

*Approved by
the General Meeting of the Georgian-Swiss Business Association*

_____ 2010

**Georgian-Swiss Business Association
Statute
(new edition of the 2005 Statute of the Association)**

2010

1. General Provisions

- 1.1. The Georgian-Swiss Business GSBA (hereinafter “GSBA”) shall be a non-commercial legal entity under the 1997 Civil Code of Georgia.
- 1.2. The GSBA constitutors are:
 - 1.2.1. The Embassy of Switzerland in Georgia, represented by Mr. Niculin Jaeger;
 - 1.2.2. “Altergroup” Ltd., represented by Mr. Vladimer Ugulava;
 - 1.2.3. “Tskali Margebeli” JSC, represented by Mr. Irakli Ushveridze;
 - 1.2.4. “Vampa” Ltd., represented by Mr. Giorgi Gviniashvili;
 - 1.2.5. “Franke Caucasus” Ltd., represented by Mr. Mikheil Mikeladze;
 - 1.2.6. “BTA Silk Road Bank” JSC, represented by Mr. Giorgi Chiladze;
 - 1.2.7. Mr. David Antelidze
- 1.3. The GSBA shall pursue its activities in line with the principles of voluntarism, equality, self-governance and legality.
- 1.4. The full name of the GSBA in Georgian is: „საქართველო-შვეიცარიის ბიზნეს ასოციაცია“.
- 1.5. The GSBA shall pursue its activities in Georgia and abroad.
- 1.6. The GSBA shall be authorized to be a party to a civil relationship or a treaty recognized by a national or the International Law. It shall also have the discretionary power to be a member of an international or a local organization.
- 1.7. The GSBA shall have a stamp, a corporate seal, a settlement account with a bank and a balance of its own. The GSBA shall be authorized to acquire on its behalf property and non-property rights under Georgian Law, assume obligations, be plaintiff or defendant at the Court or other dispute settlement institutions.
- 1.8. The GSBA shall bear responsibility for its liabilities within the scope of its assets. It shall be authorized to open settlement and other accounts (including currency accounts) with banking institutions in Georgia and abroad.
- 1.9. The GSBA shall not be responsible for its members’ liabilities and vice versa.
- 1.10. The term of activities of the GSBA shall be unlimited. The economic year of the GSBA shall commence from its registration date and complete on 31 December of the same year. The subsequent economic years shall correspond to a calendar year.
- 1.11. The legal address of the GSBA is: BCV Business Centre on Vazha-Pshavela, 71 Vazha-Pshavela Avenue, II Floor, Sector VII, Office VII, 0186 Tbilisi, Georgia.

2. Objectives, Main Directions and Types of Activities of the GSBA

- 2.1. The objectives of the GSBA are:
 - 2.1.1. To contribute to the Swiss-Georgian economic relationships through the private sector, namely, the mutual import-export of products/services.
 - 2.1.2. To protect the interests of the private, non-governmental and business organizations aiming at the support to the Swiss-Georgian economic relationships in Georgia.
 - 2.1.3. To support exchange of experience among its members in Georgia for the sake of professional advancement and efficiency.
 - 2.1.4. To present the Georgian private sector and commercial organizations to the Swiss and Georgian governments, parliaments and the public sectors of the two countries.
 - 2.1.5. To support the development of the Georgian business in Switzerland and be conducive to Swiss investments in Georgia.
- 2.2. For the sake of its purposes, the GSBA shall conduct seminars and conferences and also participate in international forums, prepare and implement short and long-term projects, implement solutions and methods relevant to its purposes.
- 2.3. The GSBA may pursue other activities, including commercial ones, which do not contravene Georgian Law and are directly or indirectly beneficial to the GSBA’s objectives.

