

Non-Profit (Non-Commercial) Legal Entity

Kazakh-Georgian Economic Union

Charter

2021

Article 1. General provisions

1.1. The Kazakh-Georgian Economic Union is a non-profit (non-commercial) legal entity that acts in accordance with the Constitution of Georgia, the Civil Code of Georgia, other legislative acts, these Charters and international legal norms.

1.2. The full name of the legal entity is:

- In Georgian: არასამეწარმეო (არაკომერციული) იურიდიული პირი „ყაზახურ-ქართული ეკონომიკური გაერთიანება“ (Hereinafter - union);
- In English: Non-Profit Legal Entity „Kazakh-Georgian Economic Union“;
- In Russian: непредпринимательское (некоммерческое) юридическое лицо „Казахско-Грузинское экономическое объединение“

1.3. The association acquires the status of a legal entity from the moment of its state registration.

1.4. The association has an independent balance sheet, separate assets, settlement and balancing accounts (including foreign currency) in banking institutions.

1.5. The Association has the right to establish branches (representative offices), entrepreneurial and non-entrepreneurial legal entities, as well as to carry out ancillary entrepreneurial activities in accordance with the rules established by law.

1.6. The association is independent of the status of its founders, as well as of the management and representative authorities, and is not liable for their obligations in the same way that they are not liable for the obligations of the association. The liability of the association is limited to its property only.

1.7. The union has the right to be a party to the transaction, to assume obligations, and can be a plaintiff and a defendant in court.

1.8. The union is established for an indefinite period of time and its activities are carried out both on the territory of Georgia and abroad.

1.9. The legal address of the union is: Georgia, Tbilisi, Vazha-Pshavela Ave. 70b, Entrance 1, Floor 1

1.10. The email address of the union is: info@kaz.ge

Article 2. Mission, goals and activities of the association

2.1. The mission of the Kazakh-Georgian Economic Union is to promote economic growth and the establishment of a healthy, competitive business environment in Georgia and Kazakhstan by deepening trade, economic and cultural ties between the two countries.

2.2. The goals of the union are:

2.2.1. Deepening economic and cultural relations between Georgia and Kazakhstan;

2.2.2. Protecting the interests of member organizations in Georgia and Kazakhstan, promoting the achievement and development of positive results of their activities;

2.2.3. Taking care of the special needs of specific industrial groups - advocating for their interests with the state, facilitating the implementation of various initiatives, connecting members with local and international private and non-governmental organizations, media, civil society and government, promoting their cooperation;

2.2.4. Coordinating the cooperation of organizations, assisting member organizations in overcoming barriers to trade and market entry, finding investment and partner organizations/individuals, and resolving various business issues in relations with both national and international organizations.

2.2.5. Active cooperation with partner countries and stakeholders to enhance cultural relations.

2.3. In order to achieve the statutory goals, the union carries out activities in the following directions:

2.3.1. Development of business relations - organization of events and conferences, active involvement of member organizations, both in formal and work, as well as in an informal environment to develop their relations; Connecting members to the business, governmental and non-governmental sectors of the two countries. Regular communication and relations with investors and trade partners represented in Georgia and Kazakhstan, organizing appropriate meetings if necessary.

2.3.2. Protecting the interests of member organizations - protecting the interests of members of the organization in Georgia and Kazakhstan through active cooperation with the governmental and non-governmental sector; Active work on specific legislative issues, developing and submitting initiatives and programs to the public sector.

2.3.3. Positioning of countries and organizations - creating a positive image of Kazakh organizations and their activities in Georgia and vice versa. Introducing the culture and traditions of Kazakhstan and Georgia to the public of both countries, strengthening cultural and social ties. Organizing orientation meetings, exhibitions, social/cultural events, awards for business organizations and roundtable meetings for member organizations. Posting an article or advertisement about the activities of member organizations on the official website, social media sites and print media. Offering various communication channels for the events and activities organized by the Union (banners, flyers, etc.), through which members will be able to create a positive image of Kazakh organizations and their activities in Georgia and vice versa.

