

“REGISTERED”

Ministry of Justice of the
Republic of Azerbaijan

No. _____

“ ___ ” _____ 2004

Head of the Department for
Registration of Legal Entities

F. Mammadov

“APPROVED”

by the General Meeting of Members

“ ___ ” _____ 2004

[Seal and signature of authorized
officer]

CHARTER

OF THE

AMERICAN CHAMBER OF COMMERCE IN AZERBAIJAN

PUBLIC ASSOCIATION

ARTICLE 1
GENERAL PROVISIONS

- 1.1 “American Chamber of Commerce in Azerbaijan” Public Association (the “Chamber”) is a non-commercial, non-governmental, non-profit organization established and organized as a public association in accordance with the laws of the Republic of Azerbaijan (“Azerbaijan”).
- 1.2 The full name of the Chamber shall be the “American Chamber of Commerce in Azerbaijan” Public Association. The abbreviated name of the Chamber shall be “AmCham Azerbaijan”.
- 1.3 The Chamber is established for an indefinite period. The Chamber’s rights as a legal entity commence from the date of its state registration. The laws of Azerbaijan and this Charter shall guide the activities of the Chamber. The laws of Azerbaijan shall regulate other matters and issues not addressed in this Charter.
- 1.4 The Chamber is organized on the basis of:
- | | |
|---|--|
| The American Chamber of
Commerce in Baku, Azerbaijan | Registration No.:
Registration Date:
Address: 33 Huseyn Javid Street
Baku, Azerbaijan |
|---|--|
- 1.5 The Chamber shall be liable for its obligations to the extent of its own assets, against which execution may be levied as provided by the laws of Azerbaijan.
- 1.6 The Members shall not be liable for the obligations of the Chamber and the Chamber shall not be liable for the obligations of the Members.
- 1.7 The Chamber shall be the owner of property and membership contributions transferred to it by the Members, voluntary contributions and grants received from various lawful sources, revenues obtained as a result of its activities or sale of property, as well as any other property acquired in accordance with the laws of Azerbaijan. The property of the Chamber shall consist of its fixed and movable assets, as well as any other valuables whose value is reflected on the Chamber’s balance sheet
- 1.8 The Chamber has an official seal with its name and emblem on it.

1.9 The Chamber has the following legal address:

ISR Plaza
340 Nizami Street
Baku AZ1000 Azerbaijan
Phone: (994 12) 97 13 33
Fax: (994 12) 97 10 91

1.10 The Chamber is obligated to abide by the laws of Azerbaijan. The Chamber shall file mandatory reports on its activities with the relevant state authorities in the form, procedure and time periods provided by the laws of Azerbaijan.

1.11 The Chamber's working languages shall be Azerbaijani and English. The Chamber shall be allowed to use either of these languages, except where the use of any of these languages is mandatory by law.

ARTICLE 2 PURPOSE, OBJECTIVES AND ACTIVITIES OF THE CHAMBER

2.1 The purpose of the Chamber is to promote the business interests of the Members by working to improve the business climate in Azerbaijan and providing services to the Members.

2.2 The Chamber shall achieve its purposes by:

2.2.1 working with the appropriate governmental bodies of both the United States of America (the "US") and Azerbaijan on issues of interest including in the areas of economics, energy, trade, industry, agriculture, finance, transportation, technology, professional activities, taxation, and economic relations between the US and Azerbaijan (the "Interest Areas");

2.2.2 facilitating contacts between enterprises and individuals in the US and Azerbaijan;

2.2.3 collecting, maintaining and disseminating information on the Interest Areas;

2.2.4 organizing functions and seminars;

2.2.5 publishing materials on US-Azerbaijan business relations; and

2.2.6 any other type of activity not prohibited by the laws of Azerbaijan.

- 2.3 If a license, permit, certificate or any other approval is required by the laws of Azerbaijan to conduct any of the activities listed in this Article, the Chamber shall engage in such activities only after such license, permit, certificate or any other approval has been issued to the Chamber.

