

**ARTICLES OF ASSOCIATION**  
**OF THE**  
**AMERICAN CHAMBER OF COMMERCE IN LATVIA**  
**( R e s t a t e d )**

### Article 1

The name of the association is the American Chamber of Commerce in Latvia (hereinafter referred to as the “**Chamber**”).

### Article 2

The Chamber is a voluntary association of members (hereinafter referred to as the “**Members**”), established in accordance with the laws of the Republic of Latvia, and it shall act in accordance with these Articles of Association (hereinafter referred to as the “**Articles**”) and applicable law.

## **Mission and Values**

### Article 3

The mission and goals of the Chamber (hereinafter referred to as the “**Mission**”) shall be to:

- a) Foster and promote trade, investment, partnership and friendship between the United States of America and the Republic of Latvia;
- b) Serve as a business, knowledge, networking and policy forum for its Members and its partners;
- c) Advocate for a better business and investment environment in Latvia.

### Article 4

In furtherance of achieving its Mission, the Chamber and its Members shall adhere to the following values (hereinafter referred to as the “**Values**”):

- a) Integrity: The Chamber and its Members are committed to operating in business and in society with integrity, transparency and accountability;
- b) Responsibility: The Chamber and its Members are responsible for their actions – towards themselves, their communities and the environment;
- c) Cooperation: The Chamber and its Members seek to cooperate with other organizations and persons, with a view that joint action can facilitate the achievement of common goals and the enactment of positive change; and
- d) Excellence: The Chamber and its Members continually strive to achieve their best level of performance.

## **Membership**

### Article 5

Membership in the Chamber is available to any legal or physical person that:

- a) has a good reputation;
- b) supports the Chamber’s Mission; and
- c) adheres to the Chamber’s Values.

### Article 6

Each Member of the Chamber shall belong to one of the following categories of membership:

- a) Corporate Contributing Members;
- b) Corporate Members;
- c) Small Business Members;
- d) Individual Members;
- e) Non-Profit Members; or
- f) Honorary Members.

#### Article 7

Any legal person may qualify for Corporate Contributing or Corporate membership. Corporate Contributing shall be a privileged category of membership, with premium benefits as determined by the Board of Directors of the Chamber (hereinafter referred to as the “**Board**”).

#### Article 8

Any legal person, which employs or engages not more than five persons worldwide, may qualify for Small Business membership.

#### Article 9

Any physical person that is unemployed or self-employed, or is employed or engaged by a legal person that is not otherwise a Member, may qualify for Individual membership.

#### Article 10

Any legal person that is a non-profit organization, whose non-profit status is recognized under the laws of the Republic Latvia or the United States of America, may qualify for Non-Profit membership.

#### Article 11

Any physical person that has demonstrated outstanding service to the Chamber and significantly furthered the Mission of the Chamber may qualify for Honorary membership. Honorary membership shall be lifelong, subject to the provisions of Article 58. An Honorary Member shall not have the right to vote at any Meeting of the Members, and any candidate for Honorary membership shall provide its consent to such limitation.

### **Members’ Rights and Obligations**

#### Article 12

Each Member in good standing shall have the right to participate in the activities and the governance of the Chamber in accordance with these Articles and applicable law. Each Member shall have the obligation to support the Chamber’s Mission, uphold its Values and contribute annual membership dues and applicable event and services fees in a timely manner. The Board shall determine the benefits and membership dues applicable to each category of membership, as well as applicable event and services fees.

### **Admission to Membership**

### Article 13

Admission to membership in the Chamber requires the approval of the Board. A person wishing to become a Member (other than Honorary) shall submit an application to the Board. The Board has complete discretion to accept or deny membership to any applicant, and to assign membership categories, taking into consideration the Mission, Values and good reputation of the Chamber.

### Article 14

A candidate for Honorary membership must be nominated by a Member in good standing. The candidate shall be voted on and its Honorary membership approved by at least seven of the nine members of the Board.

