

PRODUCTION AND EXPORT SUPPORT ASSOCIATION

REGULATIONS

YEREVAN 2010

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Chapter 1. Basic Provisions

1. The Production and Export Support Association (hereinafter - the Association) is a not-for-profit public organization founded on the principles of common interest and volunteerism of its members, which was created to support business, research export markets, and assist investors in a private enterprises, aimed to export, export promotion processes, development and implementation of new business projects.
2. Activity of the Association is based on the principles of legality, transparency, autonomy, equal rights and free will of its members.
3. The Association operates under the principles of the Constitution and the legislation of RA, universally recognized norms of international law and principles of the Charter, adopted by the Congress of the Association.
4. From the moment of state registration the Association becomes a legal entity. It retains its autonomy with regard to the state and its organs, within the scope of its Constitution and current legislation has its own structure, goals, methods and activities.
5. The Association operates through its Web site. All the discussions and votings (except for the matters that are exclusively the competence of the Congress) are conducted through the Site of the Association.
6. These Regulations define the internal structure of the Association, formation of its authorities, their powers, rights and responsibilities, as well as the order of presentation, discussion, adoption and implementation of programs executed by the Association.

Chapter 2. Objectives and Main Activities of the Association

- 2.1. The Association was founded with the aim of increasing the productivity of the economic sphere of the Republic of Armenia, for establishment of economic field more accessible to entrepreneurs from the Spyurk and to create conditions to ensure that they have been able to bring their own activities to a new level, as well as the integration of the Armenian general potential with all its constraints the world economy and the formation of based on this new, substantially different in focus, facilities to implement.
- 2.2. The objectives of the Association:
 - 2.2.1. to facilitate the establishment and development of free market relations and a stable economic environment in Republic of Armenia;
 - 2.2.2. to promote unity of efforts of citizens and organizations in the name of economic and financial development of the individual and society;
 - 2.2.3. to promote unity of efforts of citizens and organizations in business development and particularly in the scope of export;

2.2.4. to promote the productive realization of intellectual and entrepreneurial capabilities of citizens and organizations, providing support for the establishment and implementation of business plans;

2.2.5. to recognize and promote effective implementation of policies aimed at achieving a lifestyle of free enterprise.

2.3. The main activities of the Association:

2.3.1. facilitate the processes of stock capital formation fixed by the legislation;

2.3.2. support in the investigation of foreign markets, as well as research, analysis and synthesis of international experience of the relevant forms in the field of exports;

2.3.3. assistance in matters of discussion, development and implementation of business proposals and business plans proposed by the members of the Association;

2.3.4. promote existing businesses in providing advisory support;

2.3.5. support and organization of activities for the establishment and implementation of business proposals and business plans, as well as the development of existing enterprises, proposed by the members of the Association;

2.3.6. establishment of relationships, as well as development and strengthen cooperation with domestic and international non-governmental bodies and foundations, engaged in similar programs;

2.3.7. support and assistance in the formation, development, launch, financing and monitoring of business proposals, business plans and business applications with research proposals aimed at export, proposed by the members of the Association,;

2.3.8. elaboration of concepts for the development of export markets;

2.3.9. support and assistance in the development and innovation of technologies and know-how, aimed at achieving the current level of business development;

2.3.10. support in the introduction and adoption of social and business relationships and constructive communications between organizations;

2.3.11. assistance on youth involvement in the development and implementation of business plans and research proposals with business applications, aimed at exports, (including through the implementation of educational, informational and other programs);

2.3.12. participate in the development and implementation of other programs coming from the goals and objectives of the Association.

Chapter 3. Association Members, the Procedure of Becoming and Withdrawal from a Member of the Association, the Order of Suspension and Termination of Membership in the Association

3.1. Membership in the Association is voluntary.

3.2. Members of the Association are:

3.2.1. individuals - citizens of the Republic of Armenia or citizens of any country of the world, as well as stateless persons under 18 years old who adopt the current Charter of the Association, whose activities contribute to the implementation of the authorized purposes of the Association and who provide registration and membership fees;

3.2.2. artificial person - who adopt the operating Charter of the Association, whose activities contribute to the implementation of the statutory objectives of the Association and who provide registration and membership fees.

