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| **APPROVED**  by the Decision of the General Meeting of Founders  (Minutes of Meeting No. 1, dated April 26, 2021) |
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| **CHARTER**  **OF**  **ASSOCIATION**  **OF CONSUMER HEALTH INDUSTRY** |

Moscow, 2021

1. GENERAL

**The Association of Consumer Health Industry** (hereinafter: the “**Association**”) shall be a legal entity incorporated by the decision of founders and validly existing under the Constitution of the Russian Federation, Civil Code of the Russian Federation, Federal Law No. 7-FZ “On Non-Profit Organizations”, dated 12.01.1996 (as amended from time to time), other applicable laws of the Russian Federation and this Charter.

1. NAME AND LOCATION OF THE ASSOCIATION
   1. The full name of the Association shall be:
      1. in Russian:

*Ассоциация индустрии товаров для здоровья*;

* + 1. in English:

*Association of Consumer Health Industry*.

* 1. The abbreviated name of the Association shall be:
     1. in Russian:

*АИТЗ*;

* + 1. in English:

*ACHI*.

* 1. The location of the Association shall be Moscow, Russian Federation.

1. Legal status of the association
   1. The Association shall be a corporate non-profit organization, an association of legal entities based on voluntary membership, which is incorporated to represent and protect general and professional interests as well as meet socially useful purposes in the area of production control and/or circulation of health products.
   2. The Association shall be incorporated in perpetuity.
   3. The Association shall be founded by the parties that have decided to set up the Association (hereinafter: “**Founders**”).
   4. The Association shall own its assets.
   5. The Association shall have civil rights and shall incur civil liabilities, which correspond with the purposes of incorporation and activities of the Association, as set forth in this Charter.
   6. The Association shall own independent assets and shall be liable (except as otherwise required by the laws of the Russian Federation) for its obligations to the extent of these assets, may acquire and exercise property and non-property rights in its own name, incur liabilities, sue and be sued.
   7. The Association shall have its own balance sheet.
   8. The Association shall have a seal with its full name in Russian, may have stamps and letterheads. The Association shall have an emblem (logo) representing a combination of heart, human and handshake images as an element of cooperation in red, green and blue colors.
   9. The corporate capacity of the Association shall occur from the date of making an incorporation entry in the Unified State Register of Legal Entities and shall be terminated on the date of making a termination entry in this register.
   10. The Association shall maintain accounting records and shall provide financial statements in the manner prescribed by the laws of the Russian Federation.
   11. The Association shall ensure the storage of constituent documents, accounting and tax records and reports, filing and safekeeping of staff documents and other instruments, as and when provided by the applicable laws of the Russian Federation.
2. SEPARATE SUBDIVISIONS OF THE ASSOCIATION
   1. The Association may establish subsidiaries and open offices in the Russian Federation according to the laws of the Russian Federation as well as in member states of the Eurasian Economic Union (EAEU).
   2. The subsidiaries and offices of the Association shall not constitute legal entities, shall be vested with Association assets and shall act on behalf of the Association based on the provisions approved by the Association. The responsibility for the activities of Association subsidiaries and offices shall rest with the Association.
   3. The Association subsidiaries located outside the registered address of the Association shall perform, in full or in part, the functions of the Association, including the representation function.
   4. The Association offices located outside the registered address of the Association shall represent and protect the Association’s interests.
   5. The subsidiary or office assets shall be recognized on a separate balance sheet and on the balance sheet of the Association.
   6. The subsidiary and office heads shall be nominated by the Association and shall act by virtue of the power of attorney granted by the Association.
   7. The subsidiaries and offices shall be specified in the Unified State Register of Legal Entities.
3. Purposes and types (scope) of association activities
   1. The purposes of Association activities shall be the representation and protection of general and professional interests for meeting socially useful purposes in the area of production control and/or circulation of health products, which includes:
      1. promoting the harmonization and alignment of requirements for the quality, efficiency and safety of health products in accordance with best global practices;
      2. cooperation and exchange of information on the regulation of health products with government authorities, Russian and international scientific and other professional organizations;
      3. establishing a constructive and systematic dialogue with government authorities at all levels as well as industry and expert communities;
      4. fostering an enabling environment for Association members to implement their activities in the Russian Federation and member states of the Eurasian Economic Union (EAEU);
      5. professional consolidation, harmonization, strengthening and development of professional relations between specialists involved in the production control and circulation of health products;
      6. creating the conditions for developing self-control principles in the area of production and circulation of health products;
      7. encouraging fair competition in the area of production and circulation of health products;
      8. establishing and maintaining equal conditions and requirements for all market participants in the area of production and circulation of health products;
      9. representing the legal interests and facilitating the protection of professional rights of Association members and
      10. organizing and rendering legal, informational and other support to Association members.
   2. The types (scope) of Association activities shall be:
      1. dissemination of information about its activities;
      2. representing and protecting its rights, legal interests of its members in central and local authorities and public associations;
      3. launching the initiatives on different issues in accordance with purposes and areas of Association activities;
      4. cooperation with public (municipal) authorities, institutions, businesses, international governmental and non-governmental agencies, profit and non-profit organizations and other entities in pursuit of statutory purposes of the Association;
      5. organizing and conducting conferences, workshops, roundtables, trainings, debates and other similar events to promote and discuss the aspects of production and control of health products;
      6. organizing and conducting the fundamental and applied research as well as developments in the area of production control and circulation of health products;
      7. promoting scientific and technological advance, informing specialists in production control and circulation of health products at all levels about new technologies, international and national regulatory documents and practices in the area of production control and circulation of health products;
      8. contributing to the educational system improvement, participating in the upskilling of specialists in production control and circulation of health products, enhancement and broadening of their special expertise, organizing the sharing of experiences;
      9. organizing the interregional, all-Russian and international scientific exchange;
      10. rendering informational, consultative and organizational assistance to Association members;
      11. informational activities in electronic and print media and informational networks in the manner defined by the laws of the Russian Federation;
      12. performance of publishing and printing activities, including the publication, development and preparation of book layouts, brochures, booklets, audit and video products for information support and implementation of Association projects, programs and events, publication and sale of books, albums, posters, banners, engravings, postcards and other titles in pursuit of statutory purposes of the Association;
      13. opinion polling activities, including participation in organizing and conducting sociological studies to survey the opinion on statutory activities, as well as statistical analysis of received information and
      14. conducting research as part of statutory activities of the Association.
   3. The Association shall have all the rights vested in the non-profit organization by the laws of the Russian Federation, in particular the Association may:
      1. raise the funds of concerned citizens and legal entities on a voluntary basis to meet the statutory purposes of the Association;
      2. hold events to obtain the resources and make other arrangements intended for the securing, effective use and disposal of assets to perform the statutory activities of the Association;
      3. hire individuals and legal entities on a fee basis under civil law contracts and pay for the services and works of such third parties;
      4. create the protected intellectual property and equivalent identifications, acquire and alienate the rights thereto, provide the rights to their use, whether for consideration or free of charge;
      5. manage other events aimed at disseminating and receiving information and sharing experiences, which are needed for the activities of the Association, or take part in them;
      6. acquire property rights in its own name and incur liabilities, enter into contracts and other transactions with legal entities and individuals under and according to the procedure stipulated by the laws of the Russian Federation;
      7. control the designated use of donated funds and/or other assets;
      8. develop and implement programs and projects;
      9. hire Russian and foreign specialists, individually define the forms, systems, amounts and types of compensation for their labor;
      10. establish and give prizes, awards, honors, scholarships, etc. on behalf of the Association;
      11. open and close bank accounts in the Russian Federation and abroad, except as otherwise required by the federal law;
      12. cooperate with mass media, including web resources, as well as network and other online users;
      13. contribute to the promotion of its activities;
      14. incorporate and/or participate in business entities;
      15. create own databases, libraries and video collections, including in form of web resources, and
      16. conduct foreign economic activities in accordance with applicable laws of the Russian Federation.
   4. The Association may perform separate types of activities whose list is defined by corresponding federal laws only on the basis of special permits (licenses).
   5. The Association may conduct business and other income-generating activities only insofar as this serves the purposes for which it has been incorporated and corresponds with statutory purposes. Such activities shall include income-generating production of goods and provision of services, which meet the purposes of Association incorporation, as well as purchase and sale of securities, property and non-property rights, participation in business entities and limited partnerships as a depositor.
4. admission procedure
   1. The Association shall be open for new members. The Association can be joined by legal entities that share the purposes and principles of the Association, meet the requirements of the Charter and the Regulation on Admission to and Exclusion from the Association (hereinafter: the “**Membership Regulation**”).
   2. The Founders shall become the Association members from the date of state registration of the Association in the statutory manner. Further on, the admission procedure and requirements for new members shall be governed by the Charter and the Membership Regulation as well as other internal documents of the Association.
