

**ARTICLES OF ASSOCIATION
OF THE NON-PROFIT ASSOCIATION**

ESTONIAN GOLF AND COUNTRY CLUB

1. GENERAL

- 1.1. The name of the non-profit association is “Non-profit Association Estonian Golf and Country Club” (hereinafter the Association).
- 1.2. The location of the Association shall be Tallinn, the Republic of Estonia.
- 1.3. The Association is a non-profit association established under the laws of the Republic of Estonia.
- 1.4. The purpose of the Association is to:
 - 1.4.2. stimulate interest in the golf and organise golfing events;
 - 1.4.3. promote and develop a closer association among golf players;
 - 1.4.4. organise social events for the members of the Association and for others interested in golf;
 - 1.4.5. train golfers and organise golf championships;
 - 1.4.6. operate a golf field;
 - 1.4.7. provide services in the field of tourism, accommodation and catering;
 - 1.4.8. sell and rent sports equipment;
 - 1.4.9. develop mutually beneficial relations between the organisation and other domestic or foreign organisations whose objectives and activities are similar with those of the Association;
 - 1.4.10. carry out other activities relating to the objectives pointed out above.

Business shall not be the Association’s main activity and the Association shall not use business income for objectives other than those provided for in the Articles of Association.

- 1.5. The Association has been founded for an unspecified period.
- 1.6. The bodies of the Association at the foundation are the General Meeting and the Management Board. The body of the Association shall be the Meeting of Representatives starting from the election of the Meeting of Representatives. The Association’s administrative expenses shall not exceed the extent that is justified by the nature and objectives of its activities.
- 1.7. The Association shall neither distribute its assets or income nor grant financial assistance or financially assessable benefits to its members or to members of the Management Board, or to the aforementioned persons’ spouses, direct blood relatives, sisters or brothers, or to the descendants of their sisters or brothers, the spouses’ direct blood relatives, sisters or brothers.

2. MEMBERSHIP

- 2.1. Membership in the Association shall be available to any private person or legal entity who apply for such membership and:
 - 2.1.2. who share interest in achieving the purpose of the Association as set out in Articles of Association;
 - 2.1.3. recognise and adhere to this Articles of Association, the golf rules adopted by the *Royal and Ancient Club of St. Andrews* and the principle of *fair play*;
 - 2.1.4. make payments to the Association in due manner as set forth in this Articles of Association and/or as decided by the respective body of the Association;
 - 2.1.5. have a valid *green card*;
 - 2.1.6. have a valid permanent play right at the Jöelähtme golf field.
- 2.2. Membership is individual and non-transferable.
- 2.3. The Management Board decides on the membership in the Association. Members shall be excluded by a resolution of the Management Board or by virtue of law. A member who is excluded from the Association shall be promptly notified in writing of the adoption of a resolution to exclude the member from the Association and of the reasons therefor. A member may be removed *inter alia* on grounds that:
 - 2.3.1. the member has not duly liquidated its debts before the Association;
 - 2.3.2. the actions of the member are incompatible with the good image and sound reputation of the Association;
 - 2.3.3. the member has repeatedly not fulfilled the decisions of the bodies of the Association;
 - 2.3.4. the member has caused significant damages to the Association.
- 2.4. Members shall have the right to participate in all events and activities organised by the Association. Members may propose candidates to be appointed as a member of the Management Board.
- 2.5. The members of the Association shall comply with the Articles of Association and the resolutions of the bodies of the Association and shall regularly and promptly pay their membership fees and other payments.
- 2.6. Members shall have the right to depart from the Association at any time. Fees already paid to the Association shall not be reimbursed by the Association to persons whose membership in the organisation has terminated. A person whose membership in the Association has terminated shall not have a right to the assets of the Association.

3. GENERAL MEETING AND MEETING OF THE REPRESENTATIVES

- 3.1. The General Meeting shall consist of all members of the Association. Each member shall have one vote in the General Meeting, unless otherwise provided by law.
- 3.2. The general meeting is competent to:
 - 3.2.1. amend the Articles of Association;
 - 3.2.2. change the objectives of the Association;

- 3.2.3. amend the Articles of Association of the Association;
3.2.4. decide on merger and division of the Association.
- 3.3. General Meeting is convened by the Management Board.
- 3.4. The Management Board has to convene a General Meeting in cases where the interests of the Association so require.
- 3.5. The Management Board has to convene a General Meeting upon such demand by 1/10th of the members of the non-profit Association. If the Management Board does not convene the General Meeting as requested by the members of the Association, the members who demanded the General Meeting may convene the General Meeting themselves pursuant to the same procedure as the Management Board.
- 3.6. The convocation of a General Meeting must be executed with at least 7 days prior notice. Notice may be given by ordinary mail, fax or e-mail.
- 3.7. The Management Board shall organise and set out the procedures for the conduct of the General Meeting in accordance with the rules set forth in law and the Articles of Association.
- 3.8. The General Meeting may validly adopt resolutions in case more than half of the members participate in the General Meeting. Members of the Association may participate in the General Meeting in person or via representative. Only another member of the Association who is granted a proxy in writing may be the representative of a member of the Association.
- 3.9. If the General Meeting is not competent to adopt resolutions, the Management Board shall convene subsequent General Meeting with the same agenda within two weeks. The subsequent General Meeting is competent to make binding decisions if at least five members participate in the General Meeting.
- 3.10. If the requirements of law or the Articles of Association are violated in convening the General Meeting, the General Meeting shall not have the right to adopt resolutions, unless all members of the Association participate in the General Meeting.
- 3.11. The General Meeting is competent to adopt resolutions concerning issues specified in the meeting notification. The General Meeting is competent to adopt resolutions concerning issues not specified in the meeting notification only if all members of the Association participate in the General Meeting.
- 3.12. A resolution is passed by the General Meeting if more than 1/2 of the members participating in the General Meeting vote in favour of such resolution unless otherwise provided by law and beneath:
3.12.1. amending the Statutes requires the consent of 2/3rd of the members participating in the General Meeting;
3.12.2. changing the purpose of the Association requires the consent of all members of the Association.

- 3.13. Resolutions of the General Meeting shall be passed by open ballot unless a secret ballot is required by more than 1/2 of the members participating in the General Meeting.
- 3.14. A resolution of the General Meeting shall be deemed to be adopted without calling the General Meeting if all members of the Association vote in favour of the resolution in writing.
- 3.15. Each member of the Association has one vote upon General Meeting. A member shall not have the right to vote in cases as set forth by law.
- 3.16. Amendments to the Articles of Association become effective upon entry into the Non-profit Associations and Foundations Registry.
- 3.17. In questions not mentioned in clause 3.2. of this Articles of Association, the Meeting of the Representatives shall fulfil the tasks of the General Meeting starting from the date of election of the Meeting of the Representatives. The Meeting of the Representatives is competent primarily to:
- 3.17.1. decide on membership fees and other payments to be executed by the members;
 - 3.17.2. appoint the members of the Management Board, the number of the members of the Management Board and their term of office, appoint the internal controller of the Association;
 - 3.17.3. approve annual plan and budget of the Association;
 - 3.17.4. approve annual report of the Association;
 - 3.17.5. approve the structure of the Association;
 - 3.17.6. decide on the assertion of claims against the members of the Management Board and to appoint a representative of the Association in such claims;
 - 3.17.7. decide on entry into transactions and the terms and conditions of the transactions with members of the Management Board and appoint a representative of the Association in such transactions,
 - 3.17.8. decide on transactions regarding immovable property and registered movable property of the Association.
- 3.18. The Representatives are elected by the General Meeting amongst the members of the Association until the next General Meeting takes place. One representative shall be elected for each ten members of the Association. The General Meeting shall also elect up to 5 substitute representatives. The substitute representative shall have the right to act as a representative in case the membership of the representative shall be terminated and the substitute representatives shall act in the order of age.
- 3.19. The Meeting of the Representatives shall be convened and the procedures for the conduct of the Meeting of the Representatives shall be set out pursuant to the rules set forth in law and the Articles of Association for the General Meeting respectively.