3.3 The registration and accounting of the Association members is made centrally through the Web site of the Association, according to the procedure and conditions established by the Executive Director of the Association.

3.4. The rights and responsibilities of members of the Association:

3.4.1. All members have equal rights and responsibilities. The founders of the Association after the state registration of the Association automatically become the members of the Association.

3.4.2. The member of Association is entitled to:

3.4.2.1. elect delegates and be elected to the delegates of the Congress of the Association;

3.4.2.2. elect members or be elected as a member in the elective bodies of the Association;

3.4.2.3. use legal, financial, technical, informational and other support of the Association;

3.4.2.4. receive information about the activities of the Association;

3.4.2.5. through the Site of the Association represent the bodies of the Association business projects, programs, research proposals with business applications and operating businesses for the purpose of discussion, development, implementation and monitoring, provide various business proposals, waiting for the relevant part of the envisaged profits as the author of the idea;

3.4.2.6. take part in starting or already implemented into the life business projects, become a member of business entities (CoLTD, CJSC, Public Corporations), created by the Association, within the proposed parts to make appropriate investments, buying shares in a certain amount, and to have a part of the expected profits consequently to their investments;

3.4.2.7. participate in events organized or sold by the Association;

3.4.2.8. get acquainted with the materials directly related to his personal interests;

3.4.2.9. submit for discussion to governmental bodies of the Association suggestions, comments, business programs relating to the activities and programs of the Association, contact them with questions and statements, including - to criticize the governmental bodies of the Association, to have personal involvement in the discussions;

3.4.2.10 freely express their opinions;

3.4.2.11 challenge the decisions of the Association in a written order in the higher instances;

3.4.2.12 voluntarily withdraws from the membership in the Association at any time. 3.5.3. The member of the Association has to:

3.5.3.1. comply with the requirements of the Charter and the Regulations of the Association;

3.5.3.2. obey the decisions of the governing bodies of the Association, adopted under their authority;

3.5.3.3. their activities and behavior to hold high the prestige of the Association, not to speak on behalf of the Association without a warrant, issued by the competent authority of the Association;

3.5.3.4. not to cause harm through their actions to the Association and its members;

3.5.3.5. be taken into the account and participate in the activities of the Association or one of its branches;

3.6. The procedure of becoming a member of the Association and the procedure for withdrawal from its membership

3.6.1. Adoption of individuals in the Association is implemented through the Association Web site. The person who wishes to become a member of the Association fills an application form through the site and then within 3 days of it, he is recorded at Site by the Moderator as a member of the Association. The decision about his membership in the Association is adopted by the Executive Director.

3.6.2. The adoption of legal entities into the Association is proceeded by a decision of the Executive Director on the basis of written statements of persons authorized to do so by their organizations. Along with a written statement it is also submitted the decision of the authorized body of the legal entity about the entry of the legal entity into the Association, copies of the charter and certificate of registration of that legal entity. The person authorized by the legal entity and then within 3 days of it, the legal entity is registered on the Site by the Moderator as a member of the Association.

3.6.3. The rights and duties of members (individuals or legal entities) start (stop) since their registration (de-registration) by the Moderator of the Site as a member of the Association;

3.6.4. The withdrawal of the individual, who is a member of the Association, from the membership of the Association is proceeded on the basis of his statement. The Association Site Moderator provides a statement of the member to the Executive Director on the basis of which decision the Moderator deletes the data of that member from the Association member's base and his membership in the Association is considered to be terminated.

3.6.5. The withdrawal of the legal entity, which is a member of the Association, from the membership of the Association is proceeded on the basis of the statement of the person authorized by him on that, which was confirmed by the decision of the competent authority of the legal entity. The Association Site Moderator provides a statement of the authorized person on behalf of the entity to the Executive Director, under whose decision the Moderator deletes the data of that legal entity from the Association members base and its membership in the Association is considered to be terminated.

3.7. The order of suspension of the membership in the Association

3.7.1. Suspension of the membership in the Association is the temporary interruption of the membership.

3.7.2. Suspension of the membership in the Association may be applied to a member of the Association (an individual) by the Moderators on the basis of the Executive Director's decision, if he:

- allowed himself to gross violations of moral standards and ethics during the participation in the activities of the Association through the Site,

3.7.3. Suspension of the membership in the Association may be applied to a member of the Association (legal entity) by the Moderators on the basis of the Executive Director's decision, if he had not committed a monthly membership fee.