### Article 15

A candidate for membership, whose application to the Board has not been approved, has the right to resubmit its application in writing with additional information for reconsideration, which shall be reviewed by the Board in accordance with Article 13.

## **Management Institutions**

### Article 16

The management institutions of the Chamber shall be:

- a) the Meeting of the Members;
- b) the Board; and
- c) the Nominating Committee.

## **The Meeting of the Members**

### Article 17

The Meeting of the Members shall be the highest management and supervisory institution of the Chamber.

### Article 18

More than fifty percent of the Members, present or represented by proxy or completed written or electronic ballot, shall constitute a quorum to hold any Meeting of the Members, except as otherwise stated in these Articles or by applicable law.

### Article 19

The Annual Meeting of the Members (hereinafter referred to as the “**Annual Meeting**”) shall be held once during each twelve month period. The Annual Meeting shall be called by the Board by written or electronic notice delivered to the Members at least four weeks prior to the Annual Meeting. Such notice shall contain an agenda of all items to be discussed at the Annual Meeting.

### Article 20

The agenda of each Annual Meeting shall include:

- a) election of four Elected Directors of the Board;
- b) election of the Nominating Committee;
- c) election of the auditor of the Chamber; and

- d) any other matters duly notified to the Members or as otherwise may be within the competence of the Meeting of the Members under these Articles or by applicable law.

#### Article 21

An extraordinary Meeting of the Members may be called by the Board as necessary in the interests of the Chamber or as otherwise required under these Articles or applicable law (hereinafter referred to as an “**Extraordinary Meeting**”). An Extraordinary Meeting shall be called by the Board by written or electronic notice delivered to the Members at least two weeks prior to the Extraordinary Meeting. Such notice shall contain an agenda of all items to be discussed at the Extraordinary Meeting.

### **Decisions of the Meeting of the Members**

#### Article 22

Each Member (other than an Honorary Member) in good standing shall be entitled to vote at any Meeting of the Members, including to vote on the basis of any written or electronic proxy issued to it by another Member in good standing. Any Member not physically present at a Meeting of the Members shall have the right to vote:

- a) by proxy, by assigning its vote to another Member in writing or electronically;
- or
- b) by submitting a written or electronic ballot on a particular matter to the Meeting of the Members, if such ballot has been provided for in the respective notice of the Meeting of the Members.

#### Article 23

All decisions at any Meeting of the Members shall be taken by a majority vote of those Members present or represented at such Meeting, except as otherwise stated in these Articles or by applicable law.

#### Article 24

Voting may be performed openly at the Meeting of the Members, or shall be performed by secret ballot, if so decided by the Board or if requested by ten percent of the Members present or represented at the respective Meeting of the Members.

#### Article 25

If voting for election of the Board and the Nominating Committee is conducted by secret ballot, the number of votes cast for each candidate shall remain confidential. A recount of the votes cast by any secret ballot may take place if twenty percent of the Members present or represented at the respective Meeting of the Members so request within seven days of such meeting.

#### Article 26

Specific procedures (the “**Meeting Regulations**”) that shall regulate the calling of any Meeting of the Members, the conduct of any Meeting of the Members and voting for directors of the Board and Nominators of the Nominating Committee, as well as voting for all other matters before the Meeting of the Members, shall be adopted by the Board in accordance with these Articles and applicable law. The Executive Director shall ensure that all Meetings of the Members are conducted in accordance with these Articles, the Meeting Regulations and applicable law, and in particular shall ensure objectivity and transparency in voting procedures, subject to Article 25.

## **Board of Directors**

### Article 27

The Board shall be the executive institution of the Chamber that shall manage the activities of the Chamber. The Board shall consist of nine directors, composed of:

- a) eight persons elected by the Meeting of the Members, in accordance with Articles 20, 28, 30, 32 and 33 (hereinafter referred to as the “**Elected Directors**”); and
- b) the Executive Director of the Chamber, appointed by the Board and serving in accordance with Articles 29, 34 and 49 (hereinafter referred to as the “**Executive Director**”).