   3. To join the Association, the candidate shall submit an application for admission to the Association to the Executive Director on the form prescribed by the Membership Regulation. The application must contain an unconditional consent with purposes and principles of the Association. The requirements for other documents attached to the application by the candidate to the Association shall be specified in the Membership Regulation.
   4. The Executive Director shall review the candidate’s application for admission to the Association and shall check whether the candidate to the Association meets the requirements for candidates to the Association specified in this Charter and the Membership Regulation, as and when required by the Membership Regulation. Following the review of these documents, the Executive Director shall send a conclusion to the General Meeting whether the candidate meets the requirements for Association members established by the internal documents of the Association.
   5. The Association membership shall be perpetual. The decision on admission to and exclusion from the Association shall be taken by the General Meeting.
   6. The decision to admit a candidate to the Association must be taken by the General Meeting within 90 (ninety) calendar days from the date of receipt of the candidate’s application for admission and all documents provided for by the Membership Regulation. The General Meeting may refuse to admit the candidate to the Association without indication of reason.
   7. When admitting a new Association member to the Association, the Executive Director and General Meeting members may request additional information from the candidate to the Association. The candidate shall be considered to have been admitted to the Association when the General Meeting takes a corresponding decision to admit the candidate to the Association. The Association membership shall be documented by the Association membership certificate.
   8. The Association members may at any time terminate their membership and voluntarily leave the Association by submitting a withdrawal application to the Executive Director, who shall inform the General Meeting of Association members of the application received.
   9. The Association member can be excluded from the Association by the decision of the General Meeting in the following cases:
      1. the Association member does not meet the purposes and principles of the Association;
      2. the Association member has grossly violated the Charter, the Membership Regulation and other internal documents of the Association multiple times (more than twice);
      3. the Association member has not executed the decisions of governing bodies of the Association or obligations of the Association member multiple times (more than twice);
      4. the Association member has defaulted payment of any membership fee by more than 45 (forty-five) days;
      5. the Association member has taken actions tarnishing the Association;
      6. the Association member may not belong to a non-profit organization according to the laws of the Russian Federation;
      7. in other cases stipulated by the Regulation on Admission to and Exclusion from the Association.
   10. Within 3 (three) business days from the date of the General Meeting’s decision to exclude a party from the Association, information on such decision shall be forwarded to the party whose membership in the Association has been terminated by email, fax, post and/or personal courier delivery.
   11. The Executive Director shall keep the register of Association members. The register of Association members shall include information on the Association member provided by it in the application and/or in accordance with the Membership Regulation. If the Association member is excluded or withdrawn from the Association, its information contained in the register of Association members shall be deleted.
5. TERMS OF payment of membership fees and OTHER CONTRIBUTIONS
   1. The Association members must pay admission charges, annual membership fees and additional asset contributions.
   2. The admission membership fee shall be an obligatory one-time charge paid by the candidate to the Association due to admission to the Association after a corresponding decision has been taken by the General Meeting.
   3. The annual membership fees shall be obligatory yearly charges for all Association members.
   4. The additional asset contributions shall be obligatory one-time charges, which shall be paid only if the General Meeting takes a decision on the payment of such contributions by Association members.
   5. The Association members may also at their own discretion pay voluntary additional asset contributions. The amount of such contributions and method of payment shall be defined by the Association member at its own discretion considering the provisions of the Contribution Regulation (as defined below).
   6. The amount, method and terms of payment of admission charges, annual membership fees and additional asset contributions by the candidates to the Association and Association members shall be established by the Regulation on the Amount and Ways of Payment of Membership Fees (hereinafter: the “**Contribution Regulation**”). The Contribution Regulation shall be approved by the General Meeting.
   7. Admission charges, annual membership fees and additional asset contributions paid by candidates to the Association and/or Association members shall be owned by the Association. In case of withdrawal or exclusion from the Association the departing Association member shall not be entitled to receive any Association assets, including the return of admission charges, annual membership fees and additional asset contributions paid by this Association member.
6. RIGHTS and obligations of association members
   1. The Founders and all other members of the Association, regardless of the date of their admission to the Association, shall have equal rights and obligations.
   2. The Association member may:
      1. participate in the Association activities in the manner prescribed by the Charter, internal documents of the Association and decisions of governing bodies of the Association;
      2. request that the General Meeting and the Board of Directors be convened in the manner prescribed by the Charter;
      3. participate in the General Meeting with a right to vote on all matters of its competence;
      4. propose items for inclusion in the agenda of sessions of the General Meeting and other governing bodies of the Association in the manner prescribed by the Charter;
      5. receive information on the Association activities, familiarize itself with accounting data and other documents of the Association;
      6. contact the governing bodies of the Association regarding all issues related to the Association activities in accordance with its competence, including the submission of proposals to modernize the Association activities;
      7. request information on the performance of General Meeting decisions from the governing bodies of the Association;
      8. receive the consultative, methodological, legal and other assistance from the Association free of charge as part of Association activities;
      9. at any time in its own discretion leave the Association without consent of other Association members and
      10. exercise other rights provided for by the laws of the Russian Federation, Charter and other internal documents of the Association.
   3. The Association member must:
      1. comply with the requirements of the Charter and other internal documents of the Association;
      2. execute the decisions of governing bodies of the Association;
      3. maintain the confidentiality of information on the Association activities;
      4. pay membership fees and other additional contributions;
      5. provide active assistance to the Association in performing its activities;
      6. not take actions damaging the Association and/or tarnishing the Association and/or its governing bodies and/or its members;
      7. inform the Association of changes in its contact details in due time and
      8. perform other obligations provided for by the laws of the Russian Federation, Charter and other internal documents of the Association.
7. liability of the association and its members
   1. The Association shall be liable for its obligations to the extent of all its assets. The Association shall not be liable for the obligations of its members.
   2. The Association members shall not be liable for its obligations, including subsidiary liability for the obligations of the Association.
8. governing bodies of the association
   1. The governing bodies of the Association shall be:
      1. the General Meeting of Association members (hereinafter: the “**General Meeting**”);
      2. the collective executive body of the Association (hereinafter: the “**Board of Directors**” or “**Board**”) and
      3. the sole executive body of the Association (hereinafter: the “**Executive Director**”).
9. GENERAL MEETING
   1. The General Meeting shall be the highest governing body of the Association and shall consist of all Association members.
   2. The competence and authorities of the General Meeting shall be defined within the limits prescribed by the applicable laws of the Russian Federation and this Charter.
   3. The competence of the General Meeting shall include:
      1. determining the focal areas of Association activities, principles of formation and use of its assets;
      2. approving and changing the Association Charter;
      3. defining the procedure for admission to and exclusion from the Association, admission of candidates to and exclusion of members from the Association as well as approving and/or changing the Membership Regulation;
      4. determining the size of the Association’s Board of Directors, electing its members and early termination of their authorities as well as approving and/or changing the Board Regulation (rules);
      5. appointing the Executive Director of the Association, prolongation and termination of his/her authorities, approving the terms and conditions of an employment contract with him/her based on the recommendations of the Board of Directors as well as formation of other Association bodies, prolongation and early termination of their authorities;
      6. approving a person temporarily acting as the Executive Director for the period of absence of the incumbent Executive Director on any ground if the period of such absence is more than 1 (one) month;
      7. decision-making on the Association’s incorporation of and participation in other legal entities, the Association’s establishment of subsidiaries and opening of Association offices;
      8. decision-making on the Association liquidation as well as nomination of the liquidation committee (liquidator) and approval of liquidation balance sheet;
      9. decision-making on the Association reorganization;
      10. decision-making on changing the amount of membership fees, the procedure for determining the amount of membership fees and/or method of payment of membership fees based on the recommendations of the Board of Directors, decision-making on additional asset contributions made by the Association members to its property as well as approving and/or changing the Contribution Regulation;
      11. approving the audit organization or individual auditor of the Association as well as selecting the audit committee (auditor) and
      12. other matters attributed by the laws of the Russian Federation to the competence of the highest governing body of the Association.
   4. The authorities specified in sections 11.3.1 – 11.3.12 of this Charter shall fall within the exclusive competence of the General Meeting. The decisions on the matters coming under the exclusive competence shall be taken as follows:
      1. decisions on the matters listed in sections 11.3.2 and 11.3.8 of this Charter shall be taken unanimously by all Association members;
      2. decisions on other matters attributed by this Charter and/or applicable laws of the Russian Federation to the competence of the General Meeting shall be taken by no less than 75% of votes of all Association members, unless a larger number of votes is required by the applicable laws of the Russian Federation to adopt the specified decision.
   5. The General Meeting shall take place at the registered address of the Association or in another location determined by the decision of the General Meeting. The General Meeting shall be held in Russian. All notifications, minutes and other documents associated with the preparation, convening and organization of the General Meeting must be prepared in Russian.
