

AEB Charter Update

15.03.2021



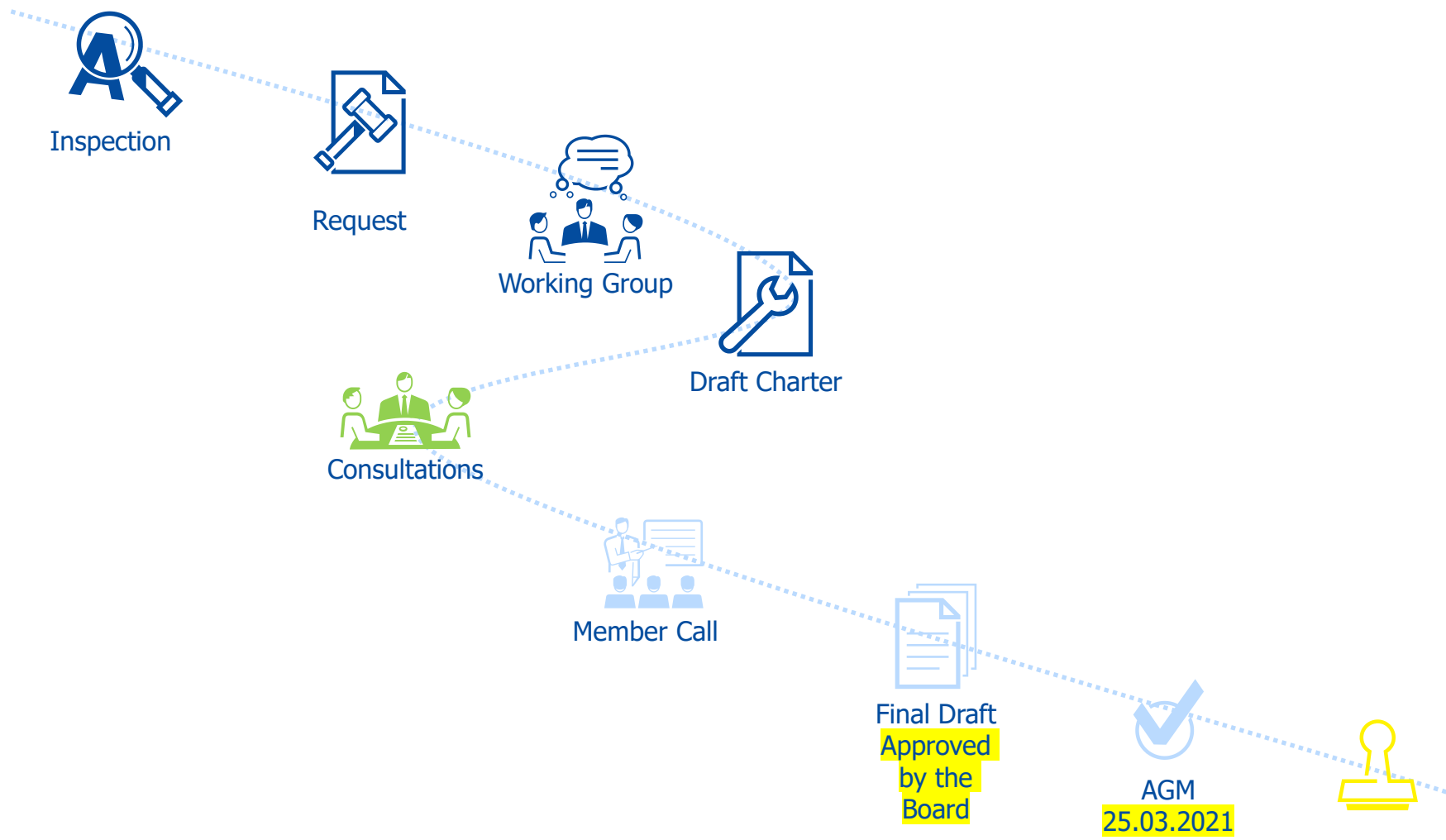
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Association
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Businesses

