

Deed of Formation and Articles of Association for the EU Georgia Business Council

On 25 January 2006:

The undersigned:

1. BP Capital V.O.F., having its registered office at Uitbreidingstraat 60-62, 2600 Berchem (Belgium), registered with the register of legal entities (Antwerp) under enterprise number 0426.600.258, represented by Howard Chase, attorney-in-fact;
2. the Georgian, Tbilisi Branch of BP Exploration (Caspian Sea) Limited, having its branch office at 123a, David Agmashenebeli Ave, Tbilisi (Georgia) and its registered office at Britanic House, 1 Finsberry Circus, London (United Kingdom), registered with the Company Registration Office of England and Wales under registration number 404347, represented by Wreford Digings, Director of the Georgian, Tbilisi Branch;
3. Georgian Glass & Mineral Water Co. N.V., having its registered office at Landhuis Joonchi, Kaya Richard J. Beaujon z/n, Curaçao (Netherlands Antilles), registered with the Chamber of Commerce under registration number 70172, represented by Badri Japaridze, attorney-in-fact;
4. Statoil Coordination Center NV, having its registered office at Bedrijvenlaan 5, 2800 Mechelen (Belgium), registered with the register of legal entities (Mechelen) under enterprise number 0437.405.761, represented by Arve Thorvik, attorney-in-fact; and
5. CanArgo Standard Oil Products Limited, having its registered office at 46/50, Kostava Street, 0179 Tbilisi (Georgia), registered with the Didube-Chugureti District Court under registration number 2/4-2443, represented by Vasil Khorava, General Director.

declared to form a non-profit association ("*vereniging zonder winstoogmerk*" / "*association sans but lucratif*") in accordance with the Law of 27 June 1921 on non-profit associations, international non-profit associations and foundations (as amended), which shall bear the name "EU Georgia Business Council" and of which the articles of association shall be as follows:

Articles of Association of the Non-Profit Association "EU Georgia Business Council"

Title I: Name – Legal Form – Registered Office – Purpose – Activities – Duration

1 Name – Legal Form

1.1 Name

The name of the association (the "Association") is "EU Georgia Business Council". The Association may also use the abbreviation "EUGBC".

1.2 Legal Form

The Association is a non-profit association (“*vereniging zonder winstoogmerk*” / “*association sans but lucratif*”) formed under the Law of 27 June 1921 relating to non-profit associations, international non-profit associations and foundations, as amended (the “Law”).

All deeds, invoices, announcements, communications, letters, orders and other documents emanating from the Association shall contain the Association’s name, immediately preceded or followed by the words “non-profit association” (“*vereniging zonder winstoogmerk*” / “*association sans but lucratif*”), as well as the address of the Association’s registered office and the Association’s enterprise number.

2 Registered Office

The registered office of the Association is located at Building Archimede, Rond Point Schuman 11, B-1040 Brussels, in the judicial district of Brussels.

The registered office may be transferred by a decision of the Board of Directors within the Brussels linguistic region. The Members’ Meeting shall ratify such transfer in the articles of association at its next meeting.

3 Purpose – Activities

3.1 Purpose

The purpose of the Association is to:

- facilitate investment and trade between Georgia and the European Union (“EU”);
- promote Georgia in the EU as a place to invest and to do business and vice versa;
- assist Members engaged in or considering opportunities in Georgia or the EU to attain legitimate business objectives;
- promote and protect the common business interests of Members; and
- foster ties in the EU and Georgia between companies, governments and civil societies *i.e.* non-government organisations and institutions.

3.2 Activities

The Association shall carry out, *inter alia*, the following activities in order to further the realisation of its altruistic purpose:

- represent the common views of Members on business issues and provide a united voice;
- establish relations with key policy makers, appropriate government bodies and civil societies in Georgia and the EU on subjects of interest to Members;
- facilitate discussions between Georgian and EU companies, governments and civil societies;
- provide a forum for Members to discuss how opportunities can be maximized and risks minimized while doing business in Georgia and the EU;

- bring together partners who might otherwise remain unknown to each other and increase business contacts;
- provide Members with information on key political, economic and social issues in Georgian and the EU that influence investment and trade;
- create informational and promotional material about business opportunities in Georgia and the EU;
- provide Members with assistance on various legal, administrative, trade and investment issues;
- organize or assist with organizing conferences, receptions, exhibitions and trade missions to inform companies about various business issues in Georgia and the EU; and
- cooperate with other business development councils and chambers of commerce.

In addition, the Association may carry out all activities that directly or indirectly facilitate the realisation of its altruistic non-profit purpose, including ancillary commercial and profitable activities within the limits allowed by law and provided the proceeds thereof shall at all times be fully used towards the realisation of its altruistic non-profit purpose. Fees may be charged for any activities carried out by the Association, as determined from time to time by the Board of Directors.

4 Duration

The Association is formed for an unlimited duration.

Title II: Membership

5 Effective Members

5.1 Number – Categories

The Association shall have at least three Effective Members who shall have all Members' rights and obligations as provided for by the Law and these articles of association.

The Effective Members consist of (i) no more than twelve Core Members and (ii) Corporate Members.

The following Core Members were the founding Members:

1. BP Capital V.O.F., having its registered office at Uitbreidingstraat 60-62, 2600 Berchem (Belgium);
2. The Georgian, Tbilisi Branch of BP Exploration (Caspian Sea) Limited, having its branch office at 123a, David Agmashenebeli Ave, Tbilisi (Georgia) and its registered office at Britanic House, 1 Finsberry Circus, London (United Kingdom);
3. Georgian Glass & Mineral Water Co. N.V., having its registered office at Landhuis Joonchi, Kaya Richard J. Beaujon z/n, Curaçao (Netherlands Antilles);
4. Statoil Coordination Center NV, having its registered office at Bedrijvenlaan 5, 2800 Mechelen (Belgium); and

5. CanArgo Standard Oil Products Limited, having its registered office at 46/50, Kostava Street, 0179 Tbilisi (Georgia).

Corporate Members are commercial legal entities.

5.2 Accession

Any commercial legal entity that (i) has or plans to have a link with or an interest in Georgia or the EU, (ii) is in good standing in the community, (iii) adheres to the Association's purpose and (iv) applies in writing for effective membership can be admitted as an Effective Member by the Board of Directors. To that effect, the candidate shall send an application form to the Board of Directors. The Board of Directors shall decide on the accession request at its next meeting. The Board of Directors exercises its own discretion, without any obligation to explain or hear an appeal in relation to the decision of whether or not the candidate is accepted as an Effective Member. Accession shall be decided by a simple majority within the Board of Directors. The Board of Directors shall advise the candidate in writing of its decision on the accession request.

Membership shall become effective as of the payment of the membership dues applicable to the relevant category.

5.3 Rights and Obligations

Effective Members have the rights and obligations set out in the Law and in these articles of association. Effective Members shall:

- have the right to participate and vote in the Members' Meeting;
- have the right to nominate and vote on Directors;
- have the right to representatives on the Board of Directors;
- be obliged to pay membership dues; and
- be entitled to certain services and entitled to participate in the activities organised by the Association in accordance with the terms and conditions as set out in greater detail in the House Rules (as these may be amended from time to time by the Board of Directors without consent of the Effective Members being required).

5.4 Resignation

Effective Members have the right to resign from the Association at any time by sending a written notification to the Board of Directors. Such resignation shall be effective immediately upon receipt of the notice. A resigning Effective Member shall be required to pay the membership dues for the year in which the resignation is given and shall remain liable for the payment of any other outstanding obligations for any membership dues.

5.5 Suspension – Exclusion

The rights (including but not limited to the voting rights at Members' Meetings) of the Effective Members whose membership dues are three months in arrears may be suspended. Effective Members who have not paid their membership dues after two reminders from the Board of Directors may be deemed to have resigned. The Board of Directors shall advise the defaulting Member in writing of its deemed resignation.

The Members' Meeting, upon proposal by the Board of Directors or at least one fifth of the Effective Members, can resolve to exclude an Effective Member who acts in violation of the

objectives of the Association, who demonstrates dishonourable conduct or whose continued membership is deemed to be detrimental to the Association. Such a Members' Meeting shall be validly composed and can deliberate validly only if at least half of the Effective Members are present or represented. If this quorum requirement is not satisfied, a second Members' Meeting may be convened in accordance with the procedure set out in Article 9.2 which shall be validly composed and which shall deliberate validly regardless of the number of Effective Members present or represented. Any resolution to exclude an Effective Member shall require a majority of two thirds of the votes cast by the Effective Members present or represented at the Members' Meeting. The Effective Member whose membership is proposed to be terminated shall have a right to be heard. The Board of Directors shall advise the Effective Member concerned in writing of the decision of the Members' Meeting.

5.6 Membership Dues – General Duties

The Effective Members shall pay membership dues on an annual basis unless otherwise determined by the Board of Directors, the amount of which is determined each year by the Board of Directors per category of Effective Members and which cannot exceed EUR 15,000.

