and representative offices.

**1.3.7** The AEB shall not be held liable for the responsibilities of AEB Members. AEB Members shall not be held liable for the responsibilities of the AEB.

#### **1.4 Mission of the AEB**

The mission of the AEB is to represent and promote the interests of its Members by supporting them in doing business with and in Russia through quality lobbying, information support, and through activities aimed at improving the Russian trade and business environment in conformity with internationally accepted business principles and promoting integration and partnership between the European Union (EU) and Russia.

#### **1.5 Location of the AEB**

1.5.1 The location of the AEB shall be the permanent location of the Executive Board of the AEB (as defined in Clause 1.5):

Bolshaya Ordynka 40, Building 2, 119017, Moscow, Russian Federation.

1.5.2 The postal address and place of storage of the documents of the AEB shall be:

Bolshaya Ordynka 40, Building 2, 119017, Moscow, Russian Federation.

#### **1.6 Management Bodies of the AEB**

The management bodies of the AEB shall be:

- (i) The General Assembly of the Ordinary Members and Associate Members (the “**GA**”) (the highest management body of the AEB);
- (ii) The Council of National Representatives of the AEB (the “**CNR**”) (the standing advisory body of the AEB);
- (iii) The Executive Board of the AEB (the “**EB**”) (the collective executive body of the AEB); and
- (iv) The Chief Executive Officer of the AEB (the “**CEO**”) (a one person executive body).

#### **1.7 Working Language**

The working languages of the AEB shall be English and Russian.

#### **1.8 Fiscal Year**

Until the Legislation of the Russian Federation otherwise permits and the CNR determines otherwise, the fiscal year of the AEB shall run from January 1 to December 31.

#### **1.9 Capability**

The AEB shall hold all civil rights and shall bear all obligations required for implementing the objectives of the activities performed by the AEB as provided herein. In particular, the AEB shall be able to carry out across the territory of the Russian Federation or outside it, with Russian or foreign legal entities or individuals, any operations or transactions not prohibited by the Legislation of the Russian Federation or by the legislation of the jurisdiction applicable to any such operations and transactions.

#### **1.10 Code of Conduct**

The AEB, its Members, and sponsors must adhere to internationally accepted business norms and corporate governance principles (OECD guidelines for corporate governance).

The AEB will not take positions or carry out actions that conflict with European business interests.

## **2 Objectives and Activities of the AEB**

### **2.1 Objectives of the AEB**

In order to fulfil its mission the AEB has the following objectives:

- (i) Carrying out qualitative, active, and systematic lobbying;
- (ii) Providing quality information to AEB Members, and maintaining effective information flows and networks between AEB Members;
- (iii) Providing a networking function on behalf of and between AEB Members;
- (iv) Contributing to EU-Russia economic integration;
- (v) Assuring high AEB visibility;
- (vi) Other objectives, which a non-commercial organisation in the form of a partnership may have, pursuant to the Legislation of the Russian Federation.

### **2.2 Activities of the AEB**

**2.2.1** The AEB shall concentrate its activity on the most important and urgent issues for AEB Members. The AEB shall, as far as possible, undertake all necessary and appropriate measures to achieve the objectives stated in Clause 2.1 hereof.

**2.2.2** The AEB shall, in particular, but not exclusively,

- (i) Achieve its lobbying objective by:
  - (a) Dealing directly with Russian federal and regional authorities, such as the Presidential Administration, government officials, ministries, Duma, Central Bank, and Customs; economic, political and scientific organisations and institutions; and the press, radio, and television; in order to present and promote European business interests through this network;
  - (b) Circulating an annual white paper summarising the main business goals and tracking the success of lobbying;
  - (c) Preparing regular policy papers;
  - (d) Co-operating with the Delegation of the European Commission to Russia, EU national clubs, EU bilateral Chambers of Commerce, and business organisations in lobbying European business interests in Russia.
- (ii) Achieve its information objective by:
  - (a) Distributing information to Members (as defined in Article 3.1. below), in particular, through Open Meetings, seminars, briefings and the website of the AEB;

- (b) Maintaining and expanding networking and contacts;
  - (c) Publishing quality policy papers/advice in order to provide Members with prognoses and analyses concerning relevant political and business issues;
  - (d) Organising Open Meetings, round tables, press conferences, surveys;
  - (e) Establishing hotlines for the urgent problems and questions of Members;
  - (f) Establishing and optimising Committee work;
  - (g) Establishing a business reference function and B2B reference among the AEB Members.
- (iii) Achieve its networking objective by:
- (a) Organising B2B networking functions among AEB Members;
  - (b) Organising cultural events;
  - (c) Organising EURO events;
- (iv) Achieve its EU-Russia economic integration objective by:
- (a) Contributing to the long-term EU-Russia policy dialogue on integration [including the Common European Economic Space (CEES)] by identifying the major systematic business obstacles facing EU businesses in Russia and communicating this to the EC Delegation and EU officials from Brussels;
  - (b) Drawing up a priority list of issues on which regulatory convergence/ harmonisation should be sought between the EU and Russia.
- (v) Achieve its AEB visibility objective through:
- (a) Improving PR and external communication;
  - (b) Improving Committee work;
  - (c) Newsletter;
  - (d) Magazine;
  - (e) Communicating clearly to Members;
  - (f) Maintaining full transparency;
  - (g) Creating more involvement from Members.

### 3 Membership in the AEB

#### 3.1 Membership Categories

3.1.1 The AEB shall have the following three types of Members:

- (i) Ordinary Members (the “**Ordinary Members**”),
- (ii) Associate Members (the “**Associate Members**”), and

- (iii) Honorary Members (the “**Honorary Members**”).

Ordinary Members, Associate Members, and Honorary Members are collectively referred to as “**Members**”.

### **3.1.2 Ordinary Members**

Ordinary Members may be:

- (i) Legal entities and partnerships (together hereinafter referred to as the “**Legal Entities**”), and associations (unions) of Legal Entities located in the member states of the European Union or the European Free Trade Association, which are engaged or planning to be engaged in business activity related to the Russian Federation;
- (ii) Legal Entities registered in the Russian Federation in which the parent company or subsidiary of the parent company of one or more Legal Entities or associations (unions) of Legal Entities, is located in a member state of the European Union or the European Free Trade Association, or one or more physical persons holding the citizenship of a member state of the European Union or the European Free Trade Association, hold more than 50 (fifty) per cent of the shares of such Legal Entity, respectively;
- (iii) Legal Entities registered in the Russian Federation, in which the parent company is not registered in a member state of the European Union or European Free Trade Association, but which is managed by a legal entity in the European Union or European Free Trade Association;
- (iv) Physical persons holding the citizenship of a member state of the European Union or the European Free Trade Association who are engaged in business activity for their own benefit in the territory of the Russian Federation or who are employed by a Legal Entity or an association (union) of Legal Entities having no place of location in the member states of the European Union or the European Free Trade Association, but are engaged in business activity related to the Russian Federation.

### **3.1.3. Associate Members**

- (i) Legal Entities and associations (unions) of Legal Entities not located in the member states of the European Union or the European Free Trade Association, which are engaged in business activity related to the Russian Federation, may be Associate Members of the AEB.
- (ii) An Associate Member can be converted to an Ordinary Member if the Associate Member fulfils the conditions stated in Article 3.1.2.
- (iii) AEB Associate Members shall have no right to serve on the Executive Board and the Council of National Representatives.

### **3.1.4. Honorary Members**

Any physical persons with specific merit to the AEB may be appointed as Honorary Members.

## **3.2 Terms of Acceptance of Members**

- 3.2.1 The EB shall adopt decisions on the acceptance of Ordinary Members and Associate Members on the basis of written applications.
- 3.2.2 The written application of any non-EU / non-EFTA Legal Entities applying to become Associate Members shall be endorsed by 2 (two) Ordinary Members in writing.
- 3.2.3 Honorary Membership in the AEB may be bestowed upon physical persons on the basis of a resolution of the CNR. The duration and conditions of Honorary Membership are to be defined on a case-by-case basis by the CNR.
- 3.2.4 There shall be no obligation to grant Membership. Membership shall commence as of the moment the candidate receives a notice of acceptance from the EB and payment is received.

## **3.3 Rights and Obligations of Members**

### **3.3.1 Rights of Members**

Each Member shall enjoy the rights stipulated by the Legislation of the Russian Federation and this Charter, and namely the rights to:

- (i) Participate and (except Honorary Members) vote in the GA. However, Ordinary Members and Associate Members shall be deprived of their voting rights for the duration of any Membership dues arrears;
- (ii) Be eligible to serve on the CNR or the EB (except Associate Members). Members of the CNR cannot be appointed to serve concurrently as EB Members and vice versa.
- (iii) Be eligible to serve on the Audit Commission. Audit Commission Members cannot be appointed to serve concurrently as EB or CNR Members and vice versa.
- (iv) Obtain information on the AEB's activities and its management bodies;
- (v) To participate in the activities proposed by the AEB;
- (vi) Submit proposals to the AEB on issues related to its activities, and address queries and requests with any body within the AEB;

### **3.3.2 Obligations of Members**

- (i) Each Member shall bear the obligations stipulated by the Legislation of the Russian Federation and by this Charter.
- (ii) Each Ordinary Member and Associate Member shall be obliged to pay the Membership dues promptly and in full. Membership dues shall be payable in the amount established by the GA and in accordance with the payment procedures established by the EB.
- (iii) Except Membership dues as provided in paragraph (ii) above, Members shall not be obliged to contribute property or any other assets to the AEB.

### **3.4 Termination of Membership in the AEB**

#### **3.4.1 Voluntary Termination of Membership**

Any Member may terminate his Membership at any time by means of written notice to the EB.

#### **3.4.2 Involuntary Termination of Membership**

- (i) A Member may be expelled from the AEB by the joint decision of the EB and CNR voting with a simple majority vote.
- (ii) The EB has the right to publish information on the AEB Members that were expelled from the AEB in the AEB Newsletter.

#### **3.4.3 Consequences of Termination**

In case of a termination of Membership, no share in the assets of the AEB, no refund of Membership dues, and no compensation shall be paid to the relevant Member.

## **4 Participation in the Activities of the AEB**

**4.1** European Union and European Free Trade Association Embassies and Trade Missions shall have the right to participate in the activities of the AEB in a non-voting capacity.

**4.2** The EB may grant and cancel the permission to participate in all activities of the AEB to the following:

- (a) Legal Entities, associations (unions) of legal entities and physical persons being involved in activities in the Russian Federation, which have no right to Membership;
- (b) Other persons on an exceptional basis.

This permission may comprise the right to attend the meetings of one or more Committees.

Dues and fees apply to the calendar year for which they are paid.

## **5 General Assembly (GA)**

The GA shall be the supreme body of the AEB.

### **5.1 Competence of the General Assembly**

**5.1.1** The following issues shall be placed under the competence of the GA:

- (i) The amendment and the approval of the Charter of the AEB;
- (ii) The determination of the overall strategy and policies of the AEB, the directions of the activity of the AEB and the priority of these activities;
- (iii) The determination of the principles of the formation and use of the property and assets of the AEB;
- (iv) The formation of the CNR, EB, and Audit Commission, and the termination

- of their powers ahead of term;
- (v) The election of the CEO, and the termination of his / her powers ahead of term;
- (vi) The approval of the annual report and the annual accounting balance sheet and profit-and-loss account of the AEB;
- (vii) The approval of the financial plan of the AEB and of its amendment;
- (viii) The participation in other organisations;
- (ix) The reorganisation and liquidation of the AEB;
- (x) The approval of Membership fees and their categories;
- (xi) The adoption of internal rules of the GA.

The issues set out in paragraphs (i), (ii), (iii), (iv), (v), and (ix) above shall be placed under the exclusive competence of the GA.

## 5.2 Adoption of Resolutions of the GA

- 5.2.1 Resolutions shall be adopted at meetings. The meetings of the GA shall be chaired by the Chairman of the CNR. The Deputy Chairmen shall assume the responsibilities and rights of the Chairman if the latter is unable for whatever reason to act in that capacity.
- 5.2.2 The CEO or the EB shall call a meeting of the GA by notifying the Ordinary Members and Associate Members by fax or e-mail with confirmed receipt. Notification shall be delivered to the most recent address, fax number, or e-mail address supplied by the Ordinary Members and Associate Members to the AEB. Notification shall be sent at least 21 (twenty-one) days prior to the meeting and shall specify the location, time, date, and agenda of the meeting.
- 5.2.3 An Ordinary Meeting of the GA (the “**Ordinary Meeting**”) shall be called within the first 6 (six) months of each financial year. The Ordinary Members and Associate Members present at the Ordinary Meeting shall take decisions related to the approval of the annual reports and the approval of the activities of the CEO, EB, and CNR.
- 5.2.4 The CEO shall be obliged to call an Extraordinary Meeting of the GA if this is necessitated by the interest of the AEB or by a written request of at least 20 (twenty) per cent of the Ordinary Members and Associate Members, or by the CNR, EB, or the Audit Commission.
- 5.2.5 The minutes of a meeting of the GA shall be prepared and signed by the Chairman within 2 (two) weeks of the meeting. The minutes shall state the place and date of the meeting, the total number of Ordinary Members and Associate Members, the number of Ordinary Members and Associate Members present in the meeting and the number of their votes, the agenda, the Chairman and Secretary of the meeting, and the adopted decisions. Each Ordinary Member and Associate Member shall be issued a copy of the minutes within 4 (four) weeks of the meeting.

- 5.2.6 The GA shall be authorised to adopt resolutions provided that a quorum of 50 (fifty) per cent of the Ordinary Members and Associate Members is present, either directly or represented by proxy given to any other Ordinary Member or Associate Member.
- 5.2.7 Resolutions shall be carried by a simple majority of votes of the Ordinary Members and Associate Members present at the GA, unless otherwise established by the Legislation of the Russian Federation or this Charter.
- 5.2.8 Resolutions on issues that are placed under the exclusive competence of the GA shall be carried by two-thirds of the votes of the AEB Ordinary Members and Associate Members present at the GA.
- 5.2.9 Each Ordinary Member and Associate Member shall have 1 (one) vote. Abstention from voting shall not be taken into consideration. In the event of equal votes for and against a motion, the motion shall be deemed rejected.
- 5.2.10 Votes may be cast by power of attorney, only to be given to another Ordinary Member or Associate Member.

## **6 Council of National Representatives (CNR)**

The CNR is the standing advisory body of the AEB.

### **6.1 Composition and Election of the Council of National Representatives**

- 6.1.1 The CNR shall consist of 1 (one) representative from each Member State (provided the Member State has elected a person to represent it on the CNR). There shall be no more than 2 (two) members from the same Legal Entity. If there are more than 2 (two) members elected from the same Legal Entity, a decision must be made by that Legal Entity which (2) two shall be allowed to remain.
- 6.1.2 The Members of the CNR shall be elected in accordance with the procedure set out in 6.1.10 for a term of 2 (two) years.
- 6.1.3 In the event of a tie between Candidates, the Candidate of a Member Company in the higher membership category will be considered to have won. If both Candidates belong to Member Companies holding the same membership category, the Member who has held membership in the association for the longer uninterrupted period of time will be considered to have won.
- 6.1.4 If the office of a Member of the CNR becomes vacant ahead of term, the Member State, which is no longer represented as a result of such vacancy, is entitled to elect a new CNR Member to serve for the remaining term for the person who is being replaced. Any such election must be ratified at the next GA in its first Ordinary Meeting of the year.
- 6.1.5 An elected voting Member of the CNR representing an AEB Ordinary Member, which becomes an Associate Member or ceases

to be an AEB member, shall resign and leave open a vacant seat for the purposes of Article 6.1.4.

- 6.1.6 Each voting Member of the CNR may be re-elected.
- 6.1.7 Furthermore, a representative of the Delegation of the European Commission to Russia shall be a non-voting Member of the CNR.
- 6.1.8 Eligible as a voting Member is only a person who was elected as a candidate (the “**Candidate**”) of the Country Group (as defined in Article 6.1.9), which he/she shall represent in the CNR, in the procedure set out in Article 6.1.10.
- 6.1.9 Regarding the elections of Candidates, each Ordinary Member shall belong to 1 (one) Country Group (“**Country Group**”), with each Country Group representing 1 (one) of the member states of the European Union or 1 (one) of the member states of the European Free Trade Association. The Country Group to which an Ordinary Member belongs will be determined:
  - (i) For an Ordinary Member in accordance with Article 3.1.2 (i) of this Charter, by the state where the place of location of the Ordinary Member is located;
  - (ii) For an Ordinary Member in accordance with Article 3.1.2 (ii) of this Charter, by the state where the shareholder(s), which must hold more than 50 (fifty) per cent of the shares, have its place of location (in the case of a Legal Entity) or to which such shareholder is a citizen (in case of a physical person);
  - (iii) For an Ordinary Member in accordance with Article 3.1.2 (iii) of this Charter, by the member state where the Management Company is located that is responsible for the Business Unit located in Russia.
  - (iv) For an Ordinary Member in accordance with Article 3.1.2 (iv) of this Charter, by his/her citizenship.

If, pursuant to the aforementioned rules, an Ordinary Member would belong to 2 (two) or more Country Groups, the Ordinary Member must choose 1 (one) Country Group when applying for Membership. The choice may be altered later only with the consent of the EB.

- 6.1.10 Elections of Candidates of each Country Group shall be held in written form pursuant to the following procedure: Each Member of a Country Group may propose a person to be elected as a Candidate in written form within 10 (ten) days after having received a written request by the EB. Such request shall be delivered by the EB to each Member of each Country Group at least 30 (thirty) days prior to the decision to appoint the new Members is taken. Elected as a Candidate is the proposed person who polls the majority of the written votes received by the EB within 10 (ten) days after having delivered a request for polling to each Member of the relevant Country Group.

## **6.2 Competence of the Council of National Representatives**

**6.2.1** The CNR shall act as supervisory body only in respect of decisions made by the GA.

**6.2.2** The CNR shall advise and support the GA, EB, and CEO with respect to all AEB activities pursuant to this Charter.

**6.2.3** The CNR is responsible for preparing a report presenting the most important issues concerning the activities of the AEB and the Audit Commission during the year in question. The CNR shall promote the objectives of the AEB in accordance with the resolutions of the GA.