   6. The General Meeting sessions shall take place whenever necessary, but at least once a year. The General Meeting can be convened by the Executive Director or Board Chair at his/her own initiative as well as upon request of any Board member or more than 25 (twenty-five) percent of Association members.
   7. When addressing the issues at the General Meeting, each Association member has 1 (one) vote. One Association member cannot transfer a vote to another Association member.
   8. Board members and the Executive Director of the Association may attend the General Meeting sessions in an advisory capacity. For the avoidance of doubt, Board members and the Executive Director of the Association have no voting rights, including casting vote rights, at the General Meeting sessions.
   9. The General Meeting shall take decisions within its competence by:
      1. joint attendance of General Meeting members to discuss and address agenda items;
      2. absentee voting (without holding a meeting by joint attendance of General Meeting members to discuss and address agenda items (via polling)). Such voting can be conducted through exchange of documents by post, telegraph, teletype, phone, email or other communications, which ensure the authenticity and documentation of messages transferred and received.
   10. The body or persons convening the General Meeting shall, at least 15 (fifteen) calendar days before the date of the General Meeting, notify each Association member thereof using one of the following ways in their own discretion (registered letter, express delivery, courier or email) at the addresses communicated by the Association member. The notification must include the time and place of the General Meeting as well as anticipated agenda.
   11. Any Association member may submit proposals to include additional items in the General Meeting agenda at least 7 (seven) calendar days before the date thereof. The body or persons convening the General Meeting may not change the wordings of additional items proposed for inclusion in the General Meeting agenda.
   12. If the initial agenda of the General Meeting is changed on the proposal of the Association member, the body or persons convening the General Meeting shall, at least 3 (three) calendar days before the date thereof, inform all Association members of changes introduced to the agenda in the manner specified in section 11.10 of this Charter.
   13. The General Meeting shall open at the time stated in the General Meeting notification or, if all Association members are already registered, earlier.
   14. The General Meeting shall be opened by the Board Chair. The General Meeting convened by the Executive Director, Board member or Association member shall be opened by the Executive Director, Board member or one of Association members who has convened this General Meeting.
   15. The person opening the General Meeting shall elect the chair and secretary of the General Meeting from Association members. When voting to elect the chair and secretary of the General Meeting, each General Meeting participant has 1 (one) vote, whereas a decision on the specified item shall be taken by a majority vote of all Association members entitled to vote at this General Meeting.
   16. The chair of the General Meeting shall read out and speak on agenda items, call on the Association members and other persons invited to the meeting to speak on agenda items, organize the voting and vote counting, close the meeting and take other actions provided for by the internal documents of the Association.
   17. The decisions of the General Meeting shall be taken by a show of hands.
   18. Minutes shall be kept during the General Meeting sessions and signed by the chair and elected secretary of the General Meeting session.
   19. The decision taken by the General Meeting and composition of members present during its adoption shall be confirmed through signature of the General Meeting minutes by the chair and secretary of the General Meeting.
   20. Not later than 3 (three) business days after preparing the General Meeting minutes the Board Chair or another person keeping the specified minutes must send a copy of the General Meeting minutes to all Association members in the manner required for General Meeting notification.
   21. The procedure for holding the General Meeting sessions as well as other aspects of General Meeting activities not governed by this Charter can be additionally managed by the General Meeting Regulation (rules) approved at the General Meeting.
10. board of directors
    1. The Board of Directors shall be a permanent collective executive body of the Association.
    2. The competence and authorities of the Board of Directors shall be defined within the limits prescribed by the applicable laws of the Russian Federation and this Charter.
    3. The Board of Directors shall provide overall guidance to the Association activities, excluding the matters attributed to the General Meeting competence.