Any Effective Member who has resigned or has been suspended or excluded shall not be entitled to recover the membership dues paid.

All Effective Members shall uphold and protect the interests and reputation of the Association and shall abide by these articles of association.

5'. Honorary Membership

5'.1 Categories

Honorary Member are individuals, (i) who have distinguished themselves by meritorious service in the furtherance of EUGBC goals and supports the objectives of the Association (ii) have a link with or an interest in Georgia or the EU and (iii) are in good standing in the community.

5'.2 Nomination and Approval

- Honorary membership candidates can be nominated by any member of the Association as well as by the Secretary General.
- Nominations for Honorary Membership must be submitted to the Board for approval in writing. The nomination should provide documentation that the nominee has exhibited or have potential to make outstanding contribution to the Association.
- A formal written invitation to the membership candidate is extended by the Board upon its approval of the candidate. Membership shall become effective as soon as the Board receives a written acceptance of Honorary Member status by the individual.
- Honorary membership may be conferred at any meeting of the Board by a majority vote of the voting members present. Such membership shall continue unless terminated by withdrawal or vote of the board members.
- Honorary membership last for one year, and may be re-voted by the Board.

5.3 Rights and Obligations

Honorary Members shall:

- have the right to nominate Directors;
- have the right to participate in the Members' Meeting without having the right to vote;
- be entitled to certain services and participate in the activities organized by the Association in accordance with the terms and conditions as set out in greater detail in the House Rules (as these may be amended from time to time by the Board of Directors without consent of the Honorary Members being required);
- be exempt from the payment of membership dues;
- Honorary Members may be invited by the Board of Directors as Honorary Directors of the Association.

5.4 Resignation

Honorary Members have the right to resign from the Association at any time by sending a written notification to the Board of Directors. Such resignation shall be effective immediately upon receipt of the notice.

5.5 Suspension and Exclusion

- Honorary membership shall automatically terminate at the end of the term for such membership as determined by the board. However, the board may extend an honorary membership for an additional period. The board may revoke an honorary membership at any time.
- The Board of Directors can unilaterally resolve to exclude an Honorary Member who acts in violation of the objectives of the Association. The Board of Directors shall advise the Honorary Member concerned in writing of the decision of the Board of Directors.

6 Affiliated Members

6.1 Categories

Affiliated Members are third parties who support the objectives of the Association and who have a link with the Association within the meaning of Article 2^{ter} of the Law.

The Affiliated Members consist of (i) Individuals and (ii) Civil Societies.

Individuals are persons who demonstrate an interest in fulfilling the Association's purpose. Civil Societies are non-profit (by charter) legal entities including non-government organisations and institutions who are not eligible as a Corporate Member but who demonstrate an interest in fulfilling the Association's purpose.

6.2 Accession

Any individual or non-profit legal entity who supports the objectives of the Association and (i) has or plans to have a link with or an interest in Georgia or the EU, (ii) is in good standing in the community, (iii) adheres to the Association's purpose and (iv) applies in writing for affiliated membership can be admitted as an Affiliated Member by the Board of Directors. To that effect, the candidate shall send an application form to the Board of

Directors. The Board of Directors shall decide on the accession request at its next meeting. The Board of Directors exercises its own discretion, without any obligation to explain or hear an appeal in relation to the decision of whether or not the candidate is accepted as an Affiliated Member. Accession shall be decided by a simple majority within the Board of Directors. The Board of Directors shall advise the candidate in writing of its decision on the accession request.

Membership shall become effective as of the payment of the membership dues applicable to the relevant category.

6.3 Rights and Obligations

Affiliated Members have the rights and obligations set out in these articles of association. Affiliated Members shall:

- have the right to participate in the Members' Meeting but no voting rights;
- have the right to nominate Directors;
- have the right to a representative on the Board of Directors;
- be obliged to pay membership dues; and
- be entitled to certain services and entitled to participate in the activities organised by the Association in accordance with the terms and conditions as set out in greater detail in the House Rules (as these may be amended from time to time by the Board of Directors without consent of the Affiliated Members being required).

6.4 Resignation

Affiliated Members have the right to resign from the Association at any time by sending a written notification to the Board of Directors. Such resignation shall be effective immediately upon receipt of the notice. A resigning Affiliated Member shall be required to pay the membership dues for the year in which the resignation is given and shall remain liable for the payment of any other outstanding obligations for any membership dues.

6.5 Suspension – Exclusion

The rights (including but not limited to the right to attend Members' Meetings without voting rights) of the Affiliated Members whose membership dues are three months in arrears may be suspended. Affiliated Members who have not paid their membership dues after two reminders from the Board of Directors may be deemed to have resigned. The Board of Directors shall advise the defaulting Member in writing of its deemed resignation.

The Board of Directors can unilaterally resolve to exclude an Affiliated Member who acts in violation of the objectives of the Association. The Board of Directors shall advise the Affiliated Member concerned in writing of the decision of the Board of Directors.

6.6 Membership Dues – General Duties

The Affiliated Members shall pay membership dues, on an annual basis unless otherwise determined by the Board of Directors, the amount of which is determined each year by the Board of Directors per category of Affiliated Members.

Any Affiliated Member who has resigned or has been suspended or excluded shall not be entitled to recover the membership dues paid.

All Affiliated Members shall uphold and protect the interests and reputation of the Association and shall abide by these articles of association.

7 No Entitlement to the Association's Assets

At no time shall the Effective Members or the Affiliated Members have any right or claim to any of the Association's assets nor shall they be entitled to recover the membership dues paid to the Association.

Title III: Members' Meeting

8 Members' Meeting

8.1 Composition

The Members' Meeting is composed of all Effective Members. The Affiliated Members shall also be entitled to participate in the Members' Meeting but shall have no voting rights.

8.2 Powers

The following powers are exclusively reserved for the Members' Meeting:

- modification of the articles of association of the Association;
- appointment and dismissal of the Directors and the appointment of the Chairman and the First Vice Chairman and Second Vice Chairman;
- appointment and dismissal of the auditors, if any, and the determination of their remuneration; granting of release from liability to the Directors and auditors;
- approval of the budget and annual accounts;
- voluntary dissolution of the Association;
- exclusion of Effective Members;
- transformation of the Association into a company with a social purpose;
- decisions concerning recommendations referred by the Board of Directors to the Members' Meeting; and
- any other matters reserved for the Members' Meeting by the articles of association.

9 Meetings – Deliberation and Decisions

9.1 Meetings

The Annual Members' Meeting approving the budget and the annual accounts shall be held in the second quarter of the year at the Association's registered office or at any other place specified in the convening notice. If the means for participating are indicated in the convening notice, meetings may also be held using any means of telecommunication permitting a joint discussion, such as telephone or video conferencing.

Special and Extraordinary Members' Meetings may be held whenever the interests of the Association so require or when interesting programs or events can be arranged.

The Chairman shall send on behalf of the Board of Directors to each Member, be it an Effective Member or an Affiliated Member, a convening notice, including the location, time and agenda of the meeting. The convening notice shall be sent by letter, fax, email or any other means of communication specified in Article 2281 of the Civil Code at least one month prior to the date of the meeting. Proposals shall be included on the agenda prepared by the Board of Directors if at least one twentieth of the Effective Members so request. A change in, or addition to, the agenda shall be made whenever requested in writing by an Effective Member at least 15 days prior to the date of the meeting. Notice of such change in, or addition to, the agenda shall be given by letter, fax, email or any other means of communication specified in Article 2281 of the Civil Code to all Effective Members at least 8 days prior to the date of the meeting.

Members' Meetings are presided by the Chairman of the Board of Directors. In the absence of the Chairman, the meetings shall be presided by the First Vice Chairman. A facilitator shall be chosen by the Board of Directors for Members' Meetings where elections are scheduled to take place. The election process will take place in accordance with the House Rules referred to in Article 22.

The Annual Members' Meeting may not discuss items that are not on the agenda. The Special and the Extraordinary Members' Meeting may not discuss items that are not on the agenda unless all Effective Members are present or represented at the meeting and unanimously consent to do so and the proxies of the Effective Members represented allow this.

An Effective Member is deemed to have been properly notified of a meeting if it attends the meeting or is represented at such meeting. An Effective Member may also waive its right to complain about lack or irregularity of notice before or after a meeting which it does not attend. In the event that all Effective Members are present or represented at a meeting there is no need to provide evidence of a prior convening notice.

Each legal entity applying to become an Effective Member shall include in its application the names and addresses of one representative and one alternate representative for voting purposes at Members' Meetings. Only one of the two representatives identified as voting representatives may vote on any given issue. The alternate may vote only when the representative is absent. All changes of voting representatives by an Effective Member shall be submitted in writing to the Secretary General of the Association referred to in Article 14.1.

In the event that both the representative and the alternate representative of an Effective Member cannot attend a specific Members' Meeting, such Effective Member, acting through its designated representative, may grant a proxy to another Effective Member in order to be represented at the meeting, with discretionary power for the proxy holder to vote for and on behalf of the Effective Member. Such proxies must be recorded in a deed bearing the Effective Member's signature (which may be an electronic signature as defined in Article 1322, paragraph 2 of the Civil Code) and must be notified to the Secretary General by letter, fax, email or any other means of communication specified in Article 2281 of the Civil Code at least 1 day prior to the meeting. Such proxies shall be counted for all quorum and majority requirements for all meetings containing the same agenda.

An Effective Member may represent only one of its fellow Effective Members by proxy.

If the convening notice so provides, Effective Members may also vote in writing using a form the contents of which shall be specified in the convening notice and which shall be

made available to the Effective Members. The form must bear the Effective Member's signature (which may be an electronic signature as defined in Article 1322, paragraph 2 of the Civil Code) and must be returned to the Secretary General by letter, fax, email or any other means of communication specified in Article 2281 of the Civil Code at least 3 days prior to the meeting. Forms which do not indicate a positive or negative vote or an abstention are void.

9.2 Quorum and Majority Requirements – Deliberation and Decisions

Unless provided differently by the Law or these articles of association, the Members' Meeting shall be validly composed and can deliberate validly only if at least half of the Effective Members are present or represented. If this quorum requirement is not satisfied, a second Members' Meeting may be convened to be held no later than 20 days from the date of the initial meeting. The convening notice for the second Members' Meeting shall be sent to each Member, be it an Effective Member or an Affiliated Member, by letter, fax, email or any other means of communication specified in Article 2281 of the Civil Code at least 8 days prior to the date of the second meeting. The second Members' Meeting shall be validly composed and shall deliberate validly regardless of the number of Effective Members present or represented.

Unless a higher majority is required by the Law or these articles of association, decisions are validly taken by a simple majority of the votes cast by the Effective Members present or represented at the Members' Meeting. In case of a tie the Chairman or, in the absence of the Chairman, the First Vice Chairman shall have the casting vote.

Each Effective Member shall have one vote.

9.3 Minutes

The resolutions of the Members' Meeting shall be recorded in minutes signed by the Chairman, the First Vice Chairman, the Secretary General and the Effective Members wishing to do so. Proxies given for a particular meeting are annexed to the minutes of such meeting. These minutes shall be kept in a special minute book at the Association's registered office. The Effective Members shall be entitled to inspect the minutes in accordance with the applicable legal provisions.

Decisions that must be notified to third parties shall be published in the Annex to the Belgian State Gazette. Excerpts of the minutes shall be provided to third parties who have requested so and who have demonstrated a legitimate interest therein.

Title IV: Management – Daily Management – Representation

10 Board of Directors – Appointment – Term of Office

10.1 Composition

Except for the initial Board of Directors appointed at the time of the Association's formation and consisting of at least the legal minimum of three Directors, the Association shall be managed by a Board of Directors consisting of a maximum of eleven Directors, and maximum of two Honorary Directors. The number of Directors must at all times be lower than the number of Effective Members.

Only individuals who are representatives of Members belonging to any membership category, be it an Effective Member or an Affiliated Member, are eligible to run for the office of Director. Legal entities are not eligible to be Directors.

The Board of Directors shall be composed as follows:

- A maximum of 6 Directors shall represent the Core Members. The first 3 Directors representing Core Members shall be appointed by the founding Core Members in the formation deed following the approval of the articles of association. The appointment of the other three Directors representing Core Members shall be subject to there being a minimum of 6 Core Members;
- Maximum of 4 Directors shall represent the Corporate Members. First Director shall be appointed once there are a minimum of 4 Corporate Members, Second Director shall be appointed once there are a minimum of 8 Corporate Members, third Director shall be appointed once there are a minimum of 12 Corporate Members, fourth Director shall be appointed once there are a minimum of 16 Corporate Members;
- 1 Director shall represent the Affiliated Members. The appointment of the Director representing Affiliated Members shall be subject to there being a minimum of 4 Affiliated Members.
- Board of Directors may invite no more than two Honorary Members to serve as the Honorary Directors for a term of office not exceeding the term of office of the Board of Directors.

At the formation of the Association, there shall be 3 Directors only (i.e. representing the founding Core Members). However, additional Members' Meetings may be held as necessary from time to time to appoint new Directors as membership grows. These meetings shall only be held if there are new Directors to be appointed based on the minimum number of Core or Affiliated Members required and the ratio for Corporate Members outlined above.

Any Director appointed on reaching the minimum number of Core or Affiliated Members or the ratio for Corporate Members outlined above will serve out his or her term, even if the number of relevant Members falls below the minimum number or the required ratio. However, no further Directors will be appointed to represent that membership category until the minimum number or the required ratio of relevant Members is again reached.

The Members' Meeting shall appoint a Chairman, First Vice Chairman and Second Vice Chairman from among the members of the Board of Directors in accordance with the procedure set out in Article 10.2. Only representatives of Effective Members are eligible to run for the office of Chairman or First and Second Vice Chairman of the Board of Directors.

The Secretary General referred to in Article 14.1 shall not be a member of the Board of Directors but shall be entitled to attend the meetings of the Board of Directors, without having any voting rights at such meetings. The Secretary General shall act as secretary to the Board of Directors.

The Directors shall not be remunerated for the performance of their office unless otherwise decided by the Members' Meeting.

10.2 Appointment – Term of Office – End of Office

The Directors, including the Chairman, First Vice Chairman and Second Vice Chairman, shall be appointed by secret ballot by the Members' Meeting for a term of office of no more than two years. Directors whose term of office has come to an end can be reappointed. The Directors shall be appointed in such a way as to ensure as much continuity as possible by avoiding that all terms of office expire simultaneously. This will often be accomplished through the resignation of Directors, however it may require elections to be arranged to achieve staggered terms of office.

Any resolution to appoint a Director, including the Chairman, First Vice Chairman and Second Vice Chairman, shall require a simple majority of the votes cast by the Effective Members present or represented at the Members' Meeting. However, nominations for candidates for the position of Director may be made by the representative of any Member, be it an Effective Member or an Affiliated Member. Nominations for candidates for the position of Chairman, First Vice Chairman and Second Vice Chairman may be made by the representative of any Member, be it an Effective Member or an Affiliated Member, from among the individuals who have been appointed as Directors, regardless of whether or not the appointment as Director occurred at the same Members' Meeting.

The office of a Director shall come to an end in the event of:

- voluntary resignation, to be tendered in writing by way of a letter of resignation addressed to the Board of Directors;
- expiration of the term of office, it being understood that the term of office shall continue until the appointment of the Director's replacement;
- dismissal by the Members' Meeting;
- death.

In the event of a voluntary resignation, the resigning Director shall remain in office until the appointment of the Director's replacement by the Members' Meeting.

11 Powers – Distribution of Powers

The Board of Directors shall have the most extensive powers to manage the Association and shall have the power to carry out all actions necessary or useful for the realisation of the altruistic purpose of the Association. All residual powers are granted to the Board of Directors.

Without prejudice to the generality of the foregoing, the powers of the Board of Directors shall include but are not limited to:

- planning the strategy of the Association;
- overseeing policy decisions with respect to the programs sponsored by the Association;
- determining the salary and remuneration, if any, of the Secretary General and approving the salaries and remuneration of all other employees of the Association;
- reviewing and approving annual expenditures;
- determining the membership dues;

- determining fees, if any, for activities of the Association;
- reviewing and approving the annual report;
- drawing up the annual accounts and the budget for approval by the Members' Meeting;
- selecting auditors, if any, for approval by the Members' Meeting;
- convening Members' Meetings;
- deciding on all matters not reserved to other bodies of the Association;
- subject to the provisions of Article 22, adopt or amend the House Rules.

The Board of Directors shall operate as a collegiate body.

The Directors shall be entitled to distribute powers and assign responsibilities among themselves. Such distribution of powers shall not be enforceable vis-à-vis third parties even if it is published.

12 Meetings – Deliberation and Decisions

12.1 Meetings

The Board of Directors shall normally meet monthly or at such other frequency as the Board of Directors shall deem appropriate or whenever the interests of the Association so require.

Meetings of the Board of Directors shall be convened at the request of the Chairman or, in the absence of the Chairman, by the First Vice Chairman. Notice must be given at least 8 days prior to the date of the meeting, except in case of emergency or in case all members of the Board of Directors waive the notice period. In case of emergency, the nature of and reasons for the emergency should be specified in the convening notice. Meetings may also be convened within 8 days at the request of at least one third of the members of the Board of Directors.

Convening notices are valid if delivered by letter, fax, email or any other means of communication specified in Article 2281 of the Civil Code. The convening notice shall contain the agenda of the meeting.

Meetings of the Board of Directors are presided by the Chairman of the Board of Directors. In the absence of the Chairman, the meetings shall be presided by the First Vice Chairman.

The Board of Directors may not discuss items that are not on the agenda unless all Directors are present or represented at the meeting and unanimously consent to do so and the proxies of the Directors represented allow this. A Director is deemed to have been properly notified of a meeting if he attends the meeting or is represented at such meeting. A Director may also waive his right to complain about lack or irregularity of notice before or after a meeting which he does not attend. In the event that all members of the Board of Directors are present or represented at a meeting there is no need to provide evidence of a prior convening notice.

The meetings of the Board of Directors are held at the registered office or at any other place specified in the convening notice. If the means for participating are indicated in the

convening notice, meetings may also be held using any means of telecommunication permitting a joint discussion, such as telephone or video conferencing.

Any Director may grant a proxy to another Director in order to be represented at a specific meeting of the Board of Directors. Such proxies must be recorded in a deed bearing the Director's signature (which may be an electronic signature as defined in Article 1322, paragraph 2 of the Civil Code) and must be notified to the Chairman (or in his absence to the First Vice Chairman) by letter, fax, email or any other means of communication specified in Article 2281 of the Civil Code at least 1 day prior to the meeting. Such proxies shall be counted for all quorum and majority requirements for all meetings containing the same agenda.

A Director may represent only one of his fellow Directors by proxy.

12.2 Quorum and Majority Requirements – Deliberation and Decisions

The Board of Directors may deliberate validly and vote only if at least half of its members are present or represented, provided that at least two Directors must be present (one being the Chairman or the First Vice Chairman). If this condition is not satisfied, a new meeting may be convened which shall deliberate validly and vote on all points on the agenda of the previous meeting, regardless of the number of Directors present or represented, provided, however, that at least two Directors must be present.

Unless determined otherwise in these articles of association, every decision of the Board of Directors shall be adopted by a simple majority of the votes cast by the Directors present or represented, it being understood that in case of abstentions these shall not be taken into account for the calculation of the majority.

Each Director shall have one vote. Honorary Directors have no voting rights.

In the event of a tie, the Chairman or, in the absence of the Chairman, the First Vice Chairman shall have the casting vote.

12.3 Minutes

The resolutions of the Board of Directors shall be recorded in minutes signed by the Chairman, the First Vice Chairman, the Secretary General and the Directors wishing to do so. Proxies given for a particular meeting are annexed to the minutes of such meeting. These minutes shall be kept in a special minute book at the Association's registered office. The Effective Members shall be entitled to inspect the minutes in accordance with the applicable legal provisions.

Decisions that must be notified to third parties shall be published in the Annex to the Belgian State Gazette.

13 Conflicts of Interests

In the event a member of the Board of Directors directly or indirectly has an interest of a financial nature contrary to a decision to be taken by the Board of Directors or to a transaction to be decided upon by the Board of Directors, such Director shall notify the other members of the Board of Directors thereof prior to the deliberation. The Director shall not take part in the deliberation or the vote.

This procedure does not apply to customary transactions effected at normal market conditions for similar transactions.

14 Daily Management – Attorneys-in-Fact – Other Bodies and Committees

14.1 Daily Management

The Board of Directors may delegate the daily management of the Association and the representation of the Association within the scope of daily management to one or more persons, who need not be members of the Board of Directors or Members of the Association and who may act alone. The Board of Directors shall determine the term and conditions of office of the person(s) to whom daily management powers have been entrusted.

In the event daily management powers are delegated to a member of the Board of Directors, such person shall bear the title of Managing Director. In the event daily management powers are delegated to a person who is not a member of the Board of Directors, such person shall bear the title of Secretary General.

The office of a person entrusted with daily management powers shall come to an end in the event of:

- voluntary resignation;
- expiration of the term of office;
- dismissal by the Board of Directors;
- death.

14.2 Attorneys-in-Fact

The Board of Directors and the persons entrusted with daily management powers may appoint one or more special attorneys-in-fact for special and clearly defined assignments.

14.3 Other Bodies and Committees

The Board of Directors shall be entitled to create and terminate, as it deems appropriate and under its responsibility, advisory bodies or other committees within the Association. The Board of Directors shall establish the operating procedures thereof.

15 Representation

Without prejudice to the general representation powers of the Board of Directors as a whole, the Association shall be validly represented vis-à-vis third parties and in legal proceedings by two Directors acting jointly.

For acts within the scope of daily management, the Association shall also be validly represented by a person entrusted with daily management powers acting alone.

For acts within the scope of their specific powers, the Association shall also be validly represented by special attorneys-in-fact.

Title V: Financial Year – Annual Accounts – Auditor

16 Financial Year

The financial year of the Association shall coincide with the calendar year and shall commence on the 1st of January of each year and shall end on the 31st of December of the same calendar year.

17 Budget

No later than six months after the beginning of the financial year, the Board of Directors shall draw up and submit for approval to the Members' Meeting the budget for such financial year.

18 Accounting Documents – Annual Accounts

The accounting documents and the annual accounts of the Association shall be drawn up by the Board of Directors in accordance with the applicable provisions of the Law and its implementing royal decrees.

The annual accounts shall be submitted for approval to the Members' Meeting within six months of the closing of the financial year.

19 Auditor

In the event the Association meets the thresholds set out in Article 17, § 5 of the Law, the Members' Meeting shall appoint one or more auditors in charge of auditing the financial situation, the annual accounts and the regularity of the transactions to be reflected in the annual accounts of the Association in light of the law and these articles of association.

The Members' Meeting shall appoint the auditor(s) from among the members, individuals or legal entities, of the Institute of Certified Auditors for a renewable term of office of three financial years. The remuneration of the auditor for the entire term of its office shall be determined by the Members' Meeting at the time of the appointment of the auditor and can only be changed by mutual consent between the Association and the auditor.

Title VI: Dissolution – Liquidation

20 Dissolution

The Association can be wound up by a voluntary decision of the Members' Meeting in accordance with the two-thirds quorum and four-fifths majority requirements laid down in the Law or by a decision of the Court of First Instance on the basis of the grounds laid down in the Law.

21 Liquidation

Upon the liquidation of the Association and after the payment of its debts, the net assets of the Association shall be allocated to a non-profit entity pursuing an altruistic purpose that is

the same as or similar to the altruistic purpose pursued by the Association and that is selected by the Members' Meeting deciding on the voluntary dissolution and liquidation of the Association.

Title VII: Miscellaneous Provisions

22 House Rules

The Board of Directors may adopt house rules governing the daily operations of the Association in general and the proceedings of the Board of Directors in particular. The Members' Meeting may adopt house rules governing the proceedings of the Members' Meeting.

23 Grants and Donations

The Association may accept grants or donations of money, supplies, furniture, books or other items which will further the aims of the Association. Such grants or donations may not be accepted in lieu of money due as membership dues. Without prejudice to Article 16 of the Law, all grants or donations will be reported to and approved by the Board of Directors.

24 Amendments to the Articles of Association

Amendments to these articles of association may be proposed by either the Board of Directors or at least one twentieth of the Effective Members and shall be included on the agenda for the next Members' Meeting.

Without prejudice to stricter majority requirements set out in the Law, the decision to amend the articles of association may be passed at any Members' Meeting by a majority of two-thirds of the votes cast by the Effective Members present or represented, provided the quorum requirements set out in the Law are met.

After having determined the articles of association of the Association, the founding Core Members immediately held a Special Members' Meeting and unanimously made the following resolutions:

1. First financial year and first Annual Members' Meeting

The first financial year shall start today, twenty-five January two thousand and six, and shall end on the thirty-first of December two thousand and six. The first Annual Members' Meeting shall be held in the course of the first six months of 2007.

2. Appointment of the first Directors

The Special Members' Meeting resolved to appoint three individuals as Directors as follows:

1. David Glendinning, residing at 30 Thames Street, Walton on Thames, Surrey KT12 2PS (United Kingdom), born on 24 December 1966 in Newcastle-Upon-Tyne (United Kingdom) as Chairman;
2. Badri Japaridze, residing at Mazniashvili St. 33, Tbilisi (Georgia), born on 10 July 1960 in Kutaisi (Georgia) as Vice Chairman; and

3. Arve Thorvik, residing at Avenue du Venezuela 12, 1050 Brussels, born on 23 December 1948 in Kvam (Norway).

The term of office of these Directors shall expire at a Special Members' Meeting to be held in July of 2006.

The Directors shall not be remunerated for the performance of their office.

The Board of Directors shall operate as a collegiate body. Without prejudice to the general representation powers of the Board of Directors as a whole, the Association shall be represented vis-à-vis third parties and in legal proceedings by two Directors acting jointly.

Done on 25 January 2006 in two original copies.

BP Capital V.O.F., represented
by:

**the Georgian, Tbilisi Branch
of BP Exploration (Caspian
Sea) Limited**, represented by:

Howard Chase, attorney-in-fact

Wreford Digings, Director of
the Georgian, Tbilisi Branch

**Georgian Glass & Mineral
Water Co. N.V.**, represented
by:

**Statoil Coordination
Center NV**, represented by:

Badri Japaridze, attorney-in-
fact

Arve Thorvik, attorney-in-fact

**CanArgo Standard Oil
Products Limited**,
represented by:

Vasil Khorava, General
Director