ARTICLE 3 MEMBERSHIP

- 3.1 The Chamber shall have two categories of affiliation with the Chamber: Member and Associate. Legal entities and individuals selected by the Board of Directors to be affiliated with the Chamber shall meet the qualifications of at least one category of affiliation.
- 3.2 To be eligible for affiliation with the Chamber as a Member, a candidate must (i) be a legal entity, or branch or representative office of a legal entity, registered and doing business in Azerbaijan, (ii) be in good standing in the community, as determined by the Board of Directors, and (iii) be:
- 3.2.1 founded or incorporated in the US;
 - 3.2.2 doing significant business in the US;
 - 3.2.3 using US labor or materials as a significant part of its business;
 - 3.2.4 having significant economic activity with the US or US businesses; or
 - 3.2.5 organized as a US-Azerbaijani joint venture.
- 3.3 Any individual, legal entity, or branch or representative office of a legal entity is eligible to be affiliated with the Chamber as an Associate.
- 3.4 To apply for affiliation with the Chamber, a candidate must submit a written application in the form adopted by the Board of Directors.
- 3.5 A candidate meeting the objective requirements for affiliation with the Chamber is accepted as either a Member or Associate upon receiving an affirmative majority vote of the Board of Directors and paying the first year's fee for the candidate's category of affiliation.
- 3.6 To maintain an affiliation and remain in good standing with the Chamber, a Member or Associate must continue to meet the eligibility requirements for affiliation with the Chamber, be in good standing in the community, as determined by the Board of Directors, and be current with all financial obligations to the Chamber.

ARTICLE 4
RIGHTS AND DUTIES OF MEMBERS AND ASSOCIATES

- 4.1 Members of the Chamber are entitled to vote and are authorized to take part in the General Meeting of the Chamber. Each Member shall have equal voting privileges defined as one vote per Member. Each Member shall designate in writing a single representative authorized to vote on its behalf. A Member may change its designated representative by submitting the change in writing to the Executive Manager.
- 4.2 The designated representative of a Member is entitled to run for any elective office in the Chamber.
- 4.3 Members and Associates have the right to receive benefits related to Chamber activities without charge except as otherwise determined by the Board of Directors.
- 4.4 Members and Associates shall protect the interests and reputation of the Chamber and abide by this Charter and the laws of Azerbaijan.

ARTICLE 5
TERMINATION AND SUSPENSION OF AFFILIATION

- 5.1 The affiliation of a Member with the Chamber shall automatically terminate upon the loss of its standing as a legal entity. The affiliation of a Member or Associate may be terminated through voluntary resignation or through involuntary termination.
- 5.2 The resignation of a Member or Associate must be submitted to the Board of Directors by written notice delivered to the Chamber's office. A resignation shall become effective immediately upon receipt of such notice.
- 5.3 The Board of Directors may terminate the affiliation of a Member or an Associate with the Chamber for neglecting obligations to the Chamber, including delinquency in the payment of fees and other charges, conduct reflecting unfavorably on the Chamber, or because the continued affiliation is considered detrimental to the Chamber. A Member whose affiliation with the Chamber has been involuntarily terminated by the Board of Directors may appeal that decision to a General Meeting. A simple majority of the Members present at the General Meeting may reinstate the Member.
- 5.4 The Board of Directors may suspend the rights and privileges of a Member or an Associate, including the right to attend Chamber functions, for delinquency in the payment of fees and other charges due to the Chamber, pending action

to involuntarily terminate the affiliation of the Member or Associate or, in the case of a Member, an appeal thereof to a General Meeting .

