

**APPROVED**

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Non-governmental Organization**

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**Karen Vardanyan**

## **STATUTE**

### ***NON-GOVERNMENTAL ORGANIZATION* UNION OF ADVANCED TECHNOLOGY ENTERPRISES**

Yerevan 2018

## **1. General Provisions**

- 1.1. The Union of Information Technology Enterprises Non-Governmental Organization (hereinafter referred to as the Union) is a non-commercial, non-profit organization. The members of the Union are enterprises operating in information and communication technologies, High technologies (hereinafter referred to as ICT and High Tech), education as well as adjacent sectors, which established the Union of Advanced Technology Enterprises Non-Governmental Organization aiming to rapidly develop the Armenian ICT and High Tech sector, to present and advocate common interests of its members, to support their business development.
- 1.2. The Union carries out its activities in accordance with the Constitution of the Republic of Armenia, the legislation of the Republic of Armenia, the globally recognized norms of international laws and the principles enshrined by this Statute.
- 1.3. The Union acquires a status of a legal entity from the moment of the state registration, it has an independent financial budget, balance, separate property and financial means, bank accounts, a seal, stamps, a title page with its name, its own symbol and other symbols registered by the defined procedure, including a flag, prizes, souvenirs.
- 1.4. The activities of the Union are based on legality, publicity, self governance and principles of voluntary and legal equality of members.
- 1.5. The Union maintains its independence with respect to the state and the bodies thereof, has independence to define its structure, purposes, types and methods of activities within the frames of this Statute and the legislation in force.
- 1.6. The Union is liable for its obligations with the property at its disposal, including financial means, which may be confiscated only in accordance with the manner and conditions provided for by the legislation.
- 1.7. The Union may follow entrepreneurial activity in the manners prescribed by RA legislation. The Union has the right to carry out entrepreneurial activities in accordance with the objectives set forth in its Statute for the purpose of disposing its property and the results of its activities, as well as the right to create a commercial organization or become a part of it. The Union maintains a separate record of its entrepreneurial activity, including information on its involvement in statutory reports. Profits earned on behalf of the Union are used only for its statutory purposes.
- 1.8. The Union may acquire and implement property and non-property rights, bear obligations, act as a plaintiff and a defendant in courts from own name.
- 1.9. The Union is not liable for the obligations of the State and state bodies, and the State and state bodies thereof are not liable for the obligations of the Union.
- 1.10. The Union is not liable for the obligations of its members, and the members of the Union are not liable for the obligations of the Union.
- 1.11. The Union may create and have international relations, become a member of international non-state bodies, sign agreements and contracts with foreign and international organizations.

1.12. The Union may create means of mass media, disseminate information on its activities through the means of mass media and the electronic means in the manner defined by the legislation of the Republic of Armenia.

1.13. The name of the Union:

1.13.1. The full official name of the Union in Armenian. «Առաջատար տեխնոլոգիաների ձեռնարկությունների միություն» Հասարակական կազմակերպություն, abbreviation: «ԱՏՁՄ» ՀԿ:

1.13.2. The full official name of the Union in English: Non-Governmental Organization «Union of Advance Technology Enterprises», abbreviation: NGO «UATE»:

1.13.3. The full official name of the Union in Russian: Общественная организация „Союз компаний передовых технологий”, abbreviation: ОО „СКПТ”

The Union has a round seal with the full name of the Union written on it in three languages /Armenian, Russian and English/ one below the other, in a circular way, while the abbreviation of the Union is written in three languages /Armenian, Russian and English/ one below the other in the centre, and the Tax code is written just below the abbreviation.

1.14. The Union has a symbol /logo/, which is a set of cells consisting of three colours /violet, blue and light green/, and the first letters of the abbreviation of the Union are depicted in white in that cells.

**2. Location of the Union:** H. Hakobyan St., Building 3, Floor 3, Rooms 301, 302, 318; 0033 Yerevan, Republic of Armenia.

### **3. Tasks**

The aim of the Union is to support the rapid development of the ICT and High Tech sectors, to represent and protect the common interests of its members.