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Charter update journey



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Technical changes

Reference	Summary
Art 1.1	Name of AEB: Association of European Businesses (non-profit making partnership is not applicable, AEB will be an «association» of businesses)
Art 1.5, Art 1.3.9.1-2	Addresses of AEB: addresses of AEB in Moscow, S. Petersburg and Krasnodar will be stated as locations only. Branches are not separate legal entities.
Art 1.3.11 Art 1.3.11.1-2	AEB Logo: Registered trademark of AEB is described in detail in accordance with Minjust requirements
Art 11, 12, 13	Procedures: reporting, restructuring, liquidation procedures are more detailed
Art 14.1	Court: court is changed from TPP (Russian Chamber of Commerce) court to Moscow Arbitration Court
Art 2.4	Income-generating activities: e.g. seminars and other - only to the extent required to achieve the objectives; shall relate to AEB goals and objectives, not subject to profit distribution
Art 2.5	Property of AEB: fees, voluntary contributions, fund raising, business activities, corresponding to goals and objectives

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Operating principles, language, and goals

Reference	Summary
Art 1.4	Operating principles: Described in detail as transparent engagement aimed to protect most important business interests of AEB members, in compliance with Russian laws
Art 1.7	Working language: In accordance with Russian Law and Minjust practice the working language of AEB as Russian legal entity is Russian. English shall be used for translation purposes.
Art 2	Objectives: Minjust is a controlling body of AEB, and AEB is subject to regular checks of Minjust re compliance with Russian law. Therefore a detailed list of objectives and goals shall be introduced in the Charter in order to undertake respective activities of AEB, including lobbying activities.

Membership

Reference	Summary
Art 3.1	<p>Membership: Membership rights of AEB members will include equal rights for all members. Detailed procedures of AEB membership will be discussed and stated in respective By laws upon registration of the Charter by Minjust. The Charter foresees membership for the following categories:</p> <ul style="list-style-type: none">• EU / EFTA legal entities (LE)• Russian LE<ul style="list-style-type: none">• managed by EU/EFTA parent company• whose parent company has a registered office in the EU/EFTA• Individual citizens from EU/EFTA countries (hereinafter - legally present in RF)• Exceptionally individual citizens from other states• LE incorporated in the UK/Northern Ireland incl individual citizens• Any other LE/associations not located in EU/EFTA, but activities focused on RF

AGM

Reference	Summary
Art 5.1 New Art 6.2.2 b) Art 5.1.1.4 Art 5.1.1.11.	<p>Competence: Competence of AGM (General Assembly of AEB members) is updated in accordance with the Law on NCOs, Civil Code, Minjust practice and actual AEB procedures, in particular:</p> <ul style="list-style-type: none">• approving the AEB's financial plan and amendments thereto is included into the remit of the Board• formation of CNR• approval of membership fees, additional contributions (see also art. 3.3.2.2., 3.3.2.3.), secondary liability of members (as requested by Minjust - changes stated in compliance with the Civil Code)
Art 5.2.1.1. Art 5.2.1.2.	<p>Procedures: decisions can be taken by the AGM in the following form:</p> <ul style="list-style-type: none">• through personal attendance by holding a meeting incl by PoA (exclusive remit of AGM)• by correspondence voting (poll) (minor issues related to AEB functioning) <p>NB. AGM Powers of Attorney can be provided to representative - natural person acting by proxy issued by a corporate AEB member to its employee, any other AEB member that is a natural person, or an employee of another corporate AEB member</p>

Board (1)

Reference	Summary
Art 6.1.1	Term: in line with Minjust requirement need for fixed term, e.g. 2 years (not „up to“).
Art 6.1.2	Eligibility: following criteria (mirroring rules re: AC eligibility) shall apply: <ul style="list-style-type: none">• employees of AEB corporate members• individual holding directly / indirectly at least 51% of shares in AEB corporate member• individual AEB member• full payment of AEB membership fees
Art 6.1.4.1	Candidates: in its last Board meeting an the Board whose term is about to expire takes the following decisions: <ul style="list-style-type: none">• agenda for AGM incl item re: election of new Board• confirmation of a list of at least 9 candidates for the new Board
Art 6.1.4.4.	Elections: The candidates representing corporate AEB members shall submit, at the request of the Board or the General Assembly, proof of their eligibility to the Board
Art 6.1.4.8	Limited re-election Chairman: Chairman may be re-elected only twice (consecutively or non-consecutively).