    4. The competence of the Board of Directors shall include:
       1. approving and changing a budget, financial and/or business plan of the Association;
       2. approving the annual reports and accounting (financial) statements of the Association;
       3. approving the provisions on the subsidiaries, offices and other separate subdivisions of the Association as well as decision-making to appoint the heads of subsidiaries, offices and other separate subdivisions of the Association;
       4. defining the current tasks of the Association, creating commissions, work groups and other structural divisions and units of the Association, approving the provisions thereof, appointing their heads, approving the activity plans, monitoring their work;
       5. approving the provisions on the awards and prizes of the Association as well as giving prizes, awards, honors, scholarships and other such incentives on behalf of the Association;
       6. advising the General Meeting on the decisions taken by the General Meeting to change the amount of membership fees and procedure for defining the amount and/or method of payment of membership fees;
       7. advising the General Meeting on the decisions taken by the General Meeting to appoint a candidate as the Executive Director of the Association, prolong and terminate his/her authorities, approve the terms and conditions of an employment contract with him/her;
       8. approving the internal documents, which govern the litigation procedure of the Association;
       9. decision-making on the conclusion of loan agreements, credit contracts and other arrangements to receive (provide) financing in any amount;
       10. decision-making on the Association’s conclusion of agreements to secure the obligations of the Association and/or third parties (including pledge, surety, independent guarantee, earnest payment, security deposit, etc.);
       11. decision-making on the consummation of transactions or several related transactions in the amount exceeding 100,000 EUR or a corresponding equivalent in any other currency according to the official exchange rate set by the Bank of Russia on the date of consummation of a corresponding transaction;
       12. decision-making on the consummation of transactions associated with the divestment, purchase or encumbrance (including leasing, mortgage) of land plots, buildings and structures as well as other immovables regardless of the amount of such transactions;
       13. approving any transactions made by the Executive Director of the Association, which are not covered by the budget, financial and/or business plan of the Association;
       14. prior approval of any transactions with affiliates of any of the following persons: Executive Director of the Association, Association member and/or Board member;
       15. approving the Executive Director’s grant of powers of attorney to third parties to make transactions, which require the prior approval of the Board of Directors in accordance with this Charter;
       16. accepting (approving) the documents that govern the internal activities of the Association, excluding the documents which require the approval of the General Meeting in accordance with this Charter and applicable laws of the Russian Federation;
       17. other matters attributed by this Charter to the competence of the Board of Directors.
    5. The Board of Directors shall have legal capacity (quorum) if it is attended by more than a half of all Board members.
    6. The authorities specified in sections 12.4.1 – 12.4.17 of this Charter shall fall within the exclusive competence of the Board of Directors. The decisions on the matters coming under the competence of the Board of Directors shall be taken as follows:
       1. decisions on the matters listed in sections 12.4.1 – 12.4.16 of this Charter shall be taken by no less than 75% of votes of Board members present at a corresponding Board meeting, however, when deciding on the matter specified in section 12.4.14 of this Charter a vote of the Board member, whose affiliate enters into a transaction, shall not be counted during the calculation of voting results;
       2. decisions on other matters shall be taken by a simple majority vote of Board members present at a corresponding Board meeting, unless a larger number of votes is required by this Charter and/or applicable laws of the Russian Federation to adopt the specified decision.
    7. The Board can be joined only by natural persons. Board members shall be elected by the decision of the General Meeting for 2 (two) years. Board members can be reelected to the Board any number of times (including successive reelection). Each candidate to the Board shall be assessed separately and shall be deemed elected to the Board after receiving a majority vote at the General Meeting.
    8. The number of Board members shall be established by the decision of the General Meeting and must always include no less than 4 (four) members and no more than:
       1. 4 (four) members if the total number of Association members is less than 10 (ten);
       2. 5 (five) members if the total number of Association members is no less than 10 (ten) and no more than 20 (twenty);
       3. 6 (six) members if the total number of Association members is no less than 20 (twenty) and no more than 30 (thirty);
       4. 7 (seven) members if the total number of Association members is no less than 30 (thirty) and no more than 40 (forty) and
       5. 8 (eight) members if the total number of Association members is 40 (forty) and more.
    9. The authorities of any Board member can be early terminated at any time on his/her own initiative or by the decision of the General Meeting and shall be considered terminated if the Board member is deceased or declared to be deceased or missing. If the number of Board members minus the departing ones becomes less than 4 (four), the remaining Board members may not decide on the matters of Board competence until the General Meeting takes a decision to elect new members to the Board of Directors.
    10. Remuneration shall not be paid to Board members during the performance of their duties, whereas the costs related to the performance of their functions as Board members can be reimbursed in the amount of actually incurred and documented reasonable expenses by the decision of the General Meeting.
    11. The work of the Board of Directors shall be managed by the Board Chair, which shall be elected from Board members for 1 (one) year by a majority vote of Board members present at the Board meeting. Board members shall ensure the election of the Board Chair on a rotational basis. The Board member elected as the Board Chair may not be elected as the Board Chair for a new term after the expiration of his/her authorities until all Board members are elected as the Board Chair.