Within the frames of its activities the Union follows to

3.1. Represents the interests of its members in state and international bodies,

3.2. Protects the interests of the ICT and High Tech sectors and enterprises,

3.3. Contributes to the improvement of business atmosphere, ensuring free and fair competition in the economy of the Republic of Armenia,

3.4. Assists the processes of elaboration, adoption and implementation of the policy and legislation promoting the development of ICT and High Tech sectors,

3.5. Assists the establishment and development of business relations of the companies acting in the ICT and High Tech sectors,

3.6. Provides the members of the Union with the information and consultation assistance, including the means of publishing informative materials, educational, scientific and informative events and programs,

- 3.7. Assists the training of specialists and the raising of their qualification in ICT and High Tech sectors,
- 3.8. Provides programs and services of common interest to the members of the Union,
- 3.9. Organizes programs of progressive development of the primary engineering education in the education system of the Republic of Armenia.

#### **4. Membership Types, Order of Affiliating and Resigning**

##### **4.1. Full member of the Union**

- 4.1.1. Legal entities operating in ICT and High-Tech sectors which accept the statute of the Union, run duties set up by the latter as well as regularly pay membership fee, can become UATE Full members.
- 4.1.2. The membership fee of the full member is 50,000 (fifty thousand) AMD monthly if the number of its employees is 25 and more. In case if the number of employees is under 25, then the membership fee of this particular full member is 25,000 (twenty-five thousand) AMD monthly.

##### **4.2. Startup member of the Union**

- 4.2.1. The legal entities operating in ICT and High-Tech sectors' activities of which do not exceed 2 years and the number of employees is less than 15, can become Startup members.
- 4.2.2. Those startup members which operate more than two years and/or the number of employees is above 15, they become UATE full members by the appropriate decision of the UATE Board.
- 4.2.3. The Startup members select one Startup member as one of the Union's Board member, who will introduce their particular interests to the Board.
- 4.2.4. The selected Startup member who becomes a Board member is elected by a Congress once a year by closed, secret voting and acts in accordance with the regulations approved by the Board of the Union.
- 4.2.5. The membership fee of the startup member is 10,000 (ten thousand) AMD monthly.

##### **4.3. Associate member of the Union**

- 4.3.1. Legal entities operating in the sectors adjacent to ICT and High-Tech, which accept the statute of the NGO "UATE", run duties set up by the latter as well as regularly pay membership fee, can become UATE associate members.
- 4.3.2. The membership fee of the associate member is 10,000 (ten thousand) AMD monthly.

#### **4.4. Order of affiliation to the Union**

- 4.4.1. In order to affiliate to the Union a head or an authorized representative of a legal entity should fill in and submit the defined application form to the Board of the Union and during its session represent the activities of the organization and the purpose of becoming a member of the Union.
- 4.4.2. Members of the Union are accepted by simple majority based on the results of the voting Board members.

#### **4.5. Order of resigning from the Union**

A member of the Union has the right to resign from the Union. In this case, the member bears subsidiary responsibility, proportional to its investment, for the obligations of the Union during one month from the day of resigning.

To resign from the Union, a member informs the Board of the Union about its intention in a written form at least 30 days before the day of resigning, fulfills its property, financial or other obligations towards the Union before the day of resigning.

For the activities carried out by the member of the Union contrary to or hindering the fulfillment of the tasks and purposes of the Union, and/or for not paying the membership fee for more than three months, the Board of the Union have the right to make a decision on dismissing the given member from the membership by the majority of votes of at least two-thirds of the members attending the session. The rules of resigning from the Union are implemented towards the member dismissed from the Union.

### **5. Rights and Obligations of Members**

- Members of the Union retain their self-dependence and their rights as legal entities.
- A member of the Union has no share right to the ownership of the Union.

#### **5.1. Full members of the Union have the right to**

- 5.1.1. elect and be elected in the bodies of the Union,
- 5.1.2. participate in meetings of the bodies of the Union,
- 5.1.3. participate in the programs carried out by the Union and get acquainted with the documents and information compiled by the Union,
- 5.1.4. get acquainted with the protocols of the Union bodies, to receive copies of their decisions,
- 5.1.5. obtain information, receive copies of the documents, amendments of the Statute, decision of the operating bodies, financial means received from the property management, as well as a copy of the independent auditor's report regarding the audit of its financial statements for the last three years
- 5.1.6. use the services offered by the Union on common interest free of charge.

#### **5.2. Startup members of the Union have the right to**

- 5.2.1. elect one Startup member to be a Board member if the number of startup members is 5 or more,
- 5.2.2. participate in meetings of the bodies of the Union,

- 5.2.3. participate in the programs carried out by the Union and get acquainted with the documents and information compiled by the Union,
- 5.2.4. get acquainted with the protocols of the Union bodies, to receive copies of their decisions,
- 5.2.5. obtain information, receive copies of the documents, amendments of the Statute, decision of the operating bodies, financial means received from the property management, as well as a copy of the independent auditor's report regarding the audit of its financial statements for the last three years
- 5.2.6. use the services offered by the Union on common interest free of charge.

**5.3. Associated members of the Union have the right to**

- 5.3.1. participate in meetings of the bodies of the Union with the right of advisory vote,
- 5.3.2. participate in the programs carried out by the Union and get acquainted with the documents and information compiled by the Union,
- 5.3.3. get acquainted with the protocols of the Union bodies, to receive copies of their decisions,
- 5.3.4. obtain information, receive copies of the documents, amendments of the Statute, decision of the operating bodies, financial means received from the property management, as well as a copy of the independent auditor's report regarding the audit of its financial statements for the last three years
- 5.3.5. use the list of services suggested by the UATE General Congress free of charge.

**5.4. Members of the Union are obliged to**

- 5.4.1. meet the requirements of the statute of the Union,
- 5.4.2. Pay the membership fee each quarter regularly by the end of the first month of the given quarter, the size of the fee is defined by the Congress of the Union. The membership fee of the full members registered in the Marzes (regions) of the Republic of Armenia may be reduced up to 80% by the decision of the Board.
- 5.4.3. meet the Union's statutory requirements and decisions of governing bodies,
- 5.4.4. conscientiously fulfill the duties assigned by the decision of the management bodies.

**6. Structure of Bodies of the Union**

- 6.1. The supreme governing body of the Union is the Congress of the Union (hereinafter-Congress),
- 6.2. The supreme official of the Union is the President of the Union,
- 6.3. The governing and representative body of the Union, acting permanently, is the Board of the Union,
- 6.4. The current management body of the Union is the Executive Director of the Union,
- 6.5. The controlling body of the Union is the Auditor of the Union.

**7. Congress of the Union**

- 7.1. The Congress of the Union has the right of the final decision of any issue related to the activities of the Union,
- 7.2. The Congress is held once a year by the Board of the Union,

- 7.3. The day, place and agenda of summoning a Congress are announced not later than 14 days before the day of the Congress. The Congress is deemed competent where more than half of the full members of the Union attend it,
- 7.4. the extraordinary Congress of the Union is summoned on the initiative of the Board of the Union, or on the demand of the President and/or the Executive Director of the Union or at least one third of the full members of the Union,
- 7.5. the Congress of the Union is competent, where more than half of the Full members of the Union attend the Congress. A Congress of the Union takes decisions based on the number of votes which must be more than the half of the Full members attending the Congress, whereas the Congress adopts the Statute of the Union or amendments therein by the majority of at least 2/3 votes of the members attending a Congress. The draft of the amendments and supplements of the Statute of the Union is presented by the Board of the Union. The amendments and supplements in the Statute are subject to the state registration as prescribed by law.
- 7.6. **The exceptional competence of the Congress of the Union is to**
1. approve and updates the Statute of the Union,
  2. approves the Strategy of the Union,
  3. determine the number of the members of the Board and the structure of the Union,
  4. choose a secretary of a Congress,
  5. elect an Auditor, members of the Board and the President of the Union, early terminate the duties of the latter's. The duties of the Board member can also be early terminated by the Board decision in case stated in clause 9.7 of this Statute,
  6. elect an Auditor within the frames of the regulations and laws,
  7. take a decision on reorganization,
  8. Take a decision on liquidation,
  9. decisions stated in clauses 7 and 8 are taken by two-thirds of votes of the members of the Union,
  10. make a decision on establishing another legal entity or on the Union's involvement in another organization,
  11. make a decision to terminate the decisions contrary to the requirements of the legal acts of the Union bodies and the Statute,
  12. approve the structure of the Union.
- 7.7. Sessions of the Congress are recorded. A record is approved by the signatures of the chairman and the secretary of the Congress,
- 7.8. The next Congress of the Union confirms the main directions of the annual budget and activities of the given year of the Union, discusses and approves the reports on the spent budget and activities of the previous year.