ARTICLE 6 RIGHTS OF THE CHAMBER

- 6.1 To attain its purpose and objectives, the Chamber is hereby granted the right, in accordance with the procedures established under the laws of Azerbaijan, to conclude agreements, to receive property and personal intangible rights, to undertake obligations, and to carry out any lawful activity in Azerbaijan or any other country.
- 6.2 The Chamber may participate in meetings, fairs and exhibitions conducted within and outside Azerbaijan.
- 6.3 The Chamber may appear as a plaintiff or defendant in court or before an arbitration tribunal in Azerbaijan or any other country and shall have the authority to negotiate settlements and conclude agreements.
- 6.4 The Chamber shall have proprietary rights to all its assets and, in accordance with the laws of Azerbaijan, shall have the right to own, use, and dispose of its property and revenue in accordance with its purposes and objectives.
- 6.5 The Chamber shall have the right to establish, in Azerbaijan or abroad, representative offices, branches, divisions or other separated subdivisions without the rights of a legal entity and, in accordance with applicable laws, shall be liable for obligations of such representative offices, branches, divisions and other separate subdivisions.
- 6.6 The Chamber shall have the right to purchase, lease or rent movable or immovable property, in Azerbaijan or abroad, as provided under any applicable laws and as may be necessary or desirable to enhance its activities.
- 6.7 The Chamber shall have the right to import and export all goods, property, services and other tangible and intangible items necessary for its activities.
- 6.8 The Chamber shall have the right to organize training centers for its personnel in Azerbaijan and abroad.
- 6.9 The Chamber shall have the right to open foreign currency and manat accounts in Azerbaijan and, if necessary, obtain credits and loans in foreign currency and manats in accordance with the applicable laws.
- 6.10 The Chamber shall have the right to secure obligations of other persons and pledge or mortgage its assets to secure its own contractual obligations,

including foreign currency and manat credits and loans, in accordance with the laws of Azerbaijan.

- 6.11 The Chamber shall enjoy all other rights provided by the laws of Azerbaijan.

ARTICLE 7 GENERAL MEETING

- 7.1 The General Meeting shall be governed by the terms of this Charter and the laws of Azerbaijan and shall be the supreme decision-making governing body of the Chamber. The General Meeting shall be considered valid and a quorum present if authorized representatives of at least 25% of the Members are in attendance, provided, however, that authorized representatives of at least 51% of the Members must be present to amend this Charter.
- 7.2 The General Meeting shall be held within the timeframe required by the laws of Azerbaijan, but not less than once a year. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- 7.3 The Board of Directors or one-third of all Members shall have power to convene the Annual and Extraordinary General Meetings.
- 7.4 Any Annual or Extraordinary General Meeting shall be called with notice thereof sent by the Executive Manager to the Members at least thirty (30) calendar days in advance of the Meeting. The notice shall contain information on the date, place and agenda of the Meeting.
- 7.5 The General Meeting shall be considered to be competent if it is held in accordance with this Article 7. If a quorum is not present within one hour of the time appointed, the General Meeting shall be adjourned to a date not later than ten (10) days from the date of the adjourned Meeting. Such date shall be determined by the President, or in case of the President's absence, by the First Vice President. All Members shall be notified immediately of the date of the new General Meeting.
- 7.6 Any duly called General Meeting is competent to transact business. Only issues listed in the agenda may be decided. A change in, or addition to, the agenda shall be made whenever requested in writing by one-tenth of the Members at least fourteen days prior to the General Meeting. Notice of such change in, or addition to, the agenda shall be given in writing to all Members immediately.
- 7.7 Any decision of the General Meeting shall be deemed passed if the majority of the authorized representatives of Members at the Meeting vote in favor of such

decision. In case of a tie vote, the vote of the President, or in the case of the President's absence, the vote of the First Vice President, shall determine the outcome. Except for contested elections, unless otherwise agreed at the Meeting, the Members shall vote by show of hands. A declaration by the Chairman of the General Meeting that a decision has been carried or lost and an entry to that effect in the Minutes of the General Meeting shall be conclusive evidence of the fact. A decision taken by the General Meeting shall be recorded in writing by the Executive Manager, who shall act as the Meeting's Secretary.