    12. In case of the Board Chair’s absence for any reason or early termination of his/her authorities without election of a new Board Chair his/her functions shall be performed by the Deputy Board Chair elected together with the Board Chair for 1 (one) year by a majority vote of Board members present at a corresponding meeting. References to the Board Chair in this Charter, excluding the provisions of this section 12.12, shall also apply to the Deputy Board Chair if the Board Chair is unavailable at any given time. The Board member elected as the Deputy Board Chair may not be elected as the Deputy Board Chair for a new term after the expiration of his/her authorities until all Board members are elected as the Deputy Board Chair.
    13. The Executive Director of the Association may not be the Board Chair.
    14. The Board Chair shall report to the General Meeting and the Board of Directors.
    15. When addressing the issues at the Board meeting, each Board member has 1 (one) vote. One Board member cannot transfer a vote to another Board member. In the event of a tie vote at the Board meeting, the Board Chair shall have a casting vote.
    16. The Board meetings shall take place at the registered address of the Association or in another location determined by the decision of the Board of Directors. The Board meetings shall be held in Russian. All notifications, minutes and other documents associated with the preparation, convening and organization of Board meetings must be prepared in Russian.
    17. The Board meetings shall take place whenever necessary, but at least once a quarter. The Board meetings can be convened by the Board Chair on his/her own initiative as well as upon request of any Board member.
    18. The Board shall take decisions within its competence by:
        1. joint attendance of Board members to discuss and address agenda items (in particular by way of videoconferencing (via videoconference) and using other information and communication technologies and technical communications, which make it possible to ensure the remote participation of Board members in the meeting, discussion of agenda items and decision-making on the issues put to vote without presence at the location of the Board meeting and identify the actual participation and declaration of intent of a Board member in real time). The participation of Board members with the use of technical communications shall be documented in the minutes of Board meeting;
        2. absentee voting (without holding a meeting by joint attendance of Board members to discuss and address agenda items (via polling)). Such voting can be conducted through exchange of documents by post, telegraph, teletype, phone, email or other communications, which ensure the authenticity and documentation of messages transferred and received.
    19. The Board decisions shall be documented in the minutes. The Board minutes must contain information required by the applicable laws of the Russian Federation. The Board minutes shall be prepared and signed by the Board Chair and secretary and sent to Board members not later than 7 (seven) calendar days from the date of Board meeting.
    20. The procedure for holding the Board meetings as well as other aspects of Board activities not governed by this Charter can be additionally managed by the Board Regulation (rules) approved at the General Meeting.
11. EXECUTIVE DIRECTOR
    1. The Executive Director shall be a sole executive body of the Association.
    2. The competence and authorities of the Executive Director shall be defined within the limits prescribed by the applicable laws of the Russian Federation and this Charter.
    3. The method of operation and decision-making of the Executive Director shall be established by the applicable laws of the Russian Federation, this Charter, internal documents of the Association and a contract signed by the Association with the Executive Director.
    4. The competence of the Executive Director shall include all aspects of management of current Association activities, excluding the matters attributed to the exclusive competence of the General Meeting and the Board of Directors.
    5. The Executive Director of the Association shall report to the General Meeting and the Board of Directors.
    6. The Executive Director must provide to the General Meeting and the Board of Directors upon request thereof all information on the activities of the Association managed by the Executive Director.
    7. Any natural person who has been elected in accordance with the Charter and has signed an employment contract with the Association can become the Executive Director. A person acting as the Executive Director of the Association cannot combine positions in the governing bodies of other organizations without prior consent of the Board of Directors.
    8. During the foundation of the Association the Executive Director shall be elected by the Founders. Afterwards the Executive Director shall be elected by the General Meeting. The term of office shall be 2 (two) years. The Executive Director can be reelected any number of times (including successive reelection).
    9. An employment contract with the Executive Director shall be signed on behalf of the Association by the Board Chair or another Board member authorized to do so by a corresponding decision of the General Meeting.
    10. The General Meeting may at any time decide on the early termination of authorities of the Executive Director and election of a new Executive Director of the Association.