3. Membership in the GSBA

- 3.1. Any Georgian or foreign physical person and/or a legal entity, which accept the GSBA’s objectives and guidelines under its Statute, and maintain business ties with Swiss physical persons and/or legal entities, may become a member of the GSBA.
- 3.2. The resolution regarding the admission of a new member shall be passed by majority vote of the members attending the General Meeting of the GSBA.
- 3.3. Members of the GSBA shall be either full or associate members thereof. Associate members shall pay half of the membership fee and shall not participate in voting. Also, an associate member shall not be elected to the Board.
- 3.4. Delegation of membership in the GSBA to a third person or descent thereof shall be unacceptable.
- 3.5. Membership of the GSBA shall be terminated in case of the decease of a member (in case of a legal entity – its liquidation), voluntary withdrawal, or expulsion.

- 3.6. Voluntary withdrawal from the GSBA shall be acceptable at any time on the grounds of an application by the relevant member. A withdrawing member shall be obliged to meet all the prior obligations to the GSBA.
- 3.7. The resolution regarding the expulsion of a member shall be passed by the majority vote of the attending members at the General Meeting of the GSBA. Reasons for expulsion shall be:
 - 3.7.1. Gross breach of the Georgian Law;
 - 3.7.2. Gross breach of the GSBA Statute or its Code of Conduct;
 - 3.7.3. Inappropriate conduct regarding the GSBA or its members;
 - 3.7.4. Failed payment of the membership fee;
 - 3.7.5. Inaccurate information provided at the time of admission to the GSBA.
- 3.8. An expelled member shall be authorized to appeal to the Court.

4. Rights and Obligations of the GSBA's Members

- 4.1. The GSBA's members shall be entitled to:
 - 4.1.1. Participate in the management thereof as defined by the Statute;
 - 4.1.2. Make proposals regarding the issues concerning the activities of the GSBA;
 - 4.1.3. Receive complete information on the activities of the GSBA;
 - 4.1.4. Benefit from the intellectual, material or technical services or consultations and recommendations of the GSBA;
 - 4.1.5. Receive the support of the GSBA during the consideration of issues with the national and local authorities and their dealings with third persons;
 - 4.1.6. Participate in the GSBA's programs and projects within the scope of their qualification, competence and experience;
 - 4.1.7. Decline membership in the GSBA.
- 4.2. The GSBA's members shall be obliged to:
 - 4.2.1. Observe the provisions of the present Statute and fulfill the resolutions passed by the GSBA's bodies;
 - 4.2.2. Observe the Code of Conduct of the GSBA;
 - 4.2.3. Pay the membership fee in due course;
 - 4.2.4. Report to the GSBA's Board the reasons for failed payment of the membership fee;
 - 4.2.5. Engage in the GSBA's activities.

5. The GSBA's General Meeting

- 5.1. The General Meeting (hereinafter "Meeting") of the GSBA's members shall be the GSBA's supreme body.
- 5.2. The Meeting shall be authorized to resolve all the issues outside the competence of the GSBA's President or its Board. A resolution shall be valid if placed in beforehand on the agenda of the Meeting.
- 5.3. The following issues shall be within the scope of the Meeting:
 - 5.3.1. Approval of the GSBA's Statute and changes therein;
 - 5.3.2. Approval of main activities, plans and target programs of the GSBA;
 - 5.3.3. Approval of the GSBA's annual results;
 - 5.3.4. Election and dismissal of the GSBA's Board, its President and its Coordinator;
 - 5.3.5. Establishment and liquidation of specific units directly linked with the GSBA (see Art.9);
 - 5.3.6. Remuneration of Board members;
 - 5.3.7. Admission and expulsion of the GSBA's members;
 - 5.3.8. Determination of the annual membership fee;
 - 5.3.9. Settlement of other issues under this Statute.
- 5.4. The GSBA's President shall invite the GSBA's members to the Meeting at least biannually or at the time most favorable to the interests of the GSBA with an official letter at least 30 days prior to the Meeting. An additional Meeting may be convoked by the Board or if requested in writing by one 10th of the GSBA's members, under the condition that a specified agenda is presented.
- 5.5. The GSBA's Coordinator shall notify the GSBA's members about the Meeting at least two weeks prior to it.
- 5.6. The GSBA's members shall have the right to attend the General Meeting personally or by proxy. If represented by proxy, the member is obliged to report in writing to the GSBA's Board at least one day prior to the Meeting.
- 5.7. The Meeting shall be valid if attended by more than half of the GSBA's members.
- 5.8. Any resolution shall be passed by the majority of vote of the GSBA's members present at the Meeting. A resolution concerning the change of the GSBA's Statute shall be passed by a 2/3-majority vote of the GSBA's members present at the Meeting. A resolution concerning the change of the GSBA's objectives, its reorganization or its liquidation shall be passed by no less than 4/5 of attending votes.

