

STATUTES
OF THE ASSOCIATION
“GS1 LATVIA”

Riga, 2008

1. GENERAL PROVISIONS

1.1. The name of the Association is „GS1 Latvia”. The name of the Association in the English language is “GS1 Latvia”.

1.2. „GS1 Latvia” is a voluntary union of persons founded to introduce, develop and use the GS1 system for products, assets, services and locations identification in Latvia, and the Association shall not have a profit-making nature.

1.3. “GS1 Latvia” is the sole official representative of GS1 and EPCglobal Inc. in Latvia and acts according to the general practice approved by the said organisations.

1.4. „GS1 Latvia” is founded for indefinite period of time.

2. OBJECTS AND TASKS OF “GS1 LATVIA”

2.1. The objects for which “GS1 Latvia” is established are to administer and promote the use of the international GS1 System in Latvia for the benefit and more efficient operation of manufacturing, wholesale and retail industries and trades.

2.2. The tasks and functions of activity of „GS1 Latvia” are:

2.2.1. to provide possibilities in Latvia for identification of products, assets, services and locations according to the rules of the international organisation GS1, providing users with unique identification numbers and thus contributing to establishment of product ordering, invoicing, product stock control, sales analysis and other required systems;

2.2.2. to control and co-ordinate the use of the GS1 System in Latvia;

2.2.3. to advise and train Latvian businessmen upon application and use of the GS1 System in various sectors of trade and industry and explain the advantages of this System;

2.2.4. to seek the co-operation, opinions and advice of trade associations, ministries, consumer groups, technical bodies and other interested parties in the development of the GS1 System;

2.2.5. to seek representation and assist and promote the aims, objects and products of GS1;

2.2.6. to undertake activities and provide services to ensure the attainment of its objectives, to meet its obligations to its members and to GS1;

2.2.7. to seek co-operation with GS1, EPCglobal Inc. and GS1 organisations in other countries for promotion and development of the GS1 System.

3. MEMBERSHIP

3.1. Any registered person, who is interested in achievement of the objects of „GS1 Latvia” may be admitted to membership of „GS1 Latvia”.

3.1.1. Full membership of “GS1 Latvia” shall be open to manufacturers, retailers, wholesalers and other registered persons who apply the GS1 System standards and who need a GS1 company number for identification of products, assets, services or locations. Associated membership of “GS1 Latvia” shall be open to manufacturers, retailers, wholesalers and other registered persons who apply the GS1 System standards.

3.1.2. Persons who are interested in support and promotion of the GS1 System but who do not need the GS1 company number, may be admitted to associated membership.

3.2. To be admitted to membership of “GS1 Latvia”, the candidate shall submit an application of an established form and addressed to „GS1 Latvia”, fill in a membership registration form, pay the one-off joining fee and annual membership fee in the amount and according to the procedure established by the Management Board of „GS1 Latvia”. The Management Board of „GS1 Latvia” shall approve the application form and specify the list of documents to be attached to the application. The Management Board of „GS1 Latvia” may specify any other documents to be submitted additionally.

3.3. Within ten days after fulfilment of the requirements mentioned in Article 3.2, the Executive Board shall notify the candidate in written on his/her admission to membership of “GS1 Latvia”. The candidate shall be entered in the Register of Members of „GS1 Latvia” which is held in the office of „GS1 Latvia”.

3.4. A negative decision of the Executive Board of „GS1 Latvia” may be appealed by the candidate in written to the Management Board. If the Management Board has also rejected the application, the candidate is not admitted to membership of the Association, and he/she may submit a repeated application first after expiration of one year period.

3.5. A member of “GS1 Latvia” may withdraw from “GS1 Latvia” at any time, by submitting a written application to the Executive Board. In the case of withdrawal of a member, any admission fee and annual membership fees paid by him/her shall not be refunded.

3.6. Decision on exclusion of a member from „GS1 Latvia” may be adopted by the Executive Board if:

3.6.1. the member carries out any actions, which are in conflict with the Statutes and objectives of „GS1 Latvia” and which commit harm to the activity, objectives and reputation of „GS1 Latvia”;

3.6.2. the annual membership fee is three months in arrears.