3.7.4. The membership in the Association may be suspended for a year, after which, if the member has taken no steps to restore its membership the Moderator by the decision of the Executive Director deletes his data from the Association members base and his membership in the Association is considered to be terminated.

3.8. The order of the termination of the membership in the Association

3.8.1. The grounds for the termination of the membership in the Association for the individual include:

- failure to comply with the requirements of the Association Charter;
- infliction of physical or mental harm to the Association;
- refusal to execute the decisions taken by the governing bodies of the Association;

3.8.2. The grounds for the termination of the membership in the Association for the legal entities include:

- failure to comply with the requirements of the Association Charter;
- infliction of physical or mental harm to the Association;
- refusal to execute the decisions taken by the governing bodies of the Association;
- Liquidation or reorganization of the legal entity.

Chapter 4. The Structure of the Association

4.1. The structure of the Association is defined by its Charter and in accordance with the Charter - by the decisions of the bodies of the Association. The Association is governed by its bodies which act in accordance with the law and the Charter of the Association. The bodies of the Association and their composition are formed in the manner prescribed by the law and the Charter of the Association.

4.2. The structure of the Association includes: 4.2.1.

The Congress of the Association

4.2.2. The President of the Association

4.2.3. The Upper Chamber of the Association

4.2.4. The Public Chamber of the Association

4.2.5. The Executive Director of the Association

4.2.6. The Board of Directors of the Association

4.2.7. The Staff of the Executive Director of the Association

4.2.8. The Control Commission of the Association

4.2.9. Branches, representative offices and departments of the Association.

Chapter 5. The Congress of the Association

5.1. The supreme body of the Association is its Congress, which has the right to decide on a final resolution of any issue relating to the activities of the Association.

5.2. The regular Congress of the Association shall be convened every two years by the President of the Association in a form of a joint meeting of the Congress or in absentia - by using telecommunications, drawing up a report or making an exchange of documents, which provide an opportunity to clearly assert that the document originates from a person designated it as the author.

5.3. The participants of the Association Congress may be the members of the Association or they may elect the delegates, who have also to be the members of the Association.

5.4. Place, time, the attitudinal norms of structural units and the agenda of the Congress must be determined, as well as the members of the Association must be notified about it no later than 14 days before the convening of the Congress.

5.5. In the case of a substantiated claim of the Control Chamber or 1/3 of the Association members the President of the Association no later than in 14 days convenes an extraordinary Congress of the Association, about the agenda, venue, date and time of which the Association members must be notified no later than in 3 days before that Congress.

5.6. The Congress is considered competent if it is attended by more than half of the elected delegates, representing more than half of the structural units of the Association.

5.7. Decisions on adoption of the Charter of the Association, making changes or additions to the Charter of the Association, the reorganization and liquidation of the Association, the election of monitoring body and the governing bodies of the Association are adopted by the Congress on the assumption of a quorum, by a qualified majority (2/3 of the votes) of the delegates who is present at the Congress. Decisions on other questions are adopted by the simple majority of

the Congress participants' votes. Method of voting (open or closed (secret) poll) is determined by the Congress.

5.8. Sessions of Congress are recorded. The protocol is approved and signed by the chairman and the secretary of the Congress.

5.9. The exclusive competence of the Congress of the Association is:

5.9.1. adoption of the Charter of the Association;

5.9.2. making changes and additions to the Charter of the Association;

5.9.3. hearing and approving the reports about activities and the use of the assets of the Association;

5.9.4. definition of core activities and development, as well as the priorities of the Association;

5.9.5. election of the President of the Association for a term of four years (the Congress has the right to prematurely terminate his powers);

5.9.6. adoption of the rules of the Association Control Commission, election of the Chairman and members of the Control Commission (the Congress has the right to prematurely terminate their powers);

5.9.7. making a decision on reorganization or liquidation of the Association, except the cases of reorganization or liquidation by a court order.

5.10. The Congress of the Association have the right to discuss any matter relating to the activities of the Association and to take an appropriate decision on this matter.