2.3.4. Promoting the development of economic relations between the two countries - by continuously seeking development and investment opportunities, assisting in overcoming barriers to economic relations and promoting development.

2.4. To accomplish the set tasks, the union provides:

2.4.1. Implementation of research, commercial, investment and other projects to create a competitive and stable investment environment;

2.4.2. Finding relevant economic information for potential investors, as well as promoting the implementation of investment projects;

- 2.4.3. Developing proposals and recommendations on sectoral cooperation on the basis of information analysis;
 - 2.4.4. Initiating draft institutional, administrative reforms and legislative changes necessary for the development of economic relations between the two countries;
 - 2.4.5. Promoting coordination between different state, municipal structures and businesses;
 - 2.4.6. Creating/perfecting an information bank and providing access for the interested segment;
 - 2.4.7. Protecting the common and individual interests of the member companies of the Union in matters related to entrepreneurial activities both in Georgia and Kazakhstan, as well as abroad;
 - 2.4.8. Holding various events and organizing business meetings to promote investment activities;
 - 2.4.9. Providing information consulting and other services to the members of the union;
 - 2.4.10. Implementation of economic and social projects to promote the awareness of the member companies and their activities;
 - 2.4.11. Close cooperation with the public and private sectors, public organizations and the media
- 2.5. The Association carries out any other activity, which is not prohibited by the current legislation, including charitable and/or ancillary entrepreneurial activity, which does not change its character as a non-profit (non-commercial) legal entity and is aimed at the development of the organization and its goals.

Article 3. Founders of the union are:

- (1) **JSC Halyk Bank Georgia** (IC 205236537);
- (2) **Batumi Oil Terminal Ltd** (IC 245432544);
- (3) **SRG Real Estate** (IC 404535240);
- (4) **Capitol Management Ltd** (IC 405032717);
- (5) **GK Logistics Ltd** (IC 405301025).

3.2. The founders are at the same time full members of the union and are equally entitled to the rights and responsibilities of this category of members established by this charter.

Article 4. Membership of the association

4.1. A member of the Union may be any organization, whether a private or public legal entity, a natural person and a non-governmental organization, a Georgian or foreign company or any kind of entrepreneurial entity that participates in business and cultural activities, partially or wholly operates in Georgia and/or Kazakhstan, and shares the goals and values of the union.

4.2. The members of the union are divided into three categories:

(1) Full Member - Plenipotentiaries who have the right to vote at the General Meeting of Members, pay the membership fee set by the Board of the Union for members of this category and enjoy the full service package offered by the organization.

(2) Associate Member - Members who do not have the right to vote at the General Meeting use the services offered by the Organization and pay the membership fee set for the Associate Members by the Board of the Union.

(3) Honorary Member - Members who are invited by the Association in the interests of the organization to assist in the implementation of the set tasks. The honorary member does not have the right to vote and does not pay the membership fee, if necessary, uses the services offered by the organization.

4.3. A person wishing to become a full or associate member of the Association fills in the application form, which is posted on the organization's website or sent via email.

4.4. No later than one (1) month after the submission of the application, the Board of the Association makes a decision on accepting or refusing to accept the applicant as a member.

4.5. The member legal entities shall exercise the powers conferred on them by the Charter of the Union through the persons authorized to govern and represent them or by representatives duly empowered by them.

4.6. The member of the union is entitled to:

(1) Use the Union's information base and material and technical means;

(2) Receive services rendered by the Association;

(3) Request the support of the Union for the protection of his or her rights and interests;

(4) Participate in the implementation of activities planned by the Association;

(5) Request and receive information from the governing bodies on the activities of the Association;

(6) Submit proposals and recommendations to the governing bodies on issues related to the activities of the Union.

4.7. Only a full member of the union has the right to vote at the General Assembly of Members and to nominate candidates in the elections of the governing bodies of the Union.

4.8. The member of the union is obliged to:

(1) Comply with the charter of the Association and the decisions made by the governing bodies;

(2) Uphold the dignity and reputation of the Union;

(3) Participate in the activities of the Association to the best of their ability and interests;

(4) Pay the membership fee of the Association in accordance with the rules established by the Board.