- 5.9. In case of equal division of votes, the poll shall be repeated. If the repeated poll's votes are divided equally again, the issue shall be rejected.
- 5.10. The Meeting shall be conducted according to agenda approved by the GSBA's Board.
- 5.11. At the Meeting each member of the GSBA shall have one vote.

6. The GSBA's Board

- 6.1. The GSBA's Board (hereinafter "Board") shall be the standing administrative body of the GSBA.
- 6.2. The Board shall consist of 5 members of the GSBA, out of which 4 are elected. The Embassy of Switzerland in Georgia shall be a permanent member of the Board. Board members are elected by the Meeting for the term of 3 years. The authority of the Board shall be prolonged until the election of a new Board.
- 6.3. The Board shall:
 - 6.3.1. Convoke the Meeting of the GSBA's members;
 - 6.3.2. Prepare and discuss the issues to be presented to the General Meeting;
 - 6.3.3. Determine the format of the GSBA's administration and activities;
 - 6.3.4. Be accountable to the Meeting of the GSBA;
 - 6.3.5. Determine and present the main directions, plans, budget, target programs and projects of the GSBA to the Meeting;
 - 6.3.6. Hear the reports made by elected and approved persons;
 - 6.3.7. Consider the establishment and liquidation of the branches and regional organizations and conduct their activities;
 - 6.3.8. If need be, the Board shall set up a liquidation commission;
 - 6.3.9. If need be, create and elect working groups and their coordinators and dismiss them;
- 6.4. The Board shall be led by the GSBA's President, who is also its member.
- 6.5. The Board meetings shall be held on a quarterly basis or when necessary. An extraordinary meeting shall be initiated by the President or held at the request of at least 2 of the Board's members.
- 6.6. The Board shall be authorized if at least 3 members are present.
- 6.7. A Board resolution shall be passed by majority of votes of the members attending the meeting. In case of equal division of votes at an open vote, the President shall have the casting vote. In case of division of votes at a secret ballot, the poll shall be repeated. If the votes of the repeated vote are divided equally again, the issue shall be rejected.

7. The GSBA's President

- 7.1. The GSBA's President (hereafter "President") is elected by the Meeting for the term of 3 years. He shall have the representative powers of the GSBA.
- 7.2. The President shall:
 - 7.2.1. Act on behalf of the GSBA, represent it in the country and abroad and has the right to conclude the treaties, with the exception of treaties regarding the acquisition, alienation and encumbrance of the GSBA's property, which require the approval of the Board;
 - 7.2.2. Supervise the elaboration of programs and projects and secure the implementation thereof;
 - 7.2.3. Present the main directions, plans, target programs and annual result reports for approval to the Meeting;
 - 7.2.4. Invite to and preside over the Board meetings and lead the Board's activities;
 - 7.2.5. Ensure the fulfillment of the resolutions passed by the Meeting and the Board, and distribute the roles among the Board members;
 - 7.2.6. Ensure the legitimacy of the GSBA's financial activities;
 - 7.2.7. Request activity reports from the accountable persons;
 - 7.2.8. Perform other duties under this Statute.
- 7.3. An act signed by the President shall be deemed valid and binding to the GSBA only if countersigned by a second Board member.
- 7.4. In case of the resignation of the President or an early termination of its authority (dismissal, decease, illness rendering the performance of his duties impossible), the Board shall immediately convoke an extraordinary meeting for the election of his successor.
- 7.5. Solely the Meeting shall be authorized to dismiss the President for abuse of power, failed obligation or an act contradicting the statutory objectives.

8. External Audit

- 8.1. To insure the compliance of the GSBA's accounting with Georgian Law an annual external audit shall be performed.
- 8.2. The Board chooses the external auditor.
- 8.3. All the documents and accounts must be provided to the external auditor in a timely manner after to the financial year's closing.

8.4. The audit's report shall be approved by the Board members and subsequently presented to the Meeting for final approval.

9. The GSBA's Coordinator

9.1. The GSBA shall have a coordinator.

9.2. The coordinator, in close cooperation with the President, shall conduct the daily activities of the GSBA.

9.3. In particular, the coordinator shall:

9.3.1. administer and coordinate the activities of the GSBA;

9.3.2. assist the Board in organizing activities of the GSBA;

9.3.3. inform the members of the GSBA about events, activities, dates, etc.;

9.3.4. collect the membership fees of the members of the GSBA;

9.3.5. be responsible for the accounts of the GSBA;

9.3.6. administer the website of the GSBA;

9.3.7. prepare public affairs / media coverage and any other business upon request of the President and / or the Board.

9.4. The coordinator shall be a part time professional with a salary according to local standards.

9.5. The coordinator shall be hired by the President with consent of the Board.

9.6. The coordinator shall not be member of the GSBA nor shall the coordinator be linked with the family or the company of any member of the GSBA.

9.7. Administrative issues (salary, % of engagement, office, etc.) shall be regulated by the Board.

10. The GSBA's Assets

10.1. The use of the GSBA's tangible and intangible property shall be restricted to the achievement of the GSBA's objectives.

10.2. The GSBA may own the facilities, inventory, the vehicles, and financial resources necessary for the fulfillment of statutory tasks.

10.3. The GSBA's financial sources shall be:

10.3.1. Membership fee;

10.3.2. Donations from physical persons and legal entities.

10.4. The Board shall make an annual report reflecting the status of the GSBA's assets and liabilities.

10.5. The GSBA shall keep records of the works performed, and conduct the accounting in accordance with the standards determined by Georgian Law.

11. Commercial activities of the GSBA

11.1. For the purpose of achievement of its objectives and in line with the Law of Georgia "On Entrepreneurs", the GSBA has the right to pursue subordinate commercial activities, including the setting up of enterprises and organizations both in Georgia and abroad.

11.2. The use of revenues yielded from such commercial activities shall be restricted to the achievement of the GSBA's objectives and not distributed to the its members.

11.3. The GSBA's enterprises and organizations shall meet the budget-related obligations of Georgian Law.

12. Reorganization and Liquidation of the GSBA

12.1. The Meeting shall pass the resolution on the GSBA's reorganization (enlargement, separation from, transformation) by a 4/5-majority of the attending votes.

12.2. The Meeting shall pass the resolution on the GSBA's liquidation by a 4/5-majority of the attending votes.

12.3. The Board or a liquidator appointed by the Court on the grounds of a request by the Minister of Finance of Georgia shall liquidate the GSBA. Information on the GSBA's liquidation shall be published.

12.4. In the case of liquidation, the current activities of the GSBA shall be completed, the claims (including those of the creditors) met

12.5. The assets remaining after the GSBA's liquidation shall be transferred to a non-commercial entity of similar objectives or employed for charity.

13. Changes in and Additions to the Statute

13.1. Any changes in and additions to the Statute are subject to the approval of the Meeting, and shall be registered according to Georgian Law.

14. Dispute Settlement

14.1. All the disputes among the GSBA's members, as well as those between the GSBA and its members shall be considered by the Meeting or referred to the Court on consent of both parties.

15. Final Provisions

15.1. This Statute shall become effective as of its registration date.

15.2. In case of errors in the Statute, legal provisions shall be applied.

15.3. The Statute shall be drawn up in 5 equally valid copies and approved by the Meeting.