5.11. The Congress of the Association hears reports of the Chairman of the Control Commission and the President of the Association once in two years.

Chapter 6. The President of the Association

6.1. The President of the Association is the person representing the Association, elected by the Congress of the Association. The President heads the Association and acts on its behalf without a warrant.

6.2. The President of the Association is elected by the Congress for a term of four years, but the Congress has the right to terminate the President's powers ahead of time.

6.3. Being elected as the President of the Association the person also automatically becomes the Speaker of the Upper Chamber of the Association.

6.4. The authorities of the Association President:

- 6.4.1. determines the main directions of the functions which aimed at determination of the goals and objectives of the Association;
- 6.4.2. without a warrant represents the Association in the relations with state authorities and local governments, as well as individuals and legal entities and international organizations located anywhere in the world;
- 6.4.3. convenes regular and extraordinary Congresses of the Association;
- 6.4.4. signs the protocols of the Congress, is responsible for keeping the stamp, the Charter and the Certificate of state registration of the Association;
- 6.4.5. nominates the candidacy of the Executive Director, presents him to the Public and the Upper chambers and after their approval signs a contract with the Executive Director for a period of two years;
- 6.4.6. guarantees the legitimacy of the executive office;
- 6.4.7. approves the list of Staff of the Association Executive Director;
- 6.4.8. approves annual plans for major works and activities, and programs (including grant programs) of the Association and oversees the process of their implementation;
- 6.4.9. alleges the draft budget of the Association for the year developed by the Board of Directors and approved by the Public Chamber, as well as the changes in the budget;
- 6.4.10. regulates the work of the Upper Chamber;
- 6.4.11. resolves other issues related to the activities of the Association, which don't fall within the exclusive competence of the Congress.
- 6.5. Twice a year the President of the Association hears the report of the Executive Director.
- 6.6. The President of the Association is accountable to the Congress of the Association (once in every two years).

Chapter 7. The Upper Chamber of the Association

- 7.1. The Upper Chamber is a consultative body of the Association. It is formed from the state, public and political figures, representatives of science, army, human rights organizations and the business sector.
- 7.2. A candidate for membership in the Upper Chamber is nominated by the President of the Association or by 25% of the members of the Upper Chamber and is approved by the Public Chamber. Public Chamber approves this nomination by the majority of the voices and he becomes a member of the Upper Chamber.

7.3. Speaker of the Upper Chamber becomes the President of the Association who is elected by the Congress.

7.4. The authorities of the Upper Chamber:

7.4.1. approves the nomination of the Executive Director, launched by the President;

7.4.2. offers 3 persons from it's membership who become directors and enter into the composition of the Board of Directors during 2 years; in case of need may withdraw them from the Board of Directors ahead of time;

7.4.3. organizes discussions on projects submitted by the Board of Directors;

7.4.4. facilitates the implementation of already approved business plans;

7.4.5. assists the Board of Directors in finding sources of funding for already approved business plans;

7.4.6. through the Site of the Association carries out advisory activities on issues relating to the business areas which are interesting to the members of the Association;

7.4.7. contributes to the development of relations with the Association of State structures, international organizations, businesses and nonprofit organizations and institutions, as well as individual citizens;

7.4.8. performs other functions related to the activities of the Association.

7.5. The Upper Chamber periodically publishes information on its activities through the Site of the Association. The Upper Chamber is accountable to the Congress of the Association every two years.

7.6. The Upper Chamber hears the report of the Executive Director once a year.

Chapter 8. The Public Chamber of the Association

8.1. The Public Chamber has functions of representative and control body of the Association, participates in the discussion, development and implementation of it's programs.

8.2. The Public Chamber of the Association is made up of citizens of any country in the world, and stateless persons who are members of the Association, adopt the Charter of the Association, facilitate to promote the implementation of the Association goals and objectives, as well as the implementation of decisions adopted by the Association Board of Directors.

8.3. The Public Chamber member can become a member of the Association, who has scored the required number of votes of the Association members. The required number of votes is determined by the Board of Directors. For the election of members of the Public Chamber it is not provided a special day and order. Elections take place through the Site of the Association. Each member of the Association may through the Site vote for his preferred candidate. This

way typing the required number of the votes a candidate on the basis of the Board of Directors' decision is recorded by the Moderator as a member of the Public Chamber.