    11. The Executive Director of the Association shall:
        1. act without power of attorney on behalf of the Association, represent it in all institutions, organizations and businesses in the Russian Federation and abroad, represent the Association in courts, make transactions, conclude, amend and terminate contracts in the name and on behalf of the Association, grant the powers of attorney on behalf of the Association (with due regard to limitations established by this Charter), issue orders and give instructions binding upon all Association employees in accordance with General Meeting and Board decisions;
        2. represent the interests of the Association without power of attorney and act on its behalf in relations with profit and non-profit organizations, business entities and other third parties;
        3. ensure the fulfillment of General Meeting and Board decisions;
        4. dispose of Association assets and funds in accordance with approved budget, financial and/or business plan of the Association, General Meeting and/or Board decisions;
        5. annually submit financial statements to the competent authority and post them in the information and telecommunication network Internet (provide to mass media for publication) to the extent and within the time limits required by the laws of the Russian Federation;
        6. maintain international relations;
        7. select the Association employees, conclude, amend and terminate employment contracts with the Association employees;
        8. develop the materials, projects and proposals on the issues put to vote at the General Meeting and/or Board of Directors, submit an annual report and accounting (financial) statements of the Association to the Board of Directors for approval;
        9. organize the maintenance of accounting records and storage of accounting documents of the Association;
        10. open the settlement, currency and other accounts in the banks;
        11. address other aspects of current Association activities in accordance with requirements of this Charter and applicable laws of the Russian Federation.
    12. Decisions on the matters attributed to the competence of the Executive Director shall be taken by the Executive Director and documented in writing.
    13. The Executive Director may not make transactions and/or take decisions without a corresponding decision taken by the General Meeting and/or Board of Directors if the adoption of such decision by the General Meeting and/or Board of Directors is required by this Charter and/or applicable laws of the Russian Federation.
12. audit committee (auditor)
    1. The Audit Committee (Auditor) shall control the financial and economic activities of the Association.
    2. The Audit Committee (Auditor) shall be formed (appointed) by the decision of the General Meeting. The number of members and term of the Audit Committee shall be defined by the decision of the General Meeting.
    3. The Board Chair, Board members as well as Executive Director and other persons holding positions in the governing bodies of the Association cannot be Audit Committee members (Auditor).
    4. The Audit Committee (Auditor) shall audit the financial and economic activities of the Association after election and provide a report to the General Meeting. The Audit Committee meetings shall be held whenever necessary, but at least once a year. The Audit Committee decisions shall be taken unanimously.
13. ASSOCIATION ASSETS
    1. The Association may hold movable and immovable assets by the right of ownership and other rights in accordance with applicable laws of the Russian Federation, including buildings, constructions, structures, land plots, housing facilities, vehicles, equipment, fixtures, funds, securities, other assets and property rights necessary for ensuring the statutory activities of the Association, and may dispose of these assets and property rights in accordance with this Charter and applicable laws of the Russian Federation. The Association may hold rights to intellectual property and equivalent identifications.
    2. The created and/or purchased assets shall be owned by the Association. The Association members may not own the assets belonging to the Association. The profits received by the Association shall not be distributed to the Association members.
    3. The assets and funds of the Association shall be derived from:
       1. admission charges, annual membership fees and additional asset contributions provided by the Association members in accordance with this Charter and the Contribution Regulation;
       2. voluntary asset contributions and donations granted by the citizens and legal entities in cash or in kind;
       3. subsidies and grants;
       4. proceeds from fundraising activities (conducting campaigns to attract benefactors and volunteers, conducting campaigns to collect donations under the laws of the Russian Federation, sale of assets and donations received from the donators according to their wishes);
       5. revenues from the sale of goods, works, services and other profits from legal income-generating activities;
       6. earnings from the activities of business entities founded by the Association;
       7. dividends (profits, interest) received from shares, bonds, other securities and contributions;
       8. work of volunteers;
       9. profits received from Association assets and
       10. other sources not forbidden by the laws of the Russian Federation.
14. reorganization and liquidation of the association
    1. The Association shall be reorganized by the decision of the General Meeting in the manner prescribed by the laws of the Russian Federation.
    2. The Association shall be liquidated by the decision of the General Meeting or upon court order to the extent required by applicable laws of the Russian Federation. The Association shall be liquidated in the manner prescribed by the laws of the Russian Federation.
    3. Unless otherwise provided for by the laws of the Russian Federation, upon liquidation of the Association the Association assets remaining after the satisfaction of creditors’ claims shall be used to implement the purposes of Association activities, as set forth herein, or for charitable purposes.
15. miscellaneous
    1. Other matters not addressed in this Charter shall be governed by the internal documents of the Association and/or applicable laws of the Russian Federation.
    2. Any amendments and/or additions to this Charter can be made only based on the decision of the General Meeting in accordance with applicable laws of the Russian Federation.
    3. Amendments and additions to the Charter shall be registered under the statutory procedure of the Russian Federation and shall take legal effect from the date of such registration.
    4. The provisions of this Charter shall remain in force during the whole period of Association activities.
    5. The invalidity of any provision of this Charter shall not entail the invalidity of other provisions hereof.