**6.2.4** In particular, the CNR shall be competent for the following issues:

(i) Advising and making proposals to the GA, EB, and the CEO with respect to all matters in connection with the activities of the AEB, including:

- (a) The overall strategy and policies of the AEB, and the directions of the activities of the AEB;
- (b) Development of Membership and assistance of Members;
- (c) Disputes between the GA, EB, and CEO, or 2 (two) of them, or between the members of one of those management bodies;
- (d) The creation of branches and the opening of representative offices of the AEB;
- (e) The participation or membership of the AEB in other organisations;
- (f) Proposal to the GA of the members of the EB, the Audit Commission, and the CEO;

(ii) Supervision of the Audit Commission;

(iii) Review of the efficiency of the Internal Control System;

(iv) Approval of Honorary Members;

(v) Calling for Extraordinary Meetings of the GA;

(vi) Adoption of the internal rules of the CNR.

## **6.3 Chairman and Deputy Chairmen of the Council of National Representatives**

**6.3.1** The CNR shall appoint its Chairman and one or more Deputy Chairmen from among its members for a term of office of one year.

**6.3.2** The Chairman of the CNR shall be elected by a simple majority of the members of the CNR present in the Meeting.

**6.3.3** The Chairman of the CNR arranges its work, convenes, and chairs the meetings of the CNR, and arranges the preparation of minutes of CNR meetings.

**6.3.4** The Chairman of the CNR chairs the meetings of the GA.

- 6.3.5 The Deputy Chairmen shall assume the responsibilities and rights of the Chairman if the latter is unable for whatever reason to act in that capacity.

#### **6.4 Further Internal Rules of the Council of National Representatives**

- 6.4.1 The CNR shall adopt resolutions at meetings. CNR meetings shall be held at least once every year or when deemed necessary.
- 6.4.2 The CNR shall be deemed competent if the majority of its members are present or represented by proxy given to any other member of the CNR. Resolutions of the CNR shall be adopted by a simple majority of the CNR members present.
- 6.4.3 Votes may be cast by power of attorney, only to be given to another member of the CNR.
- 6.4.4 Resolutions may be adopted in written form: by fax, telex, or telephone, provided that the members of the CNR offer no objection.

### **7 Executive Board (EB)**

The EB is the collective executive body of the AEB.

#### **7.1 Composition and Election of the Executive Board**

- 7.1.1 The EB shall serve for a 2 (two) year term and shall be formed by a minimum of 5 (five) and a maximum of 9 (nine) members.
- 7.1.2 An eligible member of the EB is a person who is an AEB Ordinary Member or who is a representative of an AEB Ordinary Member. The EB shall include no more than 2 (two) members, who hold a passport from the same country or member state, and no more than 1 (one) representative from the same Legal Entity.
- 7.1.3 EB members shall be elected by the GA for a term of 2 (two) years. In accordance with the following procedure: Candidates shall be nominated or put themselves forward for election, and upon request present evidence that they are supported by and are representing a Legal Entity, after which time a Candidate will be able to stand for election. A list of all Candidates will be circulated amongst the AEB Members. If the number of Candidates is less than 5 (five), the election shall not take place and the existing EB Members will continue to hold their positions for a further 1 (one) year period. Irrespective of the number of openings on the EB, each AEB Member shall be entitled to vote for only one Candidate. If the number of Candidates is between 5 (five) and 9 (nine), Candidates having received the most votes will be presented as the new EB at the GA for ratification.
- 7.1.4 In the event of a tie between Candidates, the Candidate of a Member Company in the higher membership category will be considered to have won. If both Candidates belong to Member Companies holding the same membership category, the Member

who has held membership in the association for the longer uninterrupted period of time will be considered to have won.

- 7.1.5 The remaining Candidates will be placed on the Reserve List in accordance with Article 7.1.8 and the Reserve List of Candidates will be presented to the GA for ratification.
- 7.1.6 If a vacant position cannot be filled pursuant to Article 7.1.8 and the remaining number of EB Members is less than 5 (five), then elections shall be held in accordance with Article 7.1.3 to fill the vacancy for the remaining term of office for the person who is being replaced.
- 7.1.7 An AEB Ordinary Member elected as a voting member of the EB who becomes an Associate Member or ceases to be an AEB Member, shall be forced to resign and leave open a vacant seat for the purposes of Article 7.1.8.
- 7.1.8 The EB shall maintain a Reserve List in the case where the number of Candidates for election exceeds those required by this Charter (the "Reserve List").

Such Candidates will be placed on the Reserve List in alphabetical order and ranked according to the number of votes received. In the event the office of the Member becomes vacant ahead of term, the Candidate with the highest number of votes received shall serve the remaining term of the office for the person who is being replaced. In event of a tie between Candidates, the procedure under Art. 7.1.4 is applicable. The replacement of a Member of the EB ahead of term takes place based on the latest Reserve List as being ratified by the GA.

## **7.2 Competence of the Executive Board**

- 7.2.1 The EB shall manage the activity of the AEB in consideration of the resolutions of the GA.
- 7.2.2 The EB shall be competent for the implementation of all tasks that are not placed under the competence of another body, by the Legislation of the Russian Federation, or by this Charter. Its competence shall, in particular, comprise the following:
  - (i) The development and implementation of the strategy and the policy of the AEB on the basis of the resolutions of the GA;
  - (ii) The approval of Ordinary Members and Associate Members;
  - (iii) The determination of the lobbying strategy of the AEB and the conduction of all its lobbying activities;
  - (iv) The supervision of the activities of the Committees, Sub-Committees, and Working Groups of the AEB, including their opening and closing, and the approval of their Chairmen and Deputy Chairmen;

- (v) The preparation of the annual report, annual accounting balance sheet, and profit-and-loss account for their approval by the GA;
- (vi) The preparation and proper implementation of the annual budget;
- (vii) Making proposals to the GA for the Membership dues and the procedure for their payment;
- (viii) The organisation of the activities and responsibilities of the management body and the employees of the AEB;
- (ix) The establishment of branches and the opening of representative offices of the AEB;
- (x) Participation in the meetings of the GA;
- (xi) The adoption of internal rules of the EB;
- (xii) Representation of the sole Participant in an LLC.

7.2.3 The EB may assign certain tasks that are within the scope of its competence to ancillary bodies, unless this violates the Legislation of the Russian Federation or this Charter.

7.2.4 The EB undertakes to report to the GA on its activities.

### **7.3 Chairman and Deputy Chairmen of the Executive Board**

7.3.1 The EB shall appoint its Chairman and one or more Deputy Chairmen from among its members for a term of one (1) year. The Chairman of the EB shall be elected by a simple majority of the members of the EB present in the Meeting.

7.3.2 In particular, the Chairman of the EB shall be competent for the following:

- (i) Arranging the work of the EB;
- (ii) Convening and chairing the meetings of the EB;
- (iii) Arranging the minutes of the meetings of the EB;
- (iv) Official representation of the AEB in official meetings, on its own or together with the CEO;
- (v) Signing the labour contract with the CEO;
- (vi) Participating in meetings of the CNR.

7.3.3 The Deputy Chairmen shall assume the responsibilities and rights of the Chairman if the latter is unable for whatever reason to act in that capacity.

7.3.4 In the event the EB Chairman or Deputy Chairman changes employment, an internal election for the replacement of the Chairman or Deputy Chairman will take place at the following EB meeting for the remaining term of office.

- 7.3.5 If the office of Chairman of the EB becomes vacant ahead of term, the EB shall formally appoint a new Chairman at its next meeting for the remaining term of office.

#### **7.4 Further Internal Rules of the Executive Board**

- 7.4.1 The EB shall adopt resolutions at meetings. Meetings of the EB shall be held at least once a month.
- 7.4.2 The EB shall be deemed competent if the majority of its members are present or represented by proxy given to any other member of the EB. Resolutions of the EB shall be adopted by a simple majority of the members of the EB present.
- 7.4.3 Each EB member shall have 1 (one) vote. In case of equality of votes, the Chairman of the EB shall have a casting vote. Votes may be cast by power of attorney, which may only be given to another member of the EB.
- 7.4.4 The Chairman of the EB shall prepare and sign minutes of each meeting of the EB within two weeks of the relevant meeting. The minutes shall state the place and date of the meeting, the total number of members of the EB, the number of members of the EB present in the Meeting and the number of their votes, the agenda, the Chairman and the Secretary of the Meeting, and the adopted decisions. Each member of the EB and the CNR shall be issued a copy of the minutes within 4 (four) weeks of the meeting.
- 7.4.5 Resolutions may be adopted in written form, by fax, telex, or by telephone, provided that the EB has no objection. The CNR shall be informed of each resolution adopted in the aforementioned form.
- 7.4.6 The majority of the members of the EB have to adopt internal rules on the activities of the EB, which have to be approved by the GA.
- 7.4.7 The members of the EB do not receive any remuneration for their performance for the AEB, but are reimbursed for any cost incurred in relation to their performance in the interest of the AEB.

