

The Charter of the Financial Markets Treasuries Association

Article 1. General Provisions

- 1.1. “Georgian Financial Markets Treasuries Association” (hereafter the “Association”) is a membership based non-entrepreneurial (non-commercial) legal entity.
- 1.2. Association conducts its activities in accordance with Georgian legislation, International law and this charter.
- 1.3 Association, has its own independent finances and accounts in banking institutions. Association holds and owns property.
- 1.4 Association shall be entitled to holds its own property and to have property rights and obligations as well as personal nonproprietary rights, act as claimant or respondent in courts, enter into transactions, which do not contradict the legislation and this charter.
- 1.5 The legal Address of the association is: Tbilisi Georgia, Vazha Pshavela 71, II Block, Space N5; Email: Tbilisi.vazha@regus.com
- 1.6 Full name of the association is: Non Commercial (Non Entrepreneurial) Legal Entity “Georgian Financial Markets Treasuries Association”.
- 1.7 Association may be the member of International Associations and Committees.
- 1.8 The association makes decisions on behalf of its name.
- 1.9 Liability of Association is limited with the property of the Association. Association members are not liable for the obligations of the Association.

Article 2. Goals and Objectives

- 2.1 The Goals and Objectives of the Association shall be as follows:
 - 2.1.1. To foster the development of the FX, Bonds and Derivatives markets (Hereinafter: Markets) in Georgia;
 - 2.1.2. To promote and implement high standards of professional conduct and competencies among its members;
 - 2.1.5. To supervise the compliance of Association members with the Code, or other rules and guidelines which Association abided to voluntarily. As well as using sanctions in case of non-compliance to the rules, which shall be established by the Association;

- 2.1.6 To serve as a mediator between Association members and authorities.
- 2.1.7. To gather and disseminate non-confidential information and data of the Markets;
- 2.1.8. To undertake activities aimed at education of Market participants and general public;
- 2.1.9. To assist the members of the Association to further enhance their understanding and expertise on practices and concepts relating to the financial markets;

Article 3. Rights of Association

- 3.1. Association enjoys all rights granted by Georgian legislation, International legal acts/customs and this charter.
- 3.2. For the performance of its goals and objectives Association is entitled:
 - 3.2.1. To create working groups and committees. Members of the committee and Working groups can be Association members as well as persons invited on contractual basis.
 - 3.2.2. Review and decide on whether the conduct of the association member is compliant with the Code. Wherever appropriate sanction the respective member in accordance with the rules established by the association council. In case of exercise of monetary sanction, member either voluntarily pays the sum due in the budget of Association or by decision of the council, in accordance with the rule stipulated in this charter, leaves the membership of the Association.
 - 3.2.3 To prepare codes of conducts and model contracts related to Markets, present and publish the views and recommendations related to preparation of such documents.
 - 3.2.4. Upon the agreement of the members, to mediate disputes between Market participants.
 - 3.2.5. To organize seminars, keep electronic journal and to use any media means for the educational activities.
 - 3.2.6. To issue certificates of professional knowledge for the representatives of the Association members, which may be the precondition for the trading in some segments of the market.
 - 3.2.7. Whenever appropriate to exchange information on the market with foreign International committees and Associations.
 - 3.2.8. To use any form of activity not prohibited by the law, cooperate with any individual or legal entity whose activities do not contradict to the basic principles and values of the Association and facilitates achievement of objectives of Association.

Article 4. Membership

4.1. The candidate is admitted in the Association as a member on the basis of written application.

4.2. A Full Member of the Association may be: National Bank of Georgia, Pension Agency, Commercial Banks, Brokerage Companies, Microfinance Organizations, and also other representatives from the financial sector that operate on FX, Bond and Derivatives markets in Georgia. An associate member can be any legal entity that participates in these markets as a user of financial instruments and is interested in participating in the activities of the association. 4.3. Association member is represented by duly authorized person(s) with full legal authority to make decisions in the Association.

4.4. A full member of the association is entitled:

4.4.1. To elect governing bodies and to be elected in such bodies.

4.4.2. To make proposals aiming to execute the goals and objectives of the Association, to protect interest of Association and its members as well as for the improvement of its activities.

4.4.3. To express its position on the issues to be decided by the Association council and request to amend the agenda of the council meeting.