## **Qualifications to serve on the Board**

### Article 28

A candidate for election to the Board as an Elected Director must be a physical person that is an employee or a representative of a legal person that is a Member (hereinafter referred to as a “**Member Representative**”), or must otherwise be a physical person that is a Member. At least six of the Elected Directors of the Board shall be Member Representatives of Corporate Contributing, Corporate or Small Business Members. Up to two persons – either physical persons that are Members, or Member Representatives of Non-Profit Members – may serve as Elected Members of the Board at any one time. Only Members in good standing (or their Member Representatives) are eligible for election to the Board as Elected Directors.

### Article 29

The Executive Director, appointed by the Board in accordance with Article 49, shall serve as a director of the Board only during the term of his/her employment by the Chamber.

### Article 30

If an Elected Director of the Board that is a Member Representative of a Member loses such status as Member Representative, then such person – in order to continue to serve on the Board as an Elected Director – shall within ninety days obtain the status of Member Representative of another Member of the Chamber in good standing, or such person shall otherwise become eligible to serve as an Elected Director of the Board, taking into account the limitations provided in Article 28.

### Article 31

Elected Directors of the Board shall serve without compensation. The Executive Director shall be compensated by the Chamber in accordance with his/her employment agreement.

## **Election of the Board**

### Article 32

The Elected Directors of the Board shall be elected by the Meeting of the Members at the Annual Meeting, in accordance with Articles 20, 28 and 33. Each Elected Director shall be elected for a two-year term. Election of the Elected Directors of the Board shall be staggered, such that only four of the eight Elected Director positions are elected at each Annual Meeting.

#### Article 33

A person may be elected as an Elected Director for three consecutive two-year terms, after which continuous six-year period such person shall for one year not be eligible to be elected as an Elected Director.

### **Resignations from the Board and Nominating Committee**

#### Article 34

Any Elected Director or Nominator has the right to resign from its position at any time, by submission of a written notice to the Board. In the event that a resignation of an Elected Director results in a vacancy on the Board, arising at a time other than the Annual Meeting, such Board director vacancy shall be filled by the Nominating Committee. The Executive Director shall resign from the Board concurrently with the termination of his/her employment agreement.

### **Representation Rights of the Board**

#### Article 35

The directors of the Board shall be entitled to represent the Board as follows:

- a) the Chairman of the Board – individually;
- b) the other directors of the Board – jointly together with any one of the other directors of the Board, except for the Chairman of the Board.

### **Nominating Committee**

#### Article 36

The Nominating Committee shall consist of nine physical persons (hereinafter referred to as the “**Nominators**”). The sole competence of the Nominating Committee is set out in Article 34.

### **Qualifications of the Nominating Committee**

#### Article 37

A candidate for election to the Nominating Committee as a Nominator must be a Member Representative, or otherwise must be a physical person that is a Member. At least six of the Nominators elected to the Nominating Committee shall be Member Representatives of Corporate Contributing, Corporate or Small Business Members. Up to two other persons – either physical persons that are Members, or Member Representatives of Non-Profit Members – may serve as Nominators at any one time. Only Members in good standing (or their Member Representatives) are eligible for election to the Nominating Committee as Nominators. The Executive Director is also eligible to be elected to the Nominating Committee.

## **Election of the Nominating Committee**

### **Article 38**

The Nominating Committee shall be elected by the Meeting of the Members at the Annual Meeting. Each Nominator of the Nominating Committee shall be elected for a one-year term.

## **Meetings and Decisions of the Board**

### **Article 39**

The Board shall hold a regular meeting at least four times per year. Extraordinary meetings of the Board may be held as necessary in the interests of the Chamber.

### **Article 40**

The Board shall have the right to adopt decisions outside of physical meetings by means of electronic communications.

### **Article 41**

Two thirds of the directors of the Board, present or represented by proxy (or acting by means of electronic communications), shall constitute a quorum to hold any Board meeting or take any Board decision.

### **Article 42**

All decisions of the Board shall be taken by majority vote of those Board directors present or represented at the respective Board meeting (or acting by means of electronic communications), except as otherwise stated in these Articles or by applicable law.

## **Meetings and Decisions of the Nominating Committee**

### **Article 43**

The Nominating Committee shall meet as necessary in accordance with Articles 34 and 36.

### **Article 44**

The Nominating Committee shall have the right to adopt decisions outside of physical meetings by means of electronic communications.

### **Article 45**

A majority of the Nominators of the Nominating Committee, present or represented by proxy (or acting by means of electronic communications), shall constitute a quorum to hold any Nominating Committee meeting or take any Nominating Committee decision.

### **Article 46**

All decisions of the Nominating Committee shall be taken by majority vote of those Nominators present or represented at the respective Nominating Committee meeting (or acting by means of electronic communications), except as otherwise stated in these Articles or by applicable law.

## **Board Officers**

### Article 47

The Board shall elect the Chairman of the Board from the Elected Directors of the Board, and this person shall concurrently be elected to the position of the President of the Chamber. In consultation with the President of the Chamber, the Board shall also elect one or more Vice-Presidents from the Elected Directors of the Board.

### Article 48

The Ambassador of the United States of America to the Republic of Latvia may be elected as Honorary Chairman of the Chamber, upon nomination by any Member in good standing, and approval by the Board.

### Article 49

The Board shall appoint an Executive Director, who shall enter into an employment agreement with the Chamber. Such Executive Director shall concurrently with his/her employment term serve as a director of the Board. The Board may appoint other officers and employees as advisable or desirable in the interests of the Chamber.

### Article 50

The President, Vice-President(s), Executive Director and other officers or employees of the Chamber shall represent the Chamber and organize the day-to-day activities of the Chamber within the scope determined by the Board, these Articles and applicable law. The Board may decide on the formation of committees and working groups as necessary, to which specific tasks may be delegated in accordance with the instructions of the Board.

## **Financial Matters**

### Article 51

The fiscal year of the Chamber shall be the twelve month period beginning on 1 January and ending on 31 December.

### Article 52

The income of the Chamber shall consist of the following:

- a) annual membership dues;
- b) fees for events and services provided by the Chamber;
- c) sponsorship, donations and gifts; and
- d) other income as permitted by applicable law.

### Article 53

Annual membership dues shall be paid one year in advance. No annual membership dues will be assessed for an Honorary Member, however, the Honorary Member will be responsible for applicable fees for Chamber events and services.

### Article 54

The assets of the Chamber shall be utilized by the Board in accordance with the decisions of the Meeting of the Members, these Articles and applicable law.

## **Audit**

### Article 55

Audit of the financial and economic activities of the Chamber shall be performed by an auditor, appointed at each Annual Meeting for a term of one year. The auditor of the Chamber shall not be represented on the Board or the Nominating Committee.

### Article 56

The auditor shall:

- a) perform an audit of the assets and financial resources of the Chamber;
- b) give an opinion on the budget and annual accounts of the Chamber;
- c) assess the work of the accounting and recordkeeping of the Chamber;
- d) if necessary, make recommendations regarding improvement of the financial and economic activities of the Chamber; and
- e) perform the audit within the term specified by the Board.

## **Termination of Membership**

### Article 57

Each Member shall have the right to at any time resign from the Chamber, by submitting a written notice to the Board. Membership dues paid prior to resignation shall not be refundable.

### Article 58

The Board may expel any Member of the Chamber, if such action shall be considered necessary in view of the Mission and Values and in protection of the good reputation of the Chamber, by majority vote of those Board directors present or represented at the respective Board meeting (or acting by means of electronic communications).

### Article 59

The Board shall not expel any Member of the Chamber until such Member shall have been given reasonable opportunity to offer a written defense for its continued membership.



Arnis Brian Kakulis  
Chairman of the Board of Directors

These Articles are approved by the Annual Meeting of the Members of the Chamber, in Riga, on 3 March 2016.