### **8 Chief Executive Officer (CEO)**

#### **8.1 Election of the CEO**

- 8.1.1 The CEO shall be elected by the GA for a maximum term of 3 (three) years; such election is to be made in the Ordinary Meeting of the GA in the year when the term of the existing CEO expires.
- 8.1.2 The CEO may be re-elected for further terms of office without limitation.

#### **8.2 Competence of the CEO**

- 8.2.1 The management of the current activities of the AEB shall be carried out by the CEO. The rights and duties of the CEO, the sole executive body of the AEB, shall be defined by the respective

stipulation in the employment contract, this Charter, and by the Legislation of the Russian Federation. The EB has the right to determine the competence of the CEO (also in deviation from the provisions of this Article) to the extent that this does not violate the Legislation of the Russian Federation and this Charter.

**8.2.2** The CEO shall report to the EB. He/She is to comply with its decisions and instructions, and is liable to it for failure to fulfil these obligations. The Chairman of the EB is the disciplinary and functional superior of the CEO. The CEO reports on his/her activities to the GA in its meetings.

**8.2.3** The CEO shall act in the name of the AEB without power of attorney and represent the AEB before third parties.

**8.2.4** The competence of the CEO shall, in particular, comprise the following tasks:

- (i) The participation in all meetings of the GA, CNR, and the EB;
- (ii) The management and supervision of the staff of the AEB, as disciplinary and functional superior;
- (iii) The official representation of the AEB in official meetings;
- (iv) The preparation of documents with strategic importance.

**8.2.5** In order to carry out the following transactions, the CEO is to obtain the prior consent of the EB:

- (i) Conclusion of transactions for the amount exceeding 10,000.00 euro or the equivalent of the amount in another currency at the official exchange rate of the Central Bank of the Russian Federation as of the date of giving the prior consent;
- (ii) Purchase, alienation and encumbrance of land plots, buildings, and other real estate, as well as rights to real estate;
- (iii) Granting loans by the AEB;
- (iv) Obtaining loans and credits, assuming obligations on promissory notes by the association;
- (v) Assuming obligations legally binding the association for a term of over 1 (one) year;
- (vi) Conclusion, amendment, and cancellation of contracts, the subject matter of which is granting a license or technical support;
- (vii) Appointment and dismissal of members of the staff, in particular, the chief accountant of the AEB;
- (viii) Alienation of the association's property which is part of fixed assets;
- (ix) Conclusion of contracts with members of the EB or CNR;
- (x) Issuing proxies to carry out transactions on behalf of the association indicated in this item;

- (xi) Other transactions requiring consent of the EB, CNR, or the GA in accordance with the laws of the Russian Federation, this Charter, and internal documents of the association.

## **9 Audit Commission of the AEB**

### **9.1 Composition and Election of the Audit Commission**

- 9.1.1 The Audit Commission shall consist of a minimum of 1 (one) and a maximum of 3 (three) persons. The CEO and the Members of the EB and of the CNR may not be Members of the Audit Commission.
- 9.1.2 The Members of the Audit Commission shall be elected by the GA for a term of 2 (two) years in accordance with the following procedure: Candidates shall be nominated or put themselves forward for election, and upon request shall present evidence that they are supported by and are able to stand for election. A list of all Candidates will be circulated amongst the AEB Members. If there are no Candidates, the election shall not take place and the existing Audit Commission Member will continue in their positions for a further 1 (one) year period. AEB Members will vote for one Candidate. If the number of Candidates is between 1 (one) and 3 (three), these Candidates will be presented as the new Audit Commission at the GA for ratification.
- 9.1.3 In the event of a tie between Candidates, the Candidate of a Member Company in the higher membership category will be considered to have won. If both Candidates belong to Member Companies holding the same membership category, the Member who has held membership in the association for the longer uninterrupted period of time will be considered to have won.
- 9.1.4 The remaining Candidates will be placed on a Reserve List in accordance with Article 9.1.7 and the Reserve List of Candidates will be presented to the GA for ratification.
- 9.1.5 If a vacant position cannot be filled pursuant to Article 9.1.7 and there are no Audit Commission Members, then elections shall be held in accordance with Article 9.1.2 to fill the vacancy for the remaining term of office for the person who is being replaced.
- 9.1.6 Each member of the Audit Commission may be re-elected.
- 9.1.7 The Audit Commission shall maintain a Reserve List in the case where the number of Candidates for election exceeds those required by this Charter (the "Reserve List").

Such Audit Commission Candidates will be placed on the Reserve List in alphabetical order and ranked according to the number of votes received. In the event the office of the Member becomes vacant ahead of term, the Candidate with the highest number of votes received shall serve the remaining term of the office for the person who is being replaced. In event of a tie between Candidates,

the procedure under Art. 9.1.3 is applicable. The replacement of a Member of the Audit Commission ahead of term takes place based on the latest Reserve List as being ratified by the GA.