4.4.4. To participate in drafting and preparing of the essential documents of the Association.

4.4.5. To use intellectual and material-technical services, consulting services and recommendations of the Association.

4.4.6 To receive information from the governing bodies on the activities of the Association.

4.4.7. To exit the membership of the association voluntarily and unconditionally in accordance with article 4.6.1.

4.4.8. To use the information and the property of the Association in accordance with the goals of the Association.

4.4.¹ Associate members of the Association enjoy all rights stipulated in articles 4.4.4-4.4.8 of this charter.

4.5. Association member is obliged:

4.5.1. To participate in the performance of Association objectives;

4.5.2. To pay membership fee as prescribed by Association;

4.5.3. Comply with and/or perform requirements of the charter, internal procedures or any other decisions or requirements of governing bodies.

4.5.4. To protect the confidential information in accordance with the rules established by Association council. This obligation remains even after member leaves the Association;

4.5.5. To protect interest of the Association within competences prescribed by this charter, including in public communications;

4.5.6. To protect business reputation of Association;

4.5.7. To participate in trainings seminars and other educational activities organized by the Association;

4.6. The membership of the Association will be terminated or suspended by the decision of the council if:

4.6.1. Member submits written application and demonstrates the willingness to leave the Association;

4.6.2. Fails to pay membership fee;

4.6.3. If the business/activity of the member contradicts the goals of the Association or member grossly violates the obligations imposed by this charter, providing that council makes appropriate decision on this matter;

4.6.4. The member enters into reorganization/liquidation proceedings;

4.6.5. Member systematically violates the requirements of this charter;

4.6.6. Members fails to participate in council meetings consecutively three times and cannot provide due justification of such failure.

4.7. In case of non-compliance with the requirements of this charter or the Code or any other decision of the Association council, following action(s) prescribed by the decisions of the Association council may be made:

4.7.1. Imposing of the penalty on the member (Monetary sanctions) or/ad

4.7.2. Termination/suspension of the membership.

4.8. Association may in its own discretion, in case of violation as envisaged in article 4.7. of this charter, within reasonable time from the moment of ascertainment of such violation, publish such information on the nature of violation (what was violated and who violated)

4.9. The Association may have two categories of member(s): Full Members and Associate Members. Associate Member shall have all rights and obligations of the member, other than participating in governing process and having decision-making right in the Association council unless otherwise prescribed by the decision of the Association council.

4.10. The number of the Association members is not limited.

4.11. Member shall attend meetings of the Association in person, including participating through means of telecommunication channels.

4.12. The membership cannot be delegated to the other member.

4.13. It is possible to substitute a representing person of the Association. To do this the member shall notify the Association at least one day in advance from intended date of substitution and present the proof of authorization issued by member organization.

4.14. Non-member may also participate in Association council meetings only by decision and invitation of Association council.

Article 5. Organization and Structure

5.1. Association Council

5.1.1. Association Council represents the supreme governing body of the Association, consists of the full members of the Association, manages the core directions of the Association and meeting is conducted at least one time a year and is chaired by the chairman of the Association. The decisions of the council is made in the form of minutes and is signed by the chairman.

5.1.2. Council meeting, including ad hoc meetings are summoned by the chairman or 1/3 of the full members. The information about the council meeting is provided to the full members in a written form to the email address registered in the association at least 3 days before the meeting, in case of ad hoc meeting this time can be reduced to one day advance notice. Together with the notice participants also receive the agenda of the meeting.

5.1.3. The council of the Association is in the capacity to make decisions if not less than ½ of all full members are present at the meeting. Each full member has one vote. Chairman votes only in case of a tie. The decision is made by majority vote of the full members present at the association council meeting. For the decisions related to the amendment of the charter, goals of Association or the budget, as well as reorganization, termination of membership, termination of activity, liquidation, imposition of sanctions on the members for the violation of this charter or code and adoption of such rules on sanctions, amendments thereof, the decisions shall be made by 2/3 majority of all full members of the Association.

5.1.4. The competences of the Association council shall be:

5.1.4.1. Admission of a new member;

5.1.4.2. Termination/suspension/restoration of the membership;

5.1.4.3. Adoption of the charter and the programs, as well as approval and revision thereof.

5.1.4.4. Upon nomination of the candidate by the chairman, election of the executive secretary of the association for 3 years terms with the majority vote of the full members of the Association council

5.1.4.5. Suspension/termination of the powers of the executive secretary by the majority vote of the full members of the Association council;