## **8. President of the Union**

- 8.1. is elected by the Congress via closed, secret voting yearly,
- 8.2. at the same time becomes a member of the Board of the Union,
- 8.3. initiates extraordinary Congresses of the Union,
- 8.4. leads the sessions of the Congress and the Board of the Union, while in the case of his/her absence the Executive Director of the Union or any other member of the Board leads the sessions,

- 8.5. represents the Union in the bodies of the state power, local self-government bodies, as well as to persons and legal entities, in foreign states and in the relations with international organizations,
- 8.6. signs a contract with the Executive Director after confirmation of the latter by the Board,
- 8.7. solves other issues related to the activities of the Union,
- 8.8. reports to the Congress and the Board of the Union,
- 8.9. The Congress of the Union takes a decision on the pre-time dismissal of the President of the Union.

## **9. Board of the Union**

- 9.1. is the governing and representative body of the Union, which carries out its activities by holding Board meetings,
- 9.2. is elected by a Congress by secret voting yearly and acts in accordance with the regulations approved by the Board of the Union,
- 9.3. the Board meetings of the Union are organized on the initiative of the President of the Union, the members of the Board of the Union and the Executive Director of the Union as needed, but not less than once a quarter,
- 9.4. the Board meeting is competent if at least half of the members of the Board is present,
- 9.5. the members of the Union can participate in Board meetings in separate cases remotely,
- 9.6. those Board members who are not available to participate at Board meetings due to their not being in the country for a long time and/or other important case, they should delegate other responsible person from the company to represent the Board member,
- 9.7. those Board members who do not attend the Board meetings 3 times and do not delegate any responsible person on the company's name, they receive a warning notification. In case of non-attendance of the Board upon receipt of the notification, the power of the latter's as Board members shall be suspended.
- 9.8. the President of the Union leads the Board meetings, and in case of his/her absence the meetings are leaded either by the Executive Director of the Union or any member of the Board,
- 9.9. the Board of the Union determines the directions of the current activities of the Union, guarantees the plans of the Union, approves the Code of Ethics,
- 9.10. decisions of the Board of the Union are taken by the simple majority of the votes of the members attended the meeting,
- 9.11. Board meetings of the Union are recorded and signed by the Executive Director of the Union or a person authorized by the latter,
- 9.12. The Board of the Union confirms the day, location and agenda of the next and extraordinary Congresses,
- 9.13. Confirms the annual operational and financial activities and reports to the Board with the conclusion submitted by the Auditor,
- 9.14. The Board of the Union may establish representative offices of the Union, economic companies and approve their statutes and the order of their activities.

## **10. Executive Director of the Union**

- 10.1. Is assigned by the Founders Meeting for the first time only, after which he/she is assigned by the Board of the Union,



- 10.2. systematizes the work of the bodies of the Union and carries out the current management of the activities of the Union,
- 10.3. ensures the implementation and control of the decisions of the Congress and the governing bodies of the Union,
- 10.4. manages the process of organizing the main events and the fulfillment of the annual working plans and programs approved by the Board of the Union,
- 10.5. represents the Union in bodies of the state power, local self-government bodies, as well as to persons and legal entities, in foreign states and in the relations with international organizations,
- 10.6. signs the decisions of the Board of the Union and other documents,
- 10.7. signs the financial and economic documents of the Union, solves the issues related to the financial and economic activities of the Union,
- 10.8. coordinates the property use and operational reports which represents to the Board together with the Auditor's report,
- 10.9. manages the property of the Union, including financial means within the limits of the main directions of the budget approved by the Congress of the Union, concludes contracts and agreements on behalf of the Union, issues powers of attorney, opens and closes bank accounts, files lawsuits and appears in court,
- 10.10. forms staff of the Union, confirms the staff list, defines the procedures of working activities, issues orders and follows the proper implementation thereof,
- 10.11. establishes the procedure of encouraging and imposing a penalty on employees of the Union, encourages and imposes disciplinary penalties on employees in accordance with the labour legislation,
- 10.12. establishes the procedure for applying incentives and penalties to the employees of the Union by applying encouragement or penalties to employees in the manner prescribed by labor legislation
- 10.13. the Executive Director reports to the Board and the President of the Union in the period between the Congresses.