- 7.8 The Chairman of the General Meeting shall be elected at the time of the Meeting by the Members' authorized representatives attending the General Meeting. Unless restricted by mandatory law, participants of the General Meeting may participate in a meeting by means of a telephone conference or similar communications equipment by means of which all persons in attendance of the meeting can hear each other, and participation in a meeting pursuant to this Article 7.8 shall constitute presence in person at such meeting.
- 7.9 Minutes of the General Meeting shall be kept by the Executive Manager. Minutes of the General Meeting or any extracts from Minutes of the General Meeting shall be signed by the Chairman of the General Meeting and the Executive Manager and stamped with the Chamber's seal. Each Member shall be entitled to receive a copy of the Minutes.
- 7.10 The following decisions are within the exclusive authority of the General Meeting:
 - 7.10.1 approval of the Chamber's charter or of any amendments to it;
 - 7.10.2 approval of annual financial statements and balance sheets of the Chamber;
 - 7.10.3 approval of auditors selected by the Board of Directors;
 - 7.10.4 participation in other organizations;
 - 7.10.5 define the principles for the formation and use of the Chamber's property;
 - 7.10.6 election, re-election, dismissal and determination of tenure of the Chamber's Board of Directors; and
 - 7.10.7 reorganization and liquidation of the Chamber.

ARTICLE 8
BOARD OF DIRECTORS (MANAGEMENT BOARD)

- 8.1 The Board of Directors shall be the executive management body of the Chamber and may take decisions on all matters, except those falling into the exclusive competence of the General Meeting, in accordance with this Charter and the laws of Azerbaijan.
- 8.2 The Board of Directors shall consist of eight (8) voting members, including the President. Each member of the Board of Directors shall, at the time of election or appointment, be the authorized representative of a Member. At least four (4) of the voting members of the Board of Directors shall be US citizens. The current US Ambassador to Azerbaijan or his/her designate shall be a non-voting member of the Board of Directors. The President shall be the Chairman of the Board of Directors. The First Vice President shall be the Deputy Chairman of the Board of Directors. The Executive Manager shall be the secretary to Board of Directors.
- 8.3 The members of the Board of Directors shall be elected by the General Meeting for a term of not more than two (2) years or, if permitted by the laws of Azerbaijan, for such longer term as may be established by the General Meeting. Board members may tender their written resignations at any time.
- 8.4 Vacancies on the Board of Directors occurring between Annual General Meetings may be filled by an Extraordinary General Meeting from among eligible authorized representatives of Members, for a term expiring at the next following Annual General Meeting.
- 8.5 The President shall be elected by the General Meeting from members of the Board of Directors for a term of not more than two (2) years.
- 8.6 In addition to the office of First Vice President, the Board of Directors shall determine the other offices of the Chamber and elect its officers from among the Board members for terms of not more than two (2) years. No Board member may hold more than one (1) office.
- 8.7 In the event that the office of President becomes vacant between Annual General Meetings, the First Vice President shall, subject to the approval of an Extraordinary General Meeting, become President until the next following Annual General Meeting.
- 8.8 Board members and officers of the Chamber may serve consecutive terms provided that they remain otherwise eligible for membership on the Board of Directors.

- 8.9 The Board of Directors shall convene as required by any Board member. A Board member convening the meeting shall send a notice of the Board meeting to all other Board members at least fourteen (14) calendar days prior to the meeting. Each Board member shall have the right to waive such notice requirement with respect to himself or herself.
- 8.10 At all meetings of the Board of Directors, a majority of the voting members of the Board shall constitute a quorum for the transaction of business. The vote of a majority of the members present at a meeting at which a quorum is present shall be the act of the Board of Directors. The President shall have a tie-breaking vote. No member of the Board shall be permitted to abstain from voting. If at any meeting of the Board of Directors a quorum is not present, a majority of the members present may adjourn the meeting from time to time until a quorum shall be present. If the number of Board members falls below five (5) for any reason, a General Meeting shall be held within in thirty (30) days to conduct elections to fill the vacancies on the Board of Directors.
- 8.11 Unless restricted by mandatory law, Board members may participate in a Board meeting by means of a telephone conference or similar communications equipment by means of which all persons in attendance of the meeting can hear each other, and participation in a meeting pursuant to this Article 8.11 shall constitute presence in person at such meeting.
- 8.12 Resolutions of the Board of Directors shall be signed by the President and the Executive Manager with the Chamber's seal affixed and shall be entered in the Chamber's records.
- 8.13 A Board member shall cease to hold office if:
- 8.13.1 the Board member's term of office expires;
 - 8.13.2 the entity which the Board member represents ceases to be a Member of the Chamber;
 - 8.13.3 the Board member is removed from office by a simple majority of votes of the Members present at a General Meeting; or
 - 8.13.4 the Board member misses six or more Board meetings within a one-year period for any reason. A representative of the absent Board member will not be considered an adequate substitute for this purpose.
- 8.14 The Board of Directors shall:

- 8.14.1 give preliminary consideration to all matters which, in accordance with this Charter, must be submitted to consideration or approval of the General Meeting;
- 8.14.2 take all measures to comply with the decisions of the General Meeting and ensure that such decisions of the General Meeting are implemented;
- 8.14.3 approve any loans or credits taken or issued by the Chamber and approve any suretyship or security given by the Chamber to secure obligations of any person exceeding US\$250 or the equivalent in Azerbaijani manats or any other currency;
- 8.14.4 develop the annual, mid-term and long-term plans of activity;
- 8.14.5 review and approve annual income and expenditures;
- 8.14.6 create or terminate committees to perform functions determined by the Board;
- 8.14.7 approve the sale or any disposition of the Chamber's assets, except when such sale or disposition are done in the ordinary and proper course of activity in accordance with the Chamber's plans;
- 8.14.8 approve any contract or series of contracts requiring the Chamber's expenditure or investment commitment exceeding US\$1,000 (or equivalent in other currency) in total;
- 8.14.9 approve the contracts of employment between the Chamber and Chamber employees, including the Executive Manager;
- 8.14.10 approve Committee Chairman proposed by the President;
- 8.14.11 approve any contract with a term exceeding one (1) year;
- 8.14.12 approve any lease agreement or amendments thereto;
- 8.14.13 select auditors to audit the Chamber's accounts as and when needed, demanded by all the Members or required by the laws of Azerbaijan;
- 8.14.14 approve any pledge, mortgage, lease or other encumbrance of the Chamber's assets; and
- 8.14.15 pass and approve all other decisions and actions that, by their nature and by law, fall within the scope of authorities of the Board of

Directors and are not in the exclusive competence of the General Meeting.

- 8.15 In the event that, for any reason, the Board of Directors is unable to meet to resolve the matters mentioned in sub-Articles 8.14.1, 8.14.2, 8.14.3 and 8.14.8 above or if such a meeting is deemed impractical, the President may pass a decision on these matters unilaterally, provided that he/she notifies the other Board members of the decision and the other Board members do not object to such decision within one (1) business day after being so notified.

ARTICLE 9 EXECUTIVE MANAGER

- 9.1 The Executive Manager shall be appointed by and shall serve at the pleasure of the Board of Directors pursuant to a contract of employment contract.
- 9.2 The Executive Manager shall coordinate and manage the day-to-day activities of the Chamber and report to the President and the Board of Directors. The Board of Directors shall determine the competence and authority of the Executive Manager. The Executive Manager may not make decisions on issues outside the competence granted by the Board of Directors or falling within the exclusive competence of the General Meeting and the Board of Directors.
- 9.3 Unless otherwise decided by the Board of Directors, the Executive Manager shall:
- 9.3.1 keep the Board of Directors informed of all aspects of the Chamber's operations;
 - 9.3.2 liaise with Members, Associates, banks, private companies and individuals with respect to the issues of the Chamber's activities in Azerbaijan or elsewhere;
 - 9.3.3 execute agreements and sign all documents on behalf of the Chamber, pursuant to a power of attorney, subject to the Board of Directors' approval if required under this Charter, and represent the Chamber before third parties pursuant to a power of attorney as authorized by the Board of Directors and this Charter;
 - 9.3.4 manage and organize the working process of the Chamber;
 - 9.3.5 prepare informational materials and other acts to be considered and passed by the General Meeting or the Board of Directors