3.6.3. The Executive Board shall inform in written the member on exclusion of him/her from the Association as well as on the motivation of this resolution within five days as of the date of adoption of the resolution.

3.7. The rights and privileges of a member shall be attributable solely to this member and shall not be transferred to any third party.

3.8. In the case of resignation or exclusion of a member, his/her name shall be removed from the Register of Members.

3.9. Restoration of the membership of “GS1 Latvia” and reception of an GS1 company number shall be possible solely upon being repeatedly admitted to the membership of “GS1 Latvia” according to general conditions.

4. RIGHTS AND DUTIES OF MEMBERS

4.1. A full member of “GS1 Latvia” shall have the following rights:

4.1.1. to participate in General Meetings of Members of “GS1 Latvia” with voting rights;

4.1.2. to elect members and be elected as a member of the Management Board of “GS1 Latvia”;

4.1.3. to present proposals to the Management Board relating to activity of “GS1 Latvia” and activity of the Management Board;

4.1.4. to receive all and any information required which is associated with application of the GS1 System;

4.1.5. to use services of “GS1 Latvia” according to procedure set out by the Management Board of “GS1 Latvia”;

4.1.6. to participate in activities of commissions of “GS1 Latvia”;

4.1.7. to receive a GS1 company number;

4.2. A full member of “GS1 Latvia” shall have the following duties:

4.2.1. to comply with provisions of the Statutes of „GS1 Latvia” and fulfil resolutions of the General Meeting of Members and of the Management Board;

4.2.2. to participate in General Meetings of Members of “GS1 Latvia” and activities of the bodies of “GS1 Latvia” to which he/she is elected;

4.2.3. to pay the one-off joining fee and annual membership fee according to the procedure established by the Management Board of “GS1 Latvia”;

4.2.4. to contribute to achievement of the objectives of „GS1 Latvia”;

4.2.5. to adhere to principles of good management practice in his/her activity.

4.3. An associated member of “GS1 Latvia” shall have all the rights and duties of a full member except those mentioned in Article 4.1.7.

5. GENERAL MEETING OF MEMBERS OF “GS1 LATVIA”

5.1. The General Meeting of Members shall be the supreme body of „GS1 Latvia”. The members of „GS1 Latvia” shall have equal voting rights. An annual General Meeting shall be convened once in every year.

5.1.1. The time and place of convening of an annual General Meeting of Members and the agenda of the Meeting shall be notified by the Executive Board to all members of the Association not less than 14 days prior to the Meeting.

5.1.2. The quorum of a General Meeting of Members shall be not less than one-half of the members present at a Meeting.

5.1.3. If a General Meeting of Members does not have the right to take a decision in accordance with Article 5.1.2 of the Statutes, the Executive Board shall again convene a General Meeting of Members with the same agenda not later than within three weeks. The convened General Meeting of Members is entitled to take decisions notwithstanding the number of members present, but only in such case if at least two members participate in the Meeting.

5.2. An extraordinary General Meeting of Members may be convened at a request of the Management Board or of at least 1/10 part of the members by submitting a written request to the Chairman of the Management Board and specifying the reasons of convening of a Meeting. The time and place of convening of an extraordinary General Meeting of Members and the agenda of the Meeting shall be notified by the Executive Board to all members of the Association not less than 14 days prior to the Meeting. In this case, the Meeting shall be competent to pass resolutions if the provisions of the Associations and Foundations Law as to proceedings of a General Meeting of Members are complied with.

5.3. A General Meeting of Members shall be opened by the Chief Executive Officer. A General Meeting of Members may elect another person, who will preside at the General Meeting of Members.

5.4. A General Meeting of Members may pass resolutions by a simple majority of votes of the members present; the voting is by showing hands. A General Meeting of Members may determine another voting procedure. Each member shall have one vote. Votes shall be given personally or by proxy.

5.5. Proceedings of a General Meeting of Members shall be recorded in the minutes. The minutes shall be signed by the Chairman of the General Meeting and the Secretary of the Meeting.

5.6. The competence of a General Meeting of Members shall include:

5.6.1. the making of amendments to the Statutes of “GS1 Latvia”;

5.6.2. the consider and adopt the reports of the Management Board and of the Auditor;

5.6.3. the election of the Management Board of “GS1 Latvia”;

5.6.4. the taking of a decision regarding the termination, continuation or reorganisation of the activities of “GS1 Latvia”;

5.7.5. the determination of issues, which may be resolved by the Executive Board only upon consent of the General Meeting of Members or the Management Board;

5.7.6. the adoption of other decisions in issues relating to activity of “GS1 Latvia”.

5. MANAGEMENT BOARD

6.1. A General Meeting of Members shall elect the Management Board of “GS1 Latvia” from among the existing members for two years. The Management Board shall consist of 9 members including a Chairman of the Board. Any member of the Management Board whose term of office is expiring, may be re-elected. Persons to be nominated as candidates to election to the Management Board shall be heads and employees of enterprises, which are full members of „GS1 Latvia” and users of the GS1 System. The election shall concern individuals and not legal entities.

6.2. The Management Board shall be competent to:

6.2.1. elect a Chairman of the Board from among the members of the Management Board;

6.2.2. elect the Executive Board and determine amount of remuneration of the Board;

6.2.3. approve the structure of administration of „GS1 Latvia”;

6.2.4. approve the amount of the one-off joining fee and the annual membership fee and determine the tariffs of services provided by “GS1 Latvia”;

- 6.2.5. to approve annual budgets and annual reports;
- 6.2.6. to prepare reports on activity of the Management Board for General Meetings of Members;
- 6.2.7. to elect an Auditor;
- 6.2.8. to prepare proposals as to issues to be discussed by a General Meeting of Members;
- 6.2.9. to form sections, commissions and working groups for discussion of individual issues, investigation of problems and preparation of resolutions; approve composition and regulations thereof;
- 6.2.10. to decide on establishment of an individual commercial company, association, foundation, or reorganisation or liquidation thereof, as well as decide on participation of „GS1 Latvia” activities of other commercial companies or non-governmental organisations;
- 6.2.11. to decide on opening of territorial and other structural units, such as representation offices and divisions of „GS1 Latvia” in the Republic of Latvia and foreign countries; approve regulations thereof and determine rights and duties thereof;
- 6.2.12. to decide on membership of „GS1 Latvia” in any non-governmental, foreign and international economical organisations;
- 6.2.13. to determine issues, which may be resolved by the Executive Board only upon consent of the General Meeting of Members or the Management Board;
- 6.2.14. to examine other issues addressed to the Management Board.
- 6.3. Meetings of the Management Board shall be held at least three times every year. The Chairman of the Board shall be entitled to convene a meeting of the Board at any time when he/she deems appropriate. The Chairman shall have the power at any time at his discretion to convene a meeting in case of urgency at not less than 24 hour's notice to the members of the Board by motivating the reason of the urgency.
- 6.4. The members of the Executive Board and other persons invited by the Management Board may participate in the meetings of the Management Board with advisory rights. Any member of „GS1 Latvia” shall have the right to participate in a meeting of the Management Board provided he/she has informed the Executive Board thereon three days in advance.
- 6.5. The quorum of a meeting of the Management Board shall be not less than one-half of the members of the Management Board present at a meeting.
- 6.6. Resolutions of the Management Board shall be adopted with a simple majority of votes given by a show of hands, and the resolutions shall be recorded in the

minutes. In the case of equal number of votes the vote of the chairman shall be decisive.

6.7. A resolution of the Management Board may be adopted by enquiring the members of the Management Board in written (by mail, telefax, e-mail etc.). Proposals of issues to be discussed at a meeting shall be sent to the members of the Management Board together with specification of a deadline of presentation of responses. The written responses received shall be attached to the minutes of a meeting of the Management Board.

7. EXECUTIVE BOARD

7.1. Executive body of the Association shall be the Executive Board consisting of one member - the Chief Executive Officer.

7.2. The Executive Board of the Association shall be elected by the Management Board.

7.3. The Executive Board shall be competent to decide on all issues that are not of exclusive competence of the General Meeting of Members and the Management Board.

7.4. The Chief Executive Officer shall be competent to:

7.4.1. implement resolutions of the General Meetings of Members and the Management Board as well as manage and represent „GS1 Latvia”;

7.4.2. to prepare draft annual budgets;

7.4.3. