

BALTIC PORTS ORGANIZATION

ARTICLES OF ASSOCIATION

1. Name and registered office

1.1. Name of the non-profit association is Baltic Ports Organization (hereinafter referred to as **BPO**).

1.2. BPO is an organization established by port entities with commercial interests in the Baltic region.

1.3. The registered office of BPO is in Tallinn, Republic of Estonia.

2. Objectives of BPO

2.1. The general objectives of BPO are:

2.1.1. to improve the competitiveness of maritime transport in the Baltic region;

2.1.2. to promote policies and viewpoints of the ports in the Baltic region with relevant international bodies;

2.1.3. to study problems relating to the port industry in the context of international treaties, so as to keep its Members informed and to seek - when possible - common positions.

3. Membership

3.1. Every port entity who supports the overall aims and specific objectives of BPO and complies with the requirements of the articles of association may be a Member of BPO.

3.2. The Management Board shall organise the registration of Members. Applications for membership in BPO have to be presented to the Management Board in writing. Management Board decides on membership in BPO. The main directive for approval of the new member will be that the commercial port represented by the port entity is situated in the Baltic region. However, the Management Board can approve membership from port entities with ports of a special geographical position.

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3.3. Port entities representing several ports and with a specific interest in the Baltic region can become Members on similar terms as port entities representing individual ports.

3.4. Organisations and commercial corporations which are not representing Baltic ports may become Friendship Members. Friendship Members will receive newsletters, papers etc. from the Secretariat and they can take part in BPO Conferences and General Assemblies without voting rights. Non-commercial Members (e.g. schools, research institutes, journalists) pay a reduced membership fee fixed by the General Assembly.

3.5. Every Member has the right to resign from BPO on the basis of a written application which has to be presented to the Secretariat. In the event of any Member resigning from BPO, then the resignation must be delivered in writing to the Secretariat before the 15th of December, otherwise that Member will be liable for the following year's membership fee.

3.6. Member may be excluded from BPO by a resolution of the Management Board in case:

3.6.1. Member fails to adhere to articles of association or significantly damages BPO;

3.6.2. Member has not paid annual membership fee within 6 (six) months form the due date.

4. Management

4.1. BPO has following management bodies:

4.1.1. General Assembly;

4.1.2. Management Board.

4.2. General Assembly

4.2.1. General Assembly of its Members is the highest body of BPO. General Assembly adopts resolutions on all management matters of BPO which are not placed within the competence of the Management Board or another body of BPO by law or the articles of association.

4.2.2. General Assembly is competent to:

4.2.2.1. amend the articles of association;

4.2.2.2. amend the objective of BPO;

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4.2.2.3. appoint and remove members of the Management Board;

4.2.2.4. decide on conclusion and terms and conditions of transactions with the members of the Management Board or another body prescribed by the articles of association, decide on the conduct of legal disputes with the members of the Management Board or another body, and appointment of the representative of BPO in such transactions and disputes;

4.2.2.5. approval of annual reports;

4.2.2.6. decide on dissolution, merger or division of the non-profit association;

4.2.2.7. decide other matters which are placed in the competence of General Assembly by articles of association.

4.2.3. At the General Assembly the date and venue for the next General Assembly shall be decided.

4.2.4. The ordinary General Assembly shall be held annually. An extraordinary General Assembly shall be held following a decision to do so by the General Assembly or the Management Board, if at least 1/10 of the Members submit a request to the Management Board for such an extraordinary General Assembly, accompanied by an agenda.

4.2.5. Management Board shall give notice of the ordinary General Assembly at least one month in advance. Notification convening the extraordinary General Assembly shall be issued not later than 14 days following submission of the request to the Management Board, with notice of at least 3 weeks. A notice on calling the General Assembly shall set out the time and place of the General Assembly and the agenda of the General Assembly.

4.2.6. The agenda for the ordinary General Assembly shall contain the following items:

4.2.6.1. adoption of the Management Board's report on the activities of BPO during the preceding year;

4.2.6.2. approval of the annual report;

4.2.6.3. election of the Chairperson of the Management Board and one (two) Deputy Chairperson(s);

4.2.6.4. election of other (ordinary) members of the Board;

4.2.6.5. election of auditors;

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- 4.2.6.6. proposals, if any, put forward by the Management Board or Members;
- 4.2.6.7. fixing of annual membership fee for the following year;
- 4.2.6.8. election of chairmen of the permanent committees;
- 4.2.6.9. date and venue for the next General Assembly;
- 4.2.6.10. other business.

4.2.7. Proposals from Members will be considered for inclusion in the agenda for the General Assembly insofar as they reach the Management Board at least two months prior to the opening of the General Assembly.

4.2.8. The General Assembly shall elect by simple majority vote a person who will chair the General Assembly, conducting the proceedings and ruling on questions pertaining to procedural matters, on voting and on the results on votes taken.

4.2.9. Only Members attending the General Assembly in person are entitled to cast a vote.

4.2.10. Each Member has one vote. A Member shall not vote if release of the member from obligations or liabilities, conclusion of a transaction between the Member and BPO, or conduct of a legal dispute with the Member or appointment of a representative of BPO in such legal dispute or transaction, or issues related to the monitoring or evaluation of the activities of a Member or representative thereof in the capacity of a member of the Management Board or other body, is being decided.

4.2.11. At the General Assembly decisions can be made solely on proposals specified in the agenda. A General Assembly may decide on calling the next General Assembly and settle submissions concerning operational issues related to the agenda or to the procedure for holding the general meeting without including such matters in the agenda beforehand, and to discuss other matters at the General Assembly without deciding on such matters.

4.2.12. The matters treated at the General Assembly shall be decided by simple majority voting, insofar articles of association or law do not require a qualified voting majority.

4.2.13. Adoption of decisions to amend articles of association or a decision to dissolve BPO shall require the attendance of at least two thirds of the members at the General Assembly and adoption of the relevant decision by at least two thirds of the votes cast.

4.2.14. Insofar as two thirds of the Members are not present at the General Assembly, but the proposal is otherwise adopted by two thirds of the votes represented, the Management Board

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shall within 14 days convene a new extraordinary General Assembly, which can be conducted via correspondence, at which the proposal can be adopted by two thirds of the votes cast irrespective of the number of Members participating.

4.2.15. If dissolution has been accepted, the General Assembly is to appoint a Liquidation Committee which in all respects is entitled to subscribe BPO and to realise the assets under the best possible conditions and at last to share assets among the Members in proportion to the individual member fee.

4.2.16. In case of insolvency the organisation shall be dissolved according to present legislation of Republic of Estonia.

4.3. Management Board

4.3.1. Management Board manages and represents the BPO.

4.3.2. The Management Board shall consist of a Chairperson, two deputy Chairpersons, and up to 7 (ordinary) members elected at the General Assembly.

4.3.3. Insofar as there are fewer than 10 members of the Management Board in total, the Management Board shall be entitled to co-opt new members, whose election shall be duly confirmed at the next General Assembly.

4.3.4. Members of the Management Board shall be elected for a period of two years.

4.3.5. Members may stand for re-election.

4.3.6. The Management Board shall adopt Rules of Procedures stipulating in detail how it is to conduct business.

4.3.7. The Management Board shall establish a Secretariat to assist in carrying out the tasks undertaken by the Management Board.

4.3.8. Entitled to sign for BPO (power of attorney) is the chairman of the organisation and the Secretary General separately and together.

5. Bank accounts, account and audit

BPO's accounting year shall start on 1 May and ends on 30 April of the next calendar year.

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5.1. BPO's annual report shall be audited. BPO has two auditors elected for two years at a time by the General Assembly.

5.2. The Management Board shall organise the accounting of BPO pursuant to applicable law.

6. Financial Resources, Annual Fees

6.1. The financial resources of BPO shall be constituted by a membership fee voted annually by the General Assembly and payable in advance for each year. The amount of membership fee shall be based on a provisional budget.

6.2. Non-commercial friendship members shall pay a reduced membership fee fixed by the General Assembly.

6.3. Annual membership fee shall be payable no later than the 15th of January annually.

7. Conference

7.1. In conjunction with the ordinary General Assembly BPO shall hold a conference for employees of Members at which maritime issues within the scope of BPO's objectives will be discussed.