8.4. The number of the members of the Public Chamber is not limited. The Public Chamber members elect a Speaker of the Public Chamber among themselves.

8.5. The Speaker of the Public Chamber is the head of the Public Chamber, which deals with organizational issues for the work of the Chamber.

8.5.1. The candidacy of the Speaker of the Public Chamber proposes either himself, or any member of the Public Chamber. Elections take place in the presence of at least 3 candidates for the Speaker of the Public Chamber. The candidate who receives the majority of the Public Chamber members' votes is considered to be elected.

8.5.2. The authorities of the Public Chamber Speaker:

8.5.2.1. provides overall direction of the Public Chamber;

8.5.2.2. is engaged in organizational maintenance of the Public Chamber;

8.5.2.3. organizes discussions and elections in the Public Chamber;

8.5.2.4. automatically becomes a member of the Board of Directors;

8.5.2.5. in the absence of the Executive Director carries out his duties.

8.6. The authorities of the Public Chamber:

8.6.1. approves the nomination of the Executive Director, launched by the President and approved by the Upper Chamber;

8.6.2. offers 3 persons from it's membership who become directors and enter into the composition of the Board of Directors during 2 years; in case of need may withdraw them from the Board of Directors ahead of time;

8.6.3. discusses the business proposal that was submitted through the Site and transferred to by Board of Directors, gives either a positive or a negative conclusion about it; in case of a positive conclusion the business proposal is sent to expertize, and in case of a negative conclusion - the proposal is rejected and sent back to the Board of Directors;

8.6.4. discusses the business plan, based on the business proposal passed by the Board of Directors, give either a positive or a negative conclusion about it; in case of a positive conclusion the business plan goes to the implementation stage, and in case of a negative conclusion - this business plan is sent back to the Board of Directors for additional development;

8.6.5. controls and monitors the business projects which are under the implementation stage;

8.6.6. discusses the draft annual budget of the Association, developed by the Board of Directors, makes proposals to the Board of Directors regarding the changes to the draft budget;

8.6.7. decides on the establishment of business entities;

8.6.8. performs other functions related to the activities of the Association.

8.7. The Public Chamber periodically publishes information about its activities through the Site of the Association. The Public Chamber is accountable to the Congress of the Association once in every two years.

8.8. The Public Chamber hears the report of the Executive Director once a year.

Chapter 9. The Executive Director of the Association

9.1. The Executive Director of the Association is in the head of the Board of Directors and leads its works, as a member and chairperson of the Board. The candidature of the Executive Director is nominated by the President of the Association and is approved by the Public and the Upper chambers ratio of votes in the 50% +1. After confirmation of the candidacy of the Executive Director the President signs an employment contract with him for two years, according to which the person takes the lead of the whole executive apparatus of the Association.

9.2. The authorities of the Association Executive Director:

9.2.1. is the head of the Association Board of Directors, carries out the current management of the Association;

9.2.2. organizes the implementation of the decisions of the Association Congress;

9.2.3. organizes the major activities and implementation of annual work plans and programs approved by the President of the Association;

9.2.4. according to the concluded with the President contract, represents the Association in the relations with state authorities and local governments, as well as with individuals and legal entities and international organizations;

9.2.5. has the right to sign the first the financial and economic documents of the Association, solves the issues related to financial and economic activities of the Association,

9.2.6. disposes of the property and funds of the Association within the estimated accounts and the budget of the Association, signs agreements and contracts on behalf of the Association, gives a power of attorney, opens and closes bank accounts, submits to the court and lays before the court;

9.2.7. makes a decision about becoming a member of the Association or the termination of the membership;

9.2.8. sets the size of the registration and membership fees, and also the order of the collection of those fees;