4. THE MANAGEMENT BOARD

- 4.1. The Association shall be managed and represented by a Management Board.
- 4.2. The competence of the Management Board shall include the following:
 - 4.2.1. organising the activities of the Association;
 - 4.2.2. planning and implementing the events organised by the Association;
 - 4.2.3. joining and resigning a membership in another entities;
 - 4.2.4. approving the corporate graphics of the Association;
 - 4.2.5. managing the financial affairs of the Association;
 - 4.2.6. all other activities of a routine nature concerning the management and representation of the Association;
 - 4.2.7. all other matters reserved to the competence of the Management Board by law.
- 4.3. The Management Board shall inform the members of the Association about the management of the Association and provide regular reports about the condition and activities of the Association.
- 4.4. The Management Board shall have 1 to 9 members. More than a half of the members of the Management Board must reside in Estonia.
- 4.5. A member of the Management Board may be recalled from the Management Board by a resolution of the General Meeting or after the election of the Meeting of the Representatives with the resolution of the Meeting of the Representatives in case:
 - 4.5.1. such Management Board member has acted in breach of the Articles of Association and caused damage to the Association;
 - 4.5.2. of significant non-performance of duties;
 - 4.5.3. of incapacity to manage the Association;
 - 4.5.3. the actions of the Management Board member are incompatible with the good image and sound reputation of the Association.
- 4.6. In case the Management Board comprises of more than two members, the Management Board shall appoint amongst its members a Chairman of the Management Board, and Vice-Chairman and a Financial Director if necessary. The Vice-Chairman shall have in that case all responsibilities of the Chairman of the Management Board in the absence of the Chairman of the Management Board.
- 4.7. The Association may be represented by the Chairman of the Management Board alone or by two Management Board members acting jointly, except as otherwise provided by law or in the Articles of Association regarding the transactions with the bank account of the Association.
- 4.8. A member of the Management Board may not delegate its responsibilities to anyone. Member of the Management Board must actively participate in the activities of the Association and attend the Management Board meetings.
- 4.9. The Management Board shall hold a meeting at least once a month. Meetings shall be called by the Chairman of the Management Board. The calling of a Management Board

meeting must be made with at least three days prior notice. Notice may be given by ordinary mail, fax or e-mail. The Chairman of the Management Board may delegate to an employee of the Association the duty to call the Management Board meetings.

- 4.10. The Management Board may adopt resolutions if more than half of the members are present. A binding resolution is made by a simple majority of the votes.
- 4.11. The Management Board may adopt a resolution without calling a meeting if all members of the Management Board vote in favour of the resolution in writing.
- 4.12. A member of the Management Board may not vote in case it is decided to enter into a transaction with the member of the Management Board or with a person with an equal economic interest with her/him or in case commencement or termination of a court action by the Association against the member of the Management Board is being decided.

5. ECONOMIC ACTIVITIES

- 5.1. The fiscal year of the Association shall begin on 1 January and shall end on 31 December.
- 5.2. The Association shall gain property and income from the following sources:
 - 5.2.1. membership fees and other payments executed by members of the Association;
 - 5.2.2. donations and gifts from members or third parties;
 - 5.2.3. charges for certain services provided by the Association;
 - 5.2.4. other sources in accordance with law.
- 5.3. Income of the Association shall be spent exclusively on expenses directly related to the purpose of the Association and to ensure the continuance of the activity of the Association.
- 5.4. Membership fees and other payments to be executed by the members of the Association shall be decided by the General Meeting or by the Meeting of the Representatives after its election.
- 5.5. The Management Board shall be responsible for keeping the accounts of the Association in accordance with law.
- 5.6. After the fiscal year ends, the Management Board shall compile an annual report in accordance with the requirements set forth by law.
- 5.7. The Management Board shall present the annual report to the General Meeting or after the election of the Meeting of Representatives, to the Meeting of Representatives within six months from the end of the fiscal year. If the Association has an auditor, auditor's conclusion have to be enclosed to the report.

- 5.8. The Association shall have one or more bank accounts with a credit institution. The right to transfer money from the bank account shall have the Chairman of the Management Board and the Financial Director.
- 5.9. The assets of the Association shall be used under the supervision of and with the approval of the Management Board in compliance with the procedures set out by the Management Board.
- 5.10. Audits and other financial examinations shall be conducted as deemed necessary by the Management Board and as required by law.

6. DISTRIBUTION OF ASSETS

- 6.1. In the case of the dissolution of the Association, the remaining assets of the Association after satisfaction of the claims of the creditors shall be transferred to other non-profit associations with similar purposes, public legal persons, the State or local governments.

Antti Ilmari Mälkonen _____/signature/_____

Mait Schmidt _____/signature/_____

Registry no. 1341 in the book of notary's official acts

In Tallinn, on this twenty first day of February on the year two thousand and three (21.02.2003).

I, Evelyn Roots, replacement notary to the notary public of Tallinn Sirje Rõõm, whose office is located at Maakri Str. 19/21, Tallinn, hereby certify the present copy to be the true copy of the original document.

Notary's fee 71 kroons (pursuant to the Notary's Fees Act § 31 clause 17, §35)

VAT 18 % 12.85 krooni

Total 83.85 kroons

Replacement notary
Replacement notary's signature
and seal

In this document there are seven (7) binded and sealed pages.

On 21st of February 2003

Replacement notary's signature

Translated by : _____
Reet Saks