## **11. Auditor of the Union**

- 11.1. is the main controlling body of the Union. The Auditor is elected by the Congress with a period of one year and carries out his/her activities based on the provisions of this Statute,
- 11.2. is the representative of the member company of the Union who has received the majority of the votes during the formation of the Board of the Union, but has not been elected as a member of the Board, becomes the Auditor of the Union,
- 11.3. is authorized to conduct the financial-economic activities of the Union once a year,
- 11.4. has the right to become familiar with all the documents related to the activities of the Union and submit to the Board the documents which he/she finds subject to mandatory discussion,
- 11.5. has the right to require and receive documents related to the activities of the Union,
- 11.6. implements other duties assigned by the Congress and the Board of the Union,
- 11.7. studies the compliance of the activities of the Union with the statute of the Union, submits the suggested proposals and conclusions to the Executive Director, the President and the Board of the Union,
- 11.8. the special controls of the activities of the Union may be carried out on the demand of the President of the Union or of at least 2/3 of the members of the Board of the Union,
- 11.9. makes decisions individually and gives information on the work carried out thereby to the Congress.

## **12. Order of Establishing Separated Subdivisions**

- 12.1. The Union, according to the legislation, has the right to establish representative offices and companies, which act in the territory of the Republic of Armenia and abroad.
- 12.2. A representative office is a separated subdivision of the Union, located outside the Union, which represents the interests of the Union and carries out the protection thereof.
- 12.3. Representative offices of the Union are not legal entities and act based on the Statute of the Union.
- 12.4. The territory of the activities of the Union is the Republic of Armenia and the countries where the Union has representative offices and members.

## **13. Resources of Formation of Ownership of the Union and Order of Use**

- 13.1. The property handed to the Union by the founders and the members of the Union is the property of the latter. The Union uses its property and financial means for the purposes defined by the statute.
- 13.2. The Union may have buildings, constructions, a housing fund, transport means, equipment, financial means, shares, other securities and other property which are not prohibited by law.
- 13.3. The Union's property is derived from members' contributions, membership fees, entrepreneurial activity, funds received from other organizations, donations, sponsorships, donations, cash inflows from RA budget, grants, and other sources not prohibited by law.
- 13.4. The Union uses its ownership, including the means acquired from the entrepreneurial activities, only for the fulfillment of the statutory purposes and tasks.
- 13.5. If the Union has been financed from public funds at the amount of five million AMD or more during the reporting year, then the annual financial statements submitted to state bodies shall be subject to mandatory auditing by an independent auditor selected by the Congress in accordance with the statutory procedure at no later than the 15th of May of the next year.

## **14. Reorganization and Liquidation of the Union**

- 14.1. The reorganization (merging, joining, splitting, separation, restructuring) and liquidation of the Union may be carried out by the decision of the Congress of the Union.
- 14.2. The compulsory reorganization or liquidation of the Union may be carried out only through judicial procedure.
- 14.3. The decision on reorganization and liquidation of the Union is taken by the Congress with at least 2/3 of votes of the members attending the Congress.
- 14.4. Activities of the Union are deemed complete and the Union is deemed liquidated from the moment of making a relevant record in the general state register book of legal entities.
- 14.5. After satisfaction of the claims of the creditors of the Union, by the decision of the Congress of the Union the property and means of the Union are directed to the fulfillment of the purposes

provided for by the statute of the Union and, where this is impossible, they are passed to the state budget.

## **15. Transitional Provisions**

15.1. From the moment of termination of the activities of the “Union of Information Technology Enterprises” Union of Legal Entities and the state registration of this Statute, all rights and obligations of the Union of Information Technology Enterprises are transferred to the "Union of Advanced Technology Enterprises" NGO.

15.2. The "Union of Advanced Technology Enterprises" Non-Governmental Organization (address: 3 Hakobyan St., 3rd floor, offices 301, 302, 318, Yerevan, Republic of Armenia. Tel.: 011 54 88 81; email: info@uate.org, website: [www.uate.org](http://www.uate.org) ) is the successor of the property, rights and obligations successor, disputable liabilities of the Union of Information Technology Enterprise ULE (address: 3 Hakobyan St., 3rd floor, offices 301, 302, 318, Yerevan, Armenia. Tel.: 011 54 88 81; email: info@uite.org, website: [www.uite.org](http://www.uite.org), registration number 271.150.02048, certificate N 02U 048252, TIN 01226155).