

STATUTE

of the

ASSOCIATION “SERBIAN AZERBAIJANI CHAMBER OF COMMERCE”

On the basis of the Articles 12 and 22 of the Law on Associations (RS Official Gazette No. 51/09, 99/11 and 44/18), at the Meeting of the General Assembly held on June 25, 2019, Assembly of the Serbian Azerbaijani Chamber of Commerce (hereinafter: “**Association**” or “**Chamber**”) adopted text of the Statute, as follows

GENERAL PROVISIONS

Article 1

1.1. This Statute regulates the following: name, head office and territory of activities of the association; purpose and fulfilment sphere of such purpose; publicity; membership; rights, obligations and liabilities of the members; membership fee amount; General Assembly, Board of Directors, and Representative as the bodies of the association; the way in which these bodies are constituted, their authorities, decision making process, conditions and mode of elections and revocations, mandate and responsibility of the body members; representation rights; assets, its acquisition and disposal; official and working language of the association; termination and assets procedure in case of termination of the association as well as other issues defined by the Law.

NAME

Article 2

- 2.1. The name of the association in Serbian is “Srpsko Azerbejdžanska Privredna Komora”.
- 2.2. The abbreviated name of the association is “SAKOM”.

HEAD OFFICE

Article 3

3.1. The head office of the Serbian Azerbaijani Chamber of Commerce (hereinafter: “Chamber”) is in Belgrade.

TERRITORY

Article 4

- 4.1. Territory of the Chamber’s activities is the territory of the Republic of Serbia.

OBJECTIVES AND LEGAL STATUS

Article 5

5.1. Serbian Azerbaijani Chamber of Commerce is an association, founded as a voluntary, non-governmental and non-profit organization, based on a freedom of association for both legal entities and individuals, with an aim to implement and improve main and general goals and objectives of the members, arising from the need to establish wider and better business and culture cooperation of companies, entrepreneurs, banks and other financial organizations, insurance organizations, individuals and non-profit organizations from Republic of Serbia, Republic of Azerbaijan and other countries, in accordance with the Association policy.

5.2. Serbian Azerbaijani Chamber of Commerce has a status of a legal entity and it is entered in the relevant register. On the day of entry in the relevant register, Serbian Azerbaijani Chamber of Commerce, as an Association, acquires the status of a legal entity.

5.3. This Statute represents the main general act of Serbian Azerbaijani Chamber of Commerce, and all the others general acts adopted by this association have to be in accordance with this Statute. Provisions of other general acts of this association which are contrary to the provisions of this Statute are invalid.

5.4. Serbian Azerbaijani Chamber of Commerce is founded for an indefinite period of time.

SEAL

Article 6

6.1. Chamber has a seal which is round in shape, containing the full name of Serbian Azerbaijani Chamber of Commerce in Serbian, and the designation "Belgrade".

AREA OF GOAL ACHIEVEMENT

Article 7

7.1. The purpose of Chamber is to establish a platform for the exchange of ideas among businesses entities operating in Serbia and other countries, to promote commercial cooperation between Republic of Serbia and the Republic of Azerbaijan and between these countries and other countries, especially with respect to encouraging trade, investment and economic cooperation.

ASSOCIATION'S ACTIVITIES AND ASSETS

Article 8

8.1. In fulfilling its purpose, as set forth in Article 7, the activities of Chamber shall, among other things, include:

- Striving for constructive solutions for trade and economic problems concerning Azerbaijan-Serbian business relations;
- Promoting measures which contribute and protect the interests of Chamber's Members;
- Organizing regular meetings for Members in order to discuss the issues of concrete and immediate interest or current issues;
- Organizing seminars and lectures; issuing publications related to the goals of Chamber;
- Collecting and disseminating information concerning Azerbaijan-Serbian trade, investment and economic cooperation according to the law;
- Assisting, helping and encouraging legal entities that are considering possibility of business activity in Serbia or those who already have business in Serbia, that is, other Chamber Members' countries of origin;
- Maintaining good relations with the Chamber of Commerce of Serbia, ministries of Serbia, the Chamber of Commerce of Azerbaijan and other chambers of commerce and similar organizations in Azerbaijan, Serbia and abroad;
- Supporting the constant improvement of the investment climate in Serbia, that is, other Chamber Members' countries of origin.

8.2. The activity to be registered in the register is: 9499 The activity of other organizations on the basis of membership. The Chamber may raise funds by performing consulting and management activities.