- 9.2.9. establishes the terms and conditions of registration of the Association members;
- 9.2.10. convenes a meeting of the Board of Directors and takes the chair at those meetings;
- 9.2.11. signs the protocols of the meetings, decisions and other documents adopted by the Board of Directors;
- 9.2.12. establishes the order of the work within the Association (represents the staff list, forms the apparatus, issues orders), and monitors of its careful execution;
- 9.2.13. hires and dismisses from the work the staff members of the Association executive office;
- 9.2.14. establishes procedures for the application of incentives and penalties against members and staff members of the executive office of the Association, in the manner prescribed by the labor legislation uses promotions and faces disciplinary actions to the employees of the executive office;
- 9.2.15. within his authority issues orders and make decisions which are necessary for realization for all the members, as well as for departments and agencies of the Association;
- 9.2.16. gives a power of attorney for the right to represent the interests of the Association in relations with any third parties;
- 9.2.17. makes decisions about the formation and liquidation of certain structural units of the Association - representative offices and branches, as well as commissions, departments, clubs, teams, etc., appoints and dismisses their leaders, gives instructions to the Board of Directors and its apparatus with the aim to solve the organizational problems related to these issues;
- 9.2.18. makes decisions about the foundation of non-profit unions of legal entities and the participation of the Association as a member in the organizations of this type, as well as in the international organizations;
- 9.2.19. makes decisions about the formation of structural units of the Association on the territory of foreign countries, and also determines the form of their existence and their legal status;
- 9.2.20. makes decisions about the establishment of information resources;
- 9.2.21. makes decisions about the establishment of funds;
- 9.2.22. deals with other matters relating to the activities of the Association which are not within the exclusive competence of the Congress.
- 9.3. Decisions of the Association Executive Director, adopted within his competence, are binding on all members and staff members of the Association.
- 9.4. The Executive Director is entitled to put by his order some of his authorities to a member of the Board of Directors.

9.5. The Executive Director is accountable to the President, the Public and the Upper chambers, the Control Commission (once a year).

Chapter 10. The Board of Directors of the Association

10.1. The Board of Directors of the Association is the standing governmental body of the Association. The members of the Board of Directors are 6, three of whom are nominated by the Public Chamber, and the three - by the Upper Chamber. The members of the Board of Directors are elected for two years. The Board is directed by the Executive Director. The powers of the Board of Directors remain until the election of the new Board of Directors.

10.2. Meetings of the Board of Directors are convened and conducted by the Executive Director as often as it is necessary, but not less than once per trimester.

10.3. The authorities of the Board of Directors:

10.3.1. implements the decisions of the Congress, provides organizational unity and commonality of the Association;

10.3.2. sets a quota according to the number of delegates of the Association Congress, at least thirty days prior to the convening of the Congress organizes the elections of the delegates of the Congress;

10.3.3. after the President's decision to convene the Congress deals with organizational matters: prepares a place for the Congress, notifies members of the Association about convening the Congress, etc.

10.3.4. establishes and develops the budget, estimates of receipts and expenditures of the Association, adopts the current programs and plans of the Association, organizes their implementation;

10.3.5. discusses the business proposals by the members of the Association presented by the Moderator, gives either a positive or a negative conclusion about it; in case of a negative conclusion the business proposal is rejected, in case of a positive conclusion the proposal is sent to the Public Chamber for discussion;

10.3.6. after passing the expertize organizes the work on creating the business plan on the basis of the current business proposal;

10.3.7. after the approval of the business plan by the Public Chamber organizes its implementation;

10.3.8. implements the decisions of the Association Executive Director on the creation and liquidation of certain structural units of the Association - representative offices and branches, as well as commissions, departments, clubs, teams, etc., approves their statutes, rules and codes of labor rules, which do not contravene the Charter of the Association ;

10.3.9. implements the decisions of the Public Chamber on the formation of business entities;

10.3.10. implements the decisions taken by the Executive Director of the Association, on the foundation of non-profit unions of legal entities and on the participation of the Association as a member in the organizations of this type, as well as in the international organizations;

10.3.11. implements the decisions taken by the Executive Director of the Association, on the opening of structural units of the Association in the territory of foreign countries, as well as the decisions regarding the form of their existence and legal status;

10.3.12. implements the decisions taken by the Executive Director of the Association on the establishment of information resources;

10.3.13. implements the decisions taken by the Executive Director of the Association on the establishment of funds;

10.3.14. prepares the proposals for changes and additions to the Charter of the Association which must be discussed at the Congress;

10.3.15. periodically analyzes the work of the Association and provides that information to the Upper and the Public chambers, President of the Association, and publishes this information on the Website of the Association;

10.3.16. adopts the Regulations of the Association, has a right to make changes and additions in the current Regulations;

10.3.17. decides to register a person by the Moderator as a new member of the Public Chamber;

10.3.18. deals with other matters relating to the activities of the Association which are not within the exclusive competence of the Congress.