4.9. Membership fee

4.9.1. The amount of the membership fee and the procedure for filing shall be determined by the Board of the Union.

4.9.2. In case of non-payment of the membership fee within the established period, the authority of the union membership will be suspended by the decision of the board, the member will not be able to exercise the right to vote at the general meeting and other rights defined by the union charter.

4.10. Termination of membership

4.10.1. A member of the union has the right to leave the union at any time on the basis of his/her own application.

4.10.2. The General Assembly of the members of the Union is authorized to make a decision on termination of membership on the basis of a recommendation submitted by the Board, if:

- (1) the member does not pay the membership fee;
- (2) the member violates the charter of the association;
- (3) the member was liquidated in accordance with the law.

Article 5. Management and leadership of the association

5.1. The governing bodies of the Union are:

- A) General Assembly of the members of the Union;
- B) The board of the union;
- C) General Director.

5.2. The managing and governing bodies of the Union shall exercise their powers by mutual agreement, in accordance with the provisions set forth in this Charter.

Article 6. General Assembly of the members of the Union

6.1. The highest governing body of the Union is the General Assembly of the members of the Union.

6.2. The next general meeting of the members of the union is held at least once a year.

6.3. An Extraordinary General Meeting may be convened at the request of the Chairman of the Board, more than one third of the members of the Board or a majority of the members of the Union, indicating the agenda of the meeting, no later than 2 months after the request.

6.4. The decision to convene a general meeting of members is made by the board. The Board approves the agenda of the General Meeting and the date of its holding. The decision of the Board is published on the website of the Union and/or through the public media. All real members of the Union must be notified of this decision by any means of communication (in writing, by telephone, email, etc.) at least two weeks before the date of the General Meeting.

6.5. The General Assembly is authorized if it is attended by more than half of the actual members of the Union.

6.6. Attendance at the general meeting is mandatory for all members of the union. Each real member of the union has one vote. Members can participate in the work of the congress through electronic means of communication (teleconference).

6.7. The General Assembly is opened and chaired by the Chairman of the Board of the Union, and in his absence by the Deputy Chairman of the Board.

6.8. The General Assembly makes decisions by a simple majority of the votes cast. Decisions related to the amendment of the charter of the union, as well as the reorganization and liquidation of the union shall be made by two thirds of the votes of the full membership of the members with the right to vote.

6.9. The special competence of the General Assembly of Members includes:

(1) Defining the main directions and strategy of the association;

(2) Adopting, amending and supplementing the charter of the association;

(3) Electing the members of the Board of the Union, including the Chairman of the Board, the Deputy Chairman of the Board and the Treasurer;

(4) Making decisions on the management of property belonging to the organization;

(5) Reviewing the proposal submitted by the Board on the expulsion of a member from the Association and making an appropriate decision;

(6) Making decisions on the reorganization or liquidation of the Association.

6.10. The General Assembly of Members is authorized to:

(1) Request information on the activities of the Association from the governing bodies and persons of the Organization;

(2) Hear the report of the Board on the activities carried out by the Association and the projects implemented;

(3) Terminate the authority of the member of the Board, the Chairman of the Board, his/her Deputy and the Treasurer.

(4) Resolve all issues related to the activities of the Association, which do not fall within the competence of the Board or the General Director by this Charter.

Article 7. Board of the Union

7.1. The governing body of the Association is the Board consisting of five (5) members, who are elected from the full members of the Association and/or representatives of the Full Member Company and honorary members by secret ballot for a period of three (3) years.

7.2. The activities of the Board are managed by the Chairman of the Board, who is also a member of the Board. The Board shall also include the Deputy Chairman of the Board and the Treasurer, who shall be elected in accordance with the procedure set forth in Section 7.1.

7.3. A member of the Board may not hold any other position in the managing and governing bodies of the Union.

7.4. Board meetings are held at least once a month, or as needed. The meeting will be convened at the legal address of the Association, or at any other venue.

7.5. The next or extraordinary meeting of the Union shall be convened by the Chairman of the Board at least seven days before the date of the meeting (unless, in the circumstances, it is necessary to hold a meeting of the Board immediately) by notifying the members of the Board. Notification can be made by insured letter, telephone, email or other means of transmitting information. The notice must indicate the day, time, place and agenda of the meeting.

7.6. Within three days of receiving the notification, the board member may request changes to the agenda. Otherwise, the change in the agenda can be made only at the meeting of the Board, by a decision taken by a majority vote of the members present.

7.7. A board meeting is decisive if it is attended by more than half of the members.

7.8. In case the Chairman of the Board does not attend the meeting of the Board, the meeting is chaired by the Deputy Chairman.

7.9. The Board makes a decision by a simple majority of votes of the members present at the meeting. Each member has one vote. In the event of an equal distribution of votes, the vote of the Chairman of the Board shall prevail.

7.10. Decisions of the Board are made in the form of minutes of the meeting or a resolution, which is signed by the Chairman of the Board and is binding on all members and administration of the Association.

7.11. The members of the Board have the right to make a decision without convening a meeting, if all the members express their consent in writing together or separately on the issues on the agenda.

7.12. A member of the Board is authorized to transfer his/her vote to another member of the Board with a notarized power of attorney.

7.13. Board of the Union:

(1) Convenes a general meeting of members at least once a year;

(2) Approves the strategic directions, plans, target programs and projects of the Union;

(3) Decides on the management of the funds belonging to the Union, approves the annual budget; Defines the staff schedule of the Union Administration and the salary fund.

(4) Makes decisions on the financing of individual projects and monitor the management of an approved project;

- (5) Reviews and submits to the General Assembly a report on the activities carried out during the year prepared by the Director General;
- (6) Addresses a letter of recommendation to a member of the Union whose activities are contrary to the goals of the Union or who grossly violates the obligations imposed on him/her by the Charter, and if the violation is not eliminated, submits a proposal to the General Assembly to terminate the membership.
- (7) Decides on the admission or suspension of membership of the Union;
- (8) Determines the circle of persons to be accepted as honorary members of the Union and addresses the selected persons by appropriate invitation;
- (9) Decides on the establishment and dissolution of the Association Sectoral Committee(s); Determines the area of activity of the committee(s);
- (10) Appoints and dismisses the Director General of the Association, the Chairman(s) of the Committee and his Deputy(s).

Article 8. Chairman of the Board

- 8.1. The Chairman of the Board exercises the management, leadership and representation of the Association.
- 8.2. The Chairman of the Board shall be elected for a term of 3 (three) years by the General Meeting of Members by secret ballot, by a majority vote of the full members present.
- 8.3. Chairman of the Board:
 - (1) Convenes and chairs the meetings of the Board of the Union; Signs decisions/resolutions made by the Board.
 - (2) Is responsible for achieving the goals set by the organization; Attends meetings held under the auspices of the Union and actively participates in the activities of the Union;
 - (3) Signs the official documents and agreements of the Organization on behalf of the Association;
 - (4) Nominates the Director General, the Chairman(s) of the Committee(s) and the Deputy Chairman(s) of the Committee for approval by the Board;
 - (5) Submits to the General Meeting of Members a report on the activities carried out by the Association during the inter-Assembly period.
- 8.4. In the absence of the Chairman of the Board, the Union is managed and headed by the Deputy Chairman, and the Union is represented by the General Director.

Article 9. Deputy Chairman of the Board

- 9.1. The Chairman of the Board has a Deputy, who is elected by the General Assembly of Members for a term of 3 (three) years by secret ballot, by a simple majority of votes of the full members present.

9.2. Deputy Chairman of the Board:

- (1) Oversees the activities of the Union's sectoral committees;
- (2) Within the scope of the authority granted by the Chairman of the Board, represents an association in relations with state and local self-government bodies, natural and legal persons, and/or other third parties;
- (3) In the absence of the Chairman of the Board, performs the duties of the Chairman;
- (4) Exercises other powers defined by the charter of the association and the chairman of the board.

