

Association "BALTIC FRANCHISE ASSOCIATION"

statute

1. Name of the Association

1.1. The name of the Association is “**BALTIC FRANCHISE ASSOCIATION**” (hereinafter - the Association).

2. Objectives of the Association

2.1. The goals of the Association are:

2.1.1. To take care of the interests of the franchising industry, especially in the field of economic and financial policy and justice at the national and international level;

2.1.2. To support and advise the members of the Association in all matters related to the creation and management of the franchising system, organize experience exchanges and support training, further education and quality management in the field of franchising systems;

2.1.3. To support fair competition within the franchising industry, based on a code of ethics, which is a binding agreement among all members.

3. Term of the Association

3.1. The Association is established for an indefinite period.

3.2. The financial year of the Association coincides with the calendar year.

4. Joining, withdrawal and exclusion of members from the Association

4.1. Any legally capable natural and legal person or legal partnership may join the Association by submitting a written application of a certain form. The application form and the list of documents to be attached to it are determined by the Board of the Association.

4.2. The decision on admitting a member to the Association is made by the Board. The Board must consider the applicant's request during the next Board meeting, but no longer than 2 (two) weeks after receiving all the necessary documents. The applicant himself must be invited to the Board meeting where the applicant's request is considered and he must be given the floor to express his opinion. The absence of the applicant is not an obstacle to the adoption of the decision of the Board. The motivated decision of the Board must be notified in writing to the applicant within 1 (one) week from the moment of its adoption.

4.3. The applicant can appeal the negative decision of the Board in writing to the general meeting of members. If the general meeting of members also rejects the applicant's request, the applicant is not accepted as a member of the Association, and he can submit a repeated application no sooner than after the expiration of the one-year term.

4.4. A member may withdraw from the Association at any time by notifying the Board in writing. Any membership fees paid to the Association are non-refundable.

4.5. A member may be expelled from the Association by a decision of the Board if:

4.5.1. the member has not paid the membership fee for more than 2 (two) months;

4.5.2. the member does not comply with the decisions of the general meeting of members and the Board;

4.5.3. the member does not fulfil his duties and obligations;

4.5.4. the member performs another activity that is contrary to the provisions of these Statutes.

4.6. The Board examines the issue of expulsion of a member of the Association during the next Board meeting, inviting the expelled member and giving him the floor to express his opinion. The non-appearance of the expelled member is not an obstacle to the adoption of the decision of the Board. The

Board must notify the decision on the expulsion of a member from the Association and the motivation of this decision in writing to the expelled member within 5 (five) days from the moment of its acceptance.

5. Rights and obligations of members

5.1. Association members have the following rights:

5.1.1. to participate in the management of the Association,

5.1.2. to receive information about the activities of the Association, including getting acquainted with the protocols, decisions and orders of all institutions of the Association,

5.1.3. to participate in all events organized by the Association, to submit proposals regarding the Association's activities and its improvement, to defend one's opinion,

5.1.4. to receive information about the financial activity of the Association and to get acquainted with the annual reports of the Association.

5.2. Duties of members of the Association:

5.2.1. to comply with the Association's statutes and to comply with the decisions of the members' meeting and the Board,

5.2.2. to participate in the general meetings of the members,

5.2.3. to pay membership fees following the order approved by the Board,

to support the realization of the Association's goals and tasks with its active cooperation.

5.3. Obligations for a member can be determined by a decision of the meeting of members or the Board. When imposing obligations on a member that differ from those of other members, the consent of that member is required.

6. Structural units of the Association

6.1. Territorial and other structural units of the Association may be established by the decision of the members' general meeting;

6.2. The activity, rights and obligations of the structural unit, as well as relations with the Association, are regulated by the regulations of the structural unit, which are approved by the general meeting of members of the Association.

7. Convening the meeting of members and making decisions

7.1. The general meeting of members is the highest decision-making body of the Association.

7.2. All members of the Association are entitled to participate in the members' general meeting. Members need to participate in the members' general meeting in person or, if it's not possible to participate in person, then to participate online.

7.3. The regular general meeting of members is convened 1 (one) time a year - no later than March 31.

7.4. An extraordinary general meeting of members may be convened at the initiative of the Board, or if it is requested in writing by not less than 1/10 (one tenth) of the members of the Association, indicating the reason for the convening.

7.5. The general meeting of members is convened no later than 2 (two) weeks before the meeting by sending a written invitation to each member via electronic mail to the e-mail address specified by the member.

7.6. The members' general meeting is decisive if more than third of the members participate in it. With regard to making amendments to the statutes, the members' meeting is decisive if more than half of the members are present.

7.7. If the general meeting of members is not decisive due to the lack of a quorum, a repeated meeting of members is convened within 5 (five) weeks, which is entitled to make decisions regardless of the number of members present, provided that at least two members participate in it.

7.8. The decision of the general meeting of members is adopted if more than half of the members present vote for it. The decision on amendments to the statutes, termination and continuation of the Association's activities is adopted if more than two-thirds of the members present vote for it.

8. Executive body

8.1. The executive body of the Association is the Board, which consists of 3 (three) Board members.

8.2. The members of the Board elect the chairman of the Board from among themselves, who organizes the work of the Board.

8.3. The Board has the right to decide all issues that are not within the exclusive competence of the members' meeting.

8.4. Board members are entitled to represent the Association together with other board members, except the Association's chairman, who is entitled to represent the Association individually.

8.5. For fulfilling their duties, the Board members may receive remuneration approved by the Board.

9. Auditor

9.1. The financial and economic activity of the Association is controlled by an auditor, who is elected by the members' meeting for one year.

9.2. The auditor of the Association cannot be a member of the Board of the Association.

9.3. Auditor:

9.3.1. conducts an audit of the Society's property and financial assets;

9.3.2. gives an opinion on the Association's budget and annual report;

9.3.3. evaluates the accounting and record-keeping work of the Association;

9.3.4. provides recommendations on improving the financial and economic activities of the Association;

9.4. The auditor conducts an audit within the terms set by the members' meeting, but not less than 1 (one) time a year.

9.5. The meeting of members approves the annual report of the Association only after receiving the Auditor's opinion.

10. Membership fees

10.1. Membership dues for the following year are recommended at the Board meeting and approved at the annual membership meeting. The members of the Association pay the membership fee 1 (one) time per year in advance for the following year or as otherwise approved by the Board.

Board of directors:

(signature)	_____ / Agne Petrauskaite /
(signature)	_____ / Tambet Made /
(signature)	_____ / Arturs Beiers /

The statutes were approved at the general meeting of the Association's members, in Riga, on April 25, 2024