10.4. Meeting of the Board of Directors is competent to make decisions, if it involves more than half of the Board members. The Board of Directors makes decisions in condition of a quorum by a simple majority. The form of voting is determined by the Board. Participation of the Executive Director at the meeting is mandatory. Decisions adopted by the Board of Directors during the absence of the Executive Director, are invalid.

10.5. The Board of Directors convenes its regular meetings as often as it is necessary, but not less than once per trimester. It may be convened the extended meetings of the Board of Directors with the heads of departments and also with other members of the Association.

10.6. The meeting of the Board of Directors are recorded, which is signed then by the person who made the protocol and the Executive Director of the Association.

10.7. The Board of Directors is accountable to the President, the Public and the Upper chambers, the Control Commission of the Association (once a year).

Chapter 11. The Staff of the Executive Director of the Association

11.1. The Staff of the Executive Director of the Association operates on the basis of those provisions which have been approved by the Executive Director of the Association.

11.2. The Office of the Executive Director implements the decisions of the governing bodies of the Association and resolves the issues related to economic and organizational activities of the Association:

11.2.1. on behalf of the Board of Directors develops a draft budget, , estimates of receipts and expenditures of the Association and submits them for approval to the Board of Directors;

11.2.2. provides admission to the membership in the Association and the termination of the membership, keeps the central record of registered members of the Association;

11.2.3. manages archives of the Association;

11.2.4. organizes the recording of the Congress sessions and meetings of the Board of Directors;

11.2.5. performs certain duties assigned to it by the President and Executive Director of the Association;

11.2.6. performs another organizational functions, regulating the activities of the Association.

Chapter 12. The Control Commission of the Association

12.1. The Control Commission of the Association is the main supervisory body of the Association. The Commission is elected by the Congress for two years and carries out its activities under the provisions of the Charter of the Association.

12.2. The Control Commission exercises control over the financial and economic activities of the Association.

12.3. There are 5 members in the Control Commission of the Association who are elected by the Congress for two years. One of them, is elected by the Congress as a Chairman of the Control Commission. The Chairman of the Control Commission carries out general instructions of the Congress and allocate responsibilities among its members.

12.4. Regular inspections of financial and economic activities of the Association are made by the Control Commission once a year.

12.5. Extraordinary audit of the financial and economic activities of the Association may be made by the decision of the Control Commission, according to a reasoned request of the President, or 2/3 of the members of the Association Public Chamber.

12.6. The order of the work of the Control Commission is determined by the provisions adopted by the Congress of the Association.

12.7. The Control Commission in the framework of its competence makes decisions through meetings of the Commission. The meeting is considered competent if it involves more than half of the members of the Commission. Decisions are taken by the simple majority of the Commission members' votes. Participation of the Chairman of the Control Commission at the Commission meetings is mandatory.

12.8. The Control Commission is accounted to the Congress of the Association (once in every two years).

12.9. The Control Commission has the right to demand a convening of an extraordinary Congress of the Association.

12.10. The members of the Association governing bodies cannot be the members of the Control Commission.

Chapter 13. Branches, Representative Offices and Departments of the Association

13.1. According to the current legislation, the Association has the right to establish branches, representative offices and departments, which operate on the territory of the Republic of Armenia, as well as in other countries.

13.2. The representative office is a structural unit of the Association, which represents its interests and protects them, and is located outside the location of the Association.

13.3. The branch is the structural unit of the Association which carries out all its functions or some functions, including also the attitudinal function, and is located outside the location of the Association.

13.4. The department is a unit established by the Association for the implementation of managerial, socio-cultural, educational or other non-commercial activities.

13.5. Representative offices, branches and departments are not legal entities and operate under the provisions of the Charter of the Association.

13.6. The property of the representative offices, branches and departments is provided by the Association and takes into account both in their separate estimates, and in the overall estimates of the Association and is considered as the property of the Association.

13.7. The heads of representative offices, branches and departments are appointed by the Executive Director of the Association and act on the basis of power of attorney issued to them.