8.3. Chamber may collect financial means by publishing books, brochures, and other publications, charging for the membership fees, voluntary contributions, donations and presents, financial subventions, legacies, interest on investments, rents, dividends, seminar participations and other forms of educational events within its sphere of activities, as well as other similar commercial activities of the Chamber.

8.4. Assets, as well as profit gained by conducting commercial or other activities, may be used only for the purpose of fulfilling the goals of Chamber, including the costs of regular work of the Chamber and its own participation in financing specific projects.

PUBLICITY

Article 9

9.1. All Chamber's activities and work are public.

9.2. Chamber informs the public on its activities through media, through its own publications and magazines or in any other appropriate manner.

MEMBERSHIP

MEMBERSHIP ADMISSION

Article 10

10.1. Applicants for membership in Chamber must apply to the Board of Directors of the Chamber (hereinafter: "Board"). The Board of Directors shall upon its discretion decide on those applications at its next monthly meeting. The Board shall decide on membership in accordance with the Membership Policy. All applicants admitted to Chamber shall be informed in writing of the Board's decision.

10.2. When admitted to the membership, each Member shall receive an invoice for annual amount which shall be paid within 30 days from the date of receipt of the invoice. The membership will be considered valid and will start running from the date of payment of such invoice.

10.3. Once admitted to the membership, the Members can exercise its rights at the Assembly as long as they pay their fees on time.

MEMBERSHIP

Article 11

11.1. Members of Chamber may include:

- a) Serbian companies;
- b) Citizens of Serbia;
- c) Azerbaijani companies;
- d) Azerbaijani citizens;
- e) Non-profit organizations;
- f) Any other legal entities or individuals, Serbian, Azerbaijani, or from other countries, without limits.

MEMBERSHIP CATEGORIES

Article 12

12.1. The members of the Association fall into six different categories – Corporate, Business, Media, Individual, NGO and Honorary.

12.2. Honorary Members are not entitled to be elected to the body of the Association and are not entitled to vote at the General Assembly of Chamber.

12.3. Honorary Members shall be elected as such by a majority vote of the Board of Directors.

THE MEMBERS' RIGHTS AND OBLIGATIONS

Article 13

- 13.1. All fully-fledged Members of Chamber are entitled to attend and to vote at the General Assembly of Chamber.
- 13.2. Upon written request, a member may obtain a confirmation from the Representative stating that he/she is a member of the Chamber.
- 13.3. Members of Chamber are entitled to all benefits arising from the activities of Chamber as referred to in Article 8 of this Statute.
- 13.4. Members of Chamber are obliged to pay their membership fees in due time and to act in accordance with this Statute, acts and policies of Chamber.
- 13.5. Members of Serbian Azerbaijani Chamber of Commerce and bodies of this Association are personally responsible for obligations of this Association, if they dispose of the property, as if it were their property, or misuse membership in the Association for illegal and/or fraudulent acts.

EXCLUSION FROM MEMBERSHIP

Article 14

- 14.1. Membership at the Association is terminated in the following cases:
- In case that member does not pay membership fees within deadline prescribed by the Statute or decision of the Board,
 - In case a member is violating Statute or any other act of Chamber, i.e. causes damage to the Chamber or acts contrary to interests of Chamber,
 - In case that there is a suspicion for specific member that his/her membership is harmful for Chamber when majority Board of Directors members think so.
- 14.2. Chamber's Board of Directors may exclude a Member for some of these conditions by delivering to the Member a Representative's notification seven days in advance that an expulsion will be considered at the Board meeting.
- 14.3. The member whose exclusion will be considered may, in writing, three days prior to the Board meeting, and/or orally, during the Board meeting, present the arguments to retain Chamber's member status.
- 14.4. In case the member whose exclusion will be considered at the Board meeting fails to act as provided above, the Board shall, nevertheless, be entitled to consider his expulsion.
- 14.5. A Member may also be excluded from Chamber due to initiated bankruptcy proceedings against the member or due to a judgment of the first instance court or some other authority has proclaimed the member guilty for a criminal act, commercial offence or infringement by official judgment.

RESIGNATIONS

Article 15

- 15.1. A Member may resign from his membership by submitting a written notice to the Representative or the Board. A Member must do so at least one calendar month before annual fees request or he/she will be liable to pay these fees for the next year regardless resignation.

MEMBERSHIP FEES

Article 16

16.1. The membership fees and related matters are determined by the Board of Directors, which reviews them at the end of each calendar year.