Board (2)

Reference	Summary
Art 6.1.5	Equal votes: If the Candidates gain an equal amount of votes, the Candidates that have been AEB Members for a longer continuous period shall win.
Art 6.1.4.10, Art 6.1.8	Reserve list: Candidates with fewer votes than 9 th elected Board member shall be included in a reserve list. The Board shall maintain the reserve list and make sure that Board members who cease to be Board members voluntarily or according to Art 6.1.7 shall be replaced at the following Board meeting.
Art 6.1.7	Grace period: if a sitting Board member ceases to be AEB member (employee, owner, individual member), he shall be granted a 30 dd grace period to re-join the AEB (employee, owner, individual member).
Art 6.2.2.2. Art 6.2.2.15.	Remit of the Board: In accordance with Minjust requirements and AEB practice the remit of the Board is updated: <ul style="list-style-type: none"> • approving the AEB's financial plan and amendments thereto; • resolving conflicts of interest arising in connection with the AEB Members and bodies having an interest in the AEB's performing certain actions.
Art. 6.3.1. Art 6.3.4.	Board procedures: <ul style="list-style-type: none"> • Chairman and Deputy Chairmen of the Board shall be elected from amongst its members by a simple majority of votes of the Board for two (2) years • procedures in case Chairman post is vacated early

CEO

Reference	Summary
Art 7.1.1	<p>Election: the CEO of the AEB:</p> <ul style="list-style-type: none">• shall be elected at the AGM for a term of three (3) years;• to be elected in the year when the term of office of the acting CEO comes to an end;• if early termination of powers, CEO shall be elected at an extraordinary AGM
Art 7.1.2	

CNR

Reference	Summary
Art 8.1.4. Art 8.2.	Replacement/resignation procedure Function: according to comments provided by Minjust, CNR is formal AEB organ; its competence remains unchanged (advisory and expert opinion to Board / CEO).
Art 8.3.1.	Appointment: All members of the Council of National Representation shall be appointed by the General Assembly. The term of office of all members of the Council of National Representation shall be two (2) years. The Chairman and one or more Deputy Chairmen or CNR shall be elected by CNR (and the Chairman - confirmed by the Board) for a term of one (1) year.

Auditing Commission

Reference	Summary
Art 9.1.2	Eligibility: the following criteria (mirroring rules re: Board eligibility) shall apply: <ul style="list-style-type: none">• employees of AEB corporate members• individual AEB member• full payment of AEB membership fees
Art 9.1.3.1 Art 9.2.2.	Election procedure: <ul style="list-style-type: none">• nominations: outgoing AC shall nominate list of AC candidates• Head of AC shall be elected from amongst its members by simple majority vote for two (2) years. Head of AC may be re-elected only twice (consecutively or non-consecutively). Head of AC shall report to the Chairman of the Board and the General Assembly.
Art. 9.4.	<ul style="list-style-type: none">• procedure in case Head of AC post is vacated early

Committees

Reference	Summary
Art 10 Art 10.1.2 Art 10.1.5 Art 10.1.6 Art 10.1.8	<p>Simplification: In accordance with Minjust requirements the provisions re functions, scope of competence and formation of AEB Committees and other informal bodies were updated. Minjust made it clear that the Charter cannot contain any provisions related to formal functions of Committees, therefore respective provisions will be included into updated bylaws. Key general principles are:</p> <ul style="list-style-type: none">• not AEB bodies, i.e. not entitled to make decisions on behalf of AEB / represent AEB• creation / dissolution = competence of the Board• open to all AEB members, but Board can approve sector / industry limitations• to be headed by Chairperson that can be re-elected no more than twice (consecutively or non-consecutively)• can adopt additional bylaws in line with RF legislation, AEB rules & subject to Board approval