## **9.2 Competence of the Audit Commission**

**9.2.1** The Audit Commission shall control the financial activities of the AEB.

**9.2.2** The Head of the Audit Commission reports regularly to the Chairman of the CNR.

**9.2.3** The Chairman of the CNR shall submit to the GA a written report on the financial activities, corporate governance, and on other important issues concerning the management of the AEB in each financial year, no less than 4 (four) weeks prior to the Ordinary Meeting in which the GA approves the annual report, annual accounting balance sheet, and the profit-and-loss account for the relevant financial year. This report must be signed by the Chairman of the CNR and the Head of the Audit Commission.

**9.2.4** The Chairman of the CNR informs the EB on the report of the Audit Commission and takes necessary steps to optimise the activities of the EB, and, if necessary, to remedy any abuses.

**9.2.5** The Audit Commission must adopt internal rules on its activities, which must be approved by the CNR.

## **10 Committees and Working Groups of the AEB**

### **10.1 Creation and Disbanding of Committees, Reporting**

**10.1.1** The AEB maintains several Committees to examine certain issues that are of the greatest interest to the Members.

**10.1.2** New Committees may be established and existing Committees disbanded by a resolution of the EB.

**10.1.3** Committees shall be obliged to keep the EB regularly informed of their activities.

**10.1.4** Upon request of the CEO or the CNR, Committees shall inform the requesting body of the relevant Committee's activities.

### **10.2 Internal Rules of Committees**

**10.2.1** Committees shall be open to all Members. However, the EB may decide that membership in certain Committees requires that a committee member belong to a certain branch of business. Each Member who is interested in membership in a Committee shall apply for membership to the Chairman or to the Deputy Chairman of the relevant Committee.

**10.2.2** Each Committee is chaired by a Chairman and one or more Deputy Chairmen. The Chairman and the Deputy Chairmen are to be

elected by a majority of the Committee Members for a term of up to 2 (two) years. They may be re-elected. The Chairman and Deputy Chairman must be approved by the EB.

**10.2.3** Committee Chairmen report regularly on its activities to the EB.

**10.2.4** Committees shall adopt and modify internal rules on their activities, subject to prior approval by the EB.

**10.2.5** Committee Members shall bring to the attention of the EB any internal conflicts or any issues that hinder its ability to perform its functions.

**10.2.6** Each Committee shall hold at least 1 (one) Open Meeting per year.

### **10.3 Working Groups**

**10.3.1** Upon resolution of the EB, new Working Groups may be established and existing Working Groups may be disbanded.

**10.3.2** The tasks and internal rules of Working Groups shall be determined by the EB.

## **11 Annual Reports**

The EB shall prepare annual reports, including balance sheets and profit-and-loss accounts for the elapsed financial year, in accordance with the Legislation of the Russian Federation. These reports are subject to the approval of the GA in its Ordinary Meetings. Furthermore, the EB may arrange for an annual report, including balance sheets and profit-and-loss accounts, in accordance with international accounting standards.

## **12 Liquidation**

### **12.1 Grounds for Liquidation**

The AEB may be liquidated on the basis of:

- (i) a decision of the GA; or
- (ii) of a ruling of a relevant court in the event of the engagement of the AEB in non-licensed or unlawful activity, or in the event of other repeated or serious violations of the Legislation of the Russian Federation, and in other instances envisaged by the Russian Federation.

### **12.2 Liquidation Proceedings**

**12.2.1** Liquidation proceedings shall be conducted in accordance with the Legislation of the Russian Federation by a liquidation commission. The liquidation commission shall be composed of 3 (three) persons appointed by the GA and approved by the state body that registered the AEB. All management functions shall be transferred to the liquidation commission from the moment of its appointment. The liquidation commission shall have the right to represent the AEB in court.

12.2.2 Following the AEB's liquidation any property remaining after the satisfaction of the creditors' claims shall be used for the purposes for which the AEB was created and (or) for charity.

### 13 Resolution of Disputes

All disputes between the AEB and one or more of its Members, between management bodies of the AEB, between members of one management body or between Members of the AEB with respect to the AEB, arising out of this Charter or in connection with it; in particular, regarding its fulfilment, violation, termination or its invalidity; shall be finally settled by the International Commercial Court of Arbitration of the Chamber of Commerce and Industry of the Russian Federation in accordance with its rules in the then current version. The place of arbitration shall be Moscow, the Russian Federation. The language of arbitration shall be English.

CHAIRMAN OF THE GA

SECRETARY OF THE GA

\_\_\_\_\_  
[Name]

[Title]

\_\_\_\_\_  
[Name]

[Title]