5.1.4.6. To hear and approve the report of the executive secretary;

5.1.4.7. To make decision on reorganization, termination of the business and liquidation of the Association;

5.1.4.8. To determine the ongoing objectives of the Association;

5.1.4.9. To approve the structure and competences of the executive office presented by the executive secretary.

- 5.1.4.10. To approve the draft annual budget of the Association;
- 5.1.4.11. To approve the membership fee and time of payments;
- 5.1.4.12. To decide on alienation of the property of the Association;
- 5.1.4.13. To review and approve the budget of the Association;
- 5.1.4.14. To impose sanctions on the members for the violation of this charter or the code;
- 5.1.4.15. To appoint the chairman of the Association committee;
- 5.1.4.16. In accordance with the goals of Association to create the committees, including but not limited to following:
 - a) FX committee;
 - b) Money Market Development committee;
 - c) Bond Market Committee;
 - d) Financial Education Committee;
 - e) Ethics and dispute resolution Committee.
- 5.1.4.17. To decide on the matter referred in article 3.2.7 on information exchange rule.
- 5.1.4.18. To decide on the matter referred in article 4.9. on the status of the member and its rights and obligations.
- 5.1.4.19. To make following rules and regulations on the following issues:
 - a) The rule on dispute resolution mechanisms
 - b) The rule on treatment and protection of confidential information;
 - c) The rule on termination of the Association and division of the property;
 - d) The rule on imposition of sanctions on the members in case of violation of this charter and the code
 - e) To establish the list of information eligible to be transferred to third parties/Association members;
 - f) The rule on publication of the minutes of Association;
 - g) To establish the scope of representative and executive powers of the executive secretary and rule of its conduct.

5.2. Chairman of the Association

5.2.1. The chairman of the Association is National Bank of Georgia. Chairman signs the decision of the Association.

5.2.2. Chairman of the Association nominates the candidate of executive secretary who shall be independent from other members of the Association.

5.2.3. For the performance of this charter chairmen may veto decisions of the Association council and executive director. Such right shall be exercised impartially and fairly with the aim of making objective and rational decision. Also the right to exercise veto shall be made in accordance with the existing legislation and shall serve the established purpose.

5.2.4. Chairman shall justify the decision to veto.

5.2.5. Chairman cannot veto council's decision on the member's voluntary decisions to leave the Association in accordance with article 4.6.1.

5.3. Executive Secretary of Association

5.3.1. Association council upon nomination by the chairman elects the executive secretary in accordance with article 5.1.4.4. Who has representative and governing powers and is liable for everyday activities of the Association.

5.3.2. The competences of the executive secretary shall be following:

5.3.2.1. To manage the executive office of the Association;

5.3.2.2. To be in charge of execution of the decisions of the council;

5.3.2.3. To audit and control the payment of the membership fees;

5.3.2.4. To represent interest of the Association vis-à-vis third parties;

5.3.2.5. To exercise any other functions, except of those which are exclusive competences of the council;

5.3.3. In case of necessity, with the assignment of the executive secretary and with the consent of the member, temporarily, member of the Association council may perform functions of the Executive secretary; Such member shall perform its obligations in good faith and with due care.

5.3.4. The scope of governing and representative authority, also the rule of its activities is defined by the decree of the council.

5.3.5. Any proposal for the dismissal or the election of the Executive Secretary may be made by decision of 1/3 of all full members or the chairman of the Association;

Article 6. Finances of the Association

6.1. The Association is funded by its members. The membership fee for associate and full members shall be determined annually by the decision of the council of association.

6.2. Sources of income for Association are as follows:

6.2.1. Membership fee;

6.2.2. Financial Contribution;

6.2.3. Grants;

6.2.4. Other legal means of income.

Article 7. Termination of Activities and Liquidation

- 7.1. The reorganization, termination of activities and liquidation of Association can be made by the decision of the council;
- 7.2. In case of termination of the activities the decision on division of the property is made by Association council;
- 7.3. The liquidation of the Association is managed by the executive secretary in accordance with the decision of the council.
- 7.4. The Association is deemed to be liquidated from the date of removal of registration from National Agency of Public Registry of Georgia.

Article 8. Final Provisions

- 8.1. Association may issue recommendations and opinions;
- 8.2. Association publishes minutes of the council meeting as prescribed by applicable rules. By the decision of Association members, minutes or some part thereof may be regarded as confidential.
- 8.3. Association publishes annual report on its webpage;
- 8.4. It is prohibited to use any sanctions prescribed by this charter, against National Bank of Georgia as well as termination/suspension/annulment of its membership.
- 8.5. Unless Georgian legislation provides otherwise, National Bank of Georgia, shall not be liable on the decisions of the Association, including the case where Chairman exercises its right to veto the decision.