16.2. Members who join the Chamber during the calendar year pay a fixed portion of the membership fee in proportion as follows:

- If they become members of the Chamber during the first quarter of a calendar year, they will pay the full amount of the fixed portion of the membership fee determined for that calendar year;
- If they become members of the Chamber during the second quarter of the calendar year, they will pay $\frac{3}{4}$ (three quarters) of the amount of the fixed portion of the membership fee determined for that calendar year;
- If they become members of the Chamber during the third quarter of a calendar year, they pay $\frac{1}{2}$ (one half) the amount of the fixed portion of the membership fee determined for that calendar year;
- If they become members of the Chamber during the fourth quarter of a calendar year, they will pay $\frac{1}{4}$ (one quarter) of the amount of the fixed portion of the membership fee determined for that calendar year.

16.3. Membership fee amount is due for payment within 30 days, starting from the day of receipt of the invoice or pro forma invoice, and members of the Serbian Azerbaijani Chamber of Commerce are obliged to pay it annually to the account of the Serbian Azerbaijani Chamber of Commerce, for each current calendar year started.

16.4. Individuals who are also members of the Board of Directors are not obliged to pay the membership fee for the duration of the function of the Board of Directors Member.

BODIES OF CHAMBER

Article 17

17.1. The bodies of Chamber are

- a) General Assembly,
- b) Board of Directors,
- c) Representative.

17.2. All decisions of the Assembly and the Board of Directors of SAKOM shall be made by public vote, and all other provisions of this Statute which are contrary to this provision shall not be applied.

a) GENERAL ASSEMBLY

Article 18

18.1. The General Assembly is the highest body of Chamber consisting of all Members of Chamber (Individuals and one authorized representative for each legal entity).

18.2. The General Assembly shall decide on the following:

- a) Amendments to the Statute, adoptions to the Statute, selection and revocation of persons authorized to represent Serbian Azerbaijani Chamber of Commerce;
- b) Election, revocation and reimbursement for the work of members of the Board of Directors;
- c) Termination of Chamber;
- d) Adoption of annual financial reports;
- e) Joining to other associations and other forms of organizations as well as joining international organizations;
- f) Status changes of the Chamber;
- g) All other issues according to the Law.

18.3. The Assembly receives reports from the Board of Directors, as well as from working bodies (groups, committees) established by the Board of Directors.

18.4. Any member may, in writing, propose matters to be discussed at the Assembly, but not later than seven working days before the date of the Assembly.

ANNUAL AND EXTRAORDINARY MEETINGS

Article 19

19.1. The Assembly holds an annual meeting once during the calendar year. The Annual Meeting of the Assembly shall be convened by the Board of Directors, and the members shall be formally invited in accordance with Article 19.2. of this Statute.

19.2. Invitation to a Meeting. Not later than seven days before the annual meeting, the President of the Board of Directors or the Representative shall send to each member an invitation for that meeting, together with the agenda. Unless otherwise provided in this Statute, matters considered at the Annual Meeting do not have to be confined to the items on the agenda of that meeting.

19.3. Extraordinary Meeting. Extraordinary meetings of the Chamber Assembly shall be convened by the Board of Directors, but may be convened independently by the President of the Board of Directors or the Representative.

19.4. Quorum. The quorum comprises 25 percent of the Chamber's members present at the annual or extraordinary meeting.

19.5. Voting rights at annual and extraordinary meetings.

- a) Each member is entitled to one vote in annual and extraordinary meetings.
- b) Only fully-fledged members of the Chamber have the right to vote.
- c) Unless otherwise provided in this Statute, the business of the Chamber shall be decided by a majority and a public vote of the members present and entitled to vote.

19.6. The Chairman of the assembly meetings (annual and extraordinary) is the President of the Board of Directors of the Chamber or one of the members of the Board of Directors authorized by the President to hold the meeting in case of his/her inability. Unless otherwise provided by this Statute, the Chairman of the Assembly shall have a deciding vote in case of an equal number of opposing votes.

b) BOARD OF DIRECTORS

MEMBERSHIP

Article 20

20.1. The Board of Directors consists of 9 members. Only Members of Chamber (individuals, legal entities' proxies or representatives) may be elected to the Board of Directors.

ELECTION OF BOARD OF DIRECTORS MEMBERS, PRESIDENT OF THE BOARD OF DIRECTORS AND VICE PRESIDENT OF THE BOARD OF DIRECTORS

Article 21

21.1. The Board of Directors is elected by the Assembly.

21.2. The Board of Directors among its members elects the President of the Board of Directors and the Vice President of the Board of Directors at the first constitutive session of the Board of Directors, chaired by the oldest elected member of the Board of Directors.