- 9.3.6 implement the decisions of the General Meeting and the Board of Directors, if so instructed; and
- 9.3.7 supervise the work of the Chamber's other employees and determine the incentive structure in accordance with the laws of Azerbaijan.
- 9.4 In carrying out his/her duties, the Executive Manager shall be subject to the full control of and shall comply with the directives of the Board of Directors and the General Meeting as appropriate.
- 9.5 If the Executive Manager is dismissed from his or her position for any reason, the Executive Manager shall deliver to the Board of Directors at the Chamber's registered office all books, records and documents in the possession or control of the Executive Manager relating to the Chamber.

ARTICLE 10 COMMITTEES

- 10.1 Committee Members shall be selected by the respective Committee Chairmen. Any employee of a Member or Associate may serve as a Committee Chairman or Committee Member with the consent of the Member or Associate.
- 10.2 Each Committee shall meet with such frequency as such Committee shall consider appropriate. Committee meetings shall be called by that Committee's Chairperson, through the Executive Manager. Questions shall be decided by majority vote of Committee Members present.
- 10.3 Any Committee Member failing to attend any four consecutive meetings within a six month period shall forfeit their positions on such Committee. Vacancies shall be filled by the Committee Chairmen.
- 10.4 The Committees shall examine and make reports upon the projects assigned to them and those which they may originate. Such reports shall be presented to the Board of Directors by the Chairman.

ARTICLE 11 FEES

Members and Associates of the Chamber shall pay annual fees for the right to be affiliated with the Chamber. The fees for Members and Associates for the following year shall be determined by the Board of Directors prior to end of each financial year.

ARTICLE 12
AUTHORIZED SIGNATORIES

Notwithstanding any other provision in this Charter, only the President shall be authorized to sign agreements and documents on behalf of the Chamber without a power of attorney to the extent of the authority granted in this Charter. All other persons must have powers of attorney signed by the President with the Chamber's seal affixed in order to have the right to sign agreements and documents on behalf of the Chamber.

ARTICLE 13
TERMINATION OF ACTIVITY

The Chamber may be liquidated in accordance with the corporate liquidation and/or insolvency laws of Azerbaijan. Liquidation grounds shall be as follows:

- a decision of the General Meeting;
- a decision of an Azerbaijani court on the grounds specified in the laws of Azerbaijan; or
- any other ground prescribed by the laws of Azerbaijan.

The General Meeting's liquidation decision must appoint the liquidation commission which shall be responsible for the liquidation of the Chamber in accordance with the laws of Azerbaijan.

Any property remaining after the creditors' claims have been fully satisfied shall be disposed of for the purposes and objectives substantially similar to those pursued by the Chamber in accordance with this Charter.

The Chamber shall cease its existence as a legal entity from the moment of its removal from the State Register of Legal Entities of Azerbaijan.

ARTICLE 14
FISCAL YEAR

The Chamber's fiscal year shall begin on the first day of January and shall end on the thirty first day of December.

ARTICLE 15
MISCELLANEOUS

- 15.1 In the event that, due to enactment of new laws of Azerbaijan, one or more of the provisions of this Charter become invalid, unlawful or otherwise impossible to implement, this shall not affect the validity, lawfulness and implementation of the remaining provisions of this Charter. In the event that one or more provisions of this Charter become invalid, unlawful or otherwise impossible to implement, the Members shall amend this Charter in order to eliminate and replace such provisions with appropriate lawful provisions.
- 15.2 The headings of articles in this Charter are for the convenience purposes only and shall not be taken into consideration upon interpretation of this Charter's provisions.
- 15.3 Any issue that is not addressed in this Charter shall be regulated by the laws of Azerbaijan.
- 15.4 This Charter shall enter into force upon its approval by the General Meeting and state registration in accordance with the laws of Azerbaijan.