Article 10. Treasurer

10.1. The members of the Board include the Treasurer, who is elected by the General Assembly of Members for a term of 3 (three) years by secret ballot, by a simple majority of votes of the full members present.

10.2. Treasurer:

- (1) is responsible for the proper functioning of the organization's financial affairs and for monitoring membership fee payments;
- (2) Submits quarterly financial reports to the Board meetings and provides information to the Board members on the current financial condition of the organization;
- (3) In case of finding financial incompatibility, the Treasurer immediately informs the Board in order to take appropriate measures.
- (4) In case of non-payment of the membership fee within the established period, the Treasurer sends the relevant notification to the member of the association, and in case the membership is not paid within one month after sending the notification, submits the said information to the Board for consideration.

Article 11. General Director of the Union

11.1. The current activities of the Union are managed and represented by the General Director, who is selected by secret ballot from among the candidates selected by vacancy and appointed by the Board.

11.2. The General Director is given the representative authority of the Association, acts on behalf of the Association and represents it in relations with third parties.

11.3. The General Director directs the current activities of the Association, and is responsible for the implementation of the decisions of the Board.

11.4. General Director:

- (1) ensures the implementation of the decisions of the Board;
- (2) Prepares the annual budget of the organization, the draft staff schedule of the Union Administration and submits it to the Board for approval;

- (3) Manages and directs the business, financial, information, marketing and personnel policies of the organization;
- (4) Ensures the coordination of the relations of the members of the Union, the provision of services and proposals to them, the involvement of the members in the current activities of the organization;
- (5) Negotiates on behalf of the Union with both member organizations and potential members;
- (6) Plans and coordinates meetings with representatives of government agencies, stakeholders and the media.
- (7) Plans and conducts events and trainings;
- (8) Enters into contracts on behalf of the Association for the procurement of services in connection with projects approved by the Board, as well as, if necessary, on an ongoing basis;
- (9) Monitors the financial statements of the Association, immediately notifies the Board in the event of non-compliance and takes appropriate action;
- (10) Opens and closes accounts with banking institutions on behalf of the Association;
- (11) Appoints and dismisses staff members of the Union Administration in accordance with the staff schedule approved by the Board;
- (12) Submits a monthly report to the Board on the activities performed.

Article 12. Property of the Association, Financial-Economic Activities

12.1. According to the rules established by law, the funds of the union are created by:

- (1) membership fees;
- (2) donations from legal entities and/or individuals;
- (3) loans and grants attracted from financial institutions;
- (4) revenues from other sources that do not conflict with applicable law.

12.2. The union can own real estate, cash, securities

12.3. The Association has the right to establish legal entities, including entrepreneurial entities, to carry out ancillary entrepreneurial activities, provided that the profits received are used only for the statutory purposes. Distribution of profits received by the Association will not be allowed among the members, as well as persons with management and representative powers.

12.4. The Association owns, uses and manages its property and funds in accordance with the purposes established by the Charter. The alienation of property is possible if the alienation contributes to the organizational development of the association, the realization of its goals or serves a charitable activity.

Article 13. Rules for making amendments and addenda to the Charter of the Association

13.1. Compliance with the provisions of the Charter of the Union is mandatory for members and all management.

13.2. The decision to revise the charter, make changes and additions to it, suspend or repeal it is made by the general meeting of the members of the union.

Article 14. Reorganization and liquidation of the Association

14.1. The reorganization of the union is carried out in accordance with the rules established by law.

14.2. The association is liquidated by the decision of the general meeting of members or in other cases provided by law.

14.3. Liquidation is carried out by a liquidation commission appointed by the Board or a liquidator appointed by the court in accordance with the rules established by the current legislation.

14.4. In case of liquidation, the current cases must be completed, the claims must be determined, the creditors must be satisfied. The remaining property and other assets are transferred to a non-profit (non-commercial) legal entity engaged in similar or similar activities.