21.3. Vice President of the Board of Directors replaces the President of the Board of the Directors when the President of the Board of Directors is prevented from attending the meetings.

BOARD OF DIRECTORS MEMBERS TERM OF OFFICE

Article 22

22.1. The mandate for all members of the Board of Directors is four years. The same member may be in the Board of Directors for a maximum of two consecutive mandates.

ELECTION TO THE BOARD

Article 23

23.1. The members of the Board of Directors shall be elected by a majority of votes present at the Assembly, by public vote, unless otherwise provided by this Statute.

DUTIES OF THE BOARD OF DIRECTORS

Article 24

24.1. The Board of Directors shall be responsible for all the activities of the Chamber as provided for in this Statute, except where such activities are the responsibility of another body. The Board shall, at least once a year, and in the event of an annual meeting, submit to the Assembly a report on the activities of the Chamber. The Board of Directors shall in particular have the power to:

- regulate the business of the Chamber;
- hire the staff needed to run the Chamber properly;
- elect and dismiss the Chamber's representative(s);
- decide on applications for membership in the Chamber;
- determine the amount of salaries of employees;
- decide on the use of the Chamber's funds, which can be used both to cover the costs of the Chamber and for humanitarian purposes, travel, sports or any other purpose for which the majority of members present voted;
- decide on the initiation of compensation proceedings in the cases referred to in Article 25, paragraph 2, of the Law on Associations and, if necessary, appoint an authorized person or a representative of the association for such proceedings;
- decide on other issues that are not within the competence of other bodies.
- decide to change the head office

24.2. Guidelines. The Board of Directors has the authority to approve the guidelines and policies of the Chamber and to approve changes and amendments to the Statutes before they are presented at the meeting of the Assembly at which they are decided.

BOARD OF DIRECTORS MEETINGS

Article 25

25.1. The Board of Directors will hold regular meetings once every three months. Meetings are convened by the President of the Board of Directors by written notice at least 48 hours before the meeting.

25.2. The decisions of the Board of Directors are valid only if at least 5 members of the Board of Directors (quorum) are present at the meeting. The decision of the Board of Directors is considered to have been made if 5 members of the Board of Directors have voted for it.

25.3. The Board of Directors shall decide by a majority vote of the members present.

25.4. Members of the Board who are unable to attend a meeting of the Board properly scheduled will indicate in the letter addressed to the Representative and submitted prior to that Board meeting the reason for the absence.

25.5. When appropriate, or when it is required by reasons of urgency or prevention of damage occurrence or occurrence of damage consequences, the President of the Board of Directors of this Association shall be authorized to hold a meeting of the Board of Directors without obligation to apply other provisions of this Article on the obligation to convene the meeting, at the way it seems most appropriate so that the discussion and voting is done by using a conference telephone connection or using other audio and visual communication equipment so that all participants at the meeting can listen and talk with each other. Persons who participate in the meeting of the Board of Directors in the manner described in this item shall be considered to be present at the meeting, regardless of the fact that not all members of that body are in the same place at the time of holding such meeting. The President of the Board of Directors is obliged, in the case of holding such a meeting, to make minutes, in which, in addition to other prescribed content elements of that document, he shall indicate the manner and reasons for holding such a meeting, and, first, sign it and then subsequently deliver it for signature to all other members of the Board of Directors, with whom a specific decision was made, no later than the first subsequent meeting of that body. The decisions of the Board of Directors, made in the manner prescribed by the provisions of this item, must be confirmed or verified by the Board of Directors at the first subsequent meeting.

25.6. Meetings of the Board of Directors of the Serbian Azerbaijani Chamber of Commerce may be held without conducting the procedure under the provisions of item 25.1. of this Article (without prior convocation), if they are attended by all members of the Board of Directors and if none of the members object to the procedure of convening and holding the meeting, or if a member who does not attend the meeting declares in writing that he does not object to the procedure convening and holding a meeting.

RECALL AND RESIGNATION OF THE BOARD OF DIRECTORS MEMBERS

Article 26

26.1. Any Board of Directors member may be recalled at any time by a public vote of two-thirds of those present and entitled to vote at the sessions of annual or extraordinary Assembly meetings, in cases in which the member abuses his/her authorities or does not duly fulfil his/her function.

26.2. Any member of the Board of Directors may at any time resign, which he or she is obliged to submit to the Board of Directors or the Representative, in writing.

VACANCIES AT THE BOARD OF DIRECTORS

Article 27

27.1. The vacancy of the members of the Board of Directors shall be filled by voting at the first next regular / extraordinary meeting of the Chamber Assembly.

BOARD OF DIRECTORS WORKING BODY

Article 28

28.1. The Board of Directors may establish the working bodies (such as committees, commissions, groups, expert councils) required for the functioning of the Chamber, to determine their form and powers, and to elect the chairpersons. The Chairman of the working body shall remain on that position for one year, unless the Board of Directors decides otherwise. Afterwards, the working body is responsible for the election of its Chairman, and the Board of Directors approves that election.

28.2. Non-members of the Chamber may be invited to participate in the activities of the working bodies, but they will have the status of associate members of the working body and will not have voting rights or the right to chair that working body.

c) REPRESENTATIVE

Article 29

- 29.1. The Chamber shall have one or more Representatives elected by the Board of Directors.
- 29.2. Representatives are responsible for managing and organizing everyday activities and activities of the Association and reporting quarterly to the Board of Directors on activities. Representatives represent the Association in accordance with Articles 30 and 31 of this Statute.

RESPONSIBILITY OF BODY MEMBERS

Article 30

- 30.1. Body members of the Serbian Azerbaijani Chamber of Commerce are solidary liable for the damage they cause to this Association by their decision, if that decision was made by gross negligence or with the intention of causing the damage, unless they made their opinions known in the minutes during the decision-making process.
- 30.2. Compensation proceedings are initiated on the basis of a decision of the Board of Directors of the Serbian Azerbaijani Chamber of Commerce.
- 30.3. The provisions of this Article shall accordingly apply to the actions of representatives of this Association.

CHAMBER REPRESENTING

Article 31

- 31.1. Representatives have the right to represent the Chamber independently, provided they comply with the restrictions set out in Article 31.2.
- 31.2. In case of payment, legal obligation or contracting on behalf of the Chamber in the amount exceeding EUR 5,000 (i.e. RSD equivalent at the NBS middle exchange rate), the signatures of at least two representatives are required.

FINANCIAL STRUCTURE

ASSETS

Article 32

- 32.1. The Serbian Azerbaijani Chamber of Commerce acquires assets from membership fees, seminars and lectures, management and consulting activities, publishing activities in accordance with Articles 8.3 and 8.4 of this Statute and in other legally permitted manner.
- 32.2. The assets of the Serbian Azerbaijani Chamber of Commerce can only be used to achieve its statutory goals.

FINANCIAL REPORTS

Article 33

- 33.1. The person authorized to prepare the financial reports (bookkeeper, bookkeeping agency) is appointed by the Board of Directors. The Chamber's representatives are responsible for the accuracy of the financial reports.
- 33.2. The financial report of the Chamber, together with the conclusion of the independent auditing firm, shall be submitted for adoption to the members of the Chamber at the Assembly annual meeting.

TERMINATION

Article 34

- 34.1. The Chamber ceases to operate by a decision of the Assembly, when the conditions for achieving the goals cease to exist, as in other cases provided for by the Law.
- 34.2. The Assembly of the Chamber shall decide on the dissolution of the Association if two thirds of the members present with voting right vote for it at the Assembly at which the dissolution is decided.
- 34.3. In case of the Chamber being shut down, the remaining funds shall be shared in accordance with the decision of the Assembly to domestic non-profit legal entities established to achieve the same or similar goals.

Article 35

35. 1. The Serbian Azerbaijani Chamber of Commerce may make status changes of the merging and dividing of the Chamber, on the basis of a decision of the Board of Directors of this Association, in accordance with the provisions of the Law on Associations.

FINAL PROVISIONS

Article 36

- 36.1. The official language of the Chamber is Serbian. The working languages of the Chamber are Azerbaijani, Russian and English.
- 36.2. This Statute shall enter into force when it is voted for by a majority of the members present at the meeting of the Chamber.
- 36.3. This Statute may be amended by the Assembly by a majority of votes present, provided that a notice of the proposed amendments has been duly sent to each member, together with an invitation to attend the Assembly.
- 36.4. Provisions of the Law on Associations shall be directly applicable to the all issues not regulated by this Statute.
- 36.5. This integral and purified text of the Statute shall enter into force on the day of its adoption.

President of the Assembly

Ahmet Murat Turkoglu