13.8. The Association bears financial responsibility for its representative offices, branches and departments.

13.9. By the decision of the Association Board of Directors the structural unit may acquire the status of legal entity.

Chapter 14. The order of presentation, discussion, adoption and implementation of programs by the Association

14.1. The main objective of the Association is the discussion, development and implementation of business proposals, as well as the development of enterprises of the Association members.

14.2. During the implementation of the business proposal which comes out with an assistance of the Association , the current business proposal passes through the following stages:

14.2.1. the author of the idea, who must be a member of the Association, submits his proposal, sending it through the Site to the Moderator;

14.2.2. the Moderator submits the proposal to the Board of Directors, which discusses the proposal and give either a positive or a negative conclusion about it; in case of a negative conclusion the proposal is rejected, and in cas of a positive conclusion the business proposal is sent to the Public Chamber for discussions;

14.2.3. the Public Chamber discusses the business proposal, sent by the Board, and provides either a positive or a negative conclusion about it; in case of a negative conclusion the proposal is rejected, and in case of a positive conclusion the business proposal is sent to an independent expertize;

14.2.4. the Board of Directors invites independent experts, who, as professionals in the current field look into the business proposal and give either a positive or a negative conclusion regarding that business proposal; in case of a negative conclusion the proposal is rejected and in case of a positive conclusion the business proposal is sent to the Board of Directors to prepare a business plan on the basis of that proposal;

14.2.5. after the independent expertizeof the Board of Directors organizes the work on drafting a business plan on the basis of this proposal; after the completion of the business plan, this business plan is sent for discussion to the Public Chamber;

14.2.6. the Public Chamber discusses the business plan compiled on the basis of a business proposal,which was sent by the Board of Directors, and provides either a positive or a negative conclusion; in case of a positive conclusion the business plan goes into the implementation stage, and in case of a negative conclusion the business plan is sent for the additional development;

14.2.7. after receiving approval from the Public Chamber on the current business plan it is sent to the Board of Directors, which begins to concern with organizational work, which is going to ensure its implementation (creates a business entity, regulates its activity, etc.);

14.2.8. this business plan is also sent to the Upper Chamber, which examines it and takes steps to solve the financial issues associated with the implementation of the current business plan;

14.2.9. shares of the new entity (CoLTD, CJSC, Public Corporations), which was established to implement the business plan, can purchase according to the principle of priority: the author of the idea, the members of the Upper Chamber, the members of the Public Chamber and the ordinary members of the Association, correspondingly to the size of his rating;

14.2.10. during the whole process of the business plan implementation the current business entity publishes reports on its activities on the Site of the Association, and the Public Chamber provides continuous monitoring of its activities;

14.3. In case of rejection of the business proposal presented by the member of the Association the current person is issued a certificate which certifies that he is the author of the current idea (in the certificate it is shown the time of publishing of the idea on the Website).

14.4. The Association also promotes improvement and development of existing enterprises.

14.5. In addition to providing development and implementation of business proposals and development of existing enterprises of the Association members, the Association may also accomplish other functions which are stipulated by its Charter:

14.5.1. organizes and carries out public opinion researches, social studies, mass surveys, monumental researches and analysis related to the production and export;

14.5.2. organizes and conducts meetings and seminars related to the study of export markets and develops new concepts of progress;

14.5.3. organizes and conducts national and international meetings, exhibitions, charitable concerts, shows, contests, auctions, educational, cultural, sporting and other events;

14.5.4. carries out publishing, television broadcasting, advertising and informational, cultural, educational, advisory and research activities related to the development of economic competitiveness and support of the production and export;

14.5.5. fulfils an information dissemination about activities, goals and positions of the Association, promotes the formation of public opinion on the main activities, goals and objectives of the Association;

14.5.6. develops and implements new activities that are aimed at achieving the objectives and purposes of the Association and don't contradict the current legislation.

Chapter 15. Final provisions

15.1. The current Regulations enters into force upon its approval by the Board of Directors of the Association.

15.2. Changes and additions into the current Regulations can make only the Board of Directors on the basis of proposals from the members of the Upper and the Public Chamber, the President, as well as from a certain group of the members.

15.3. The action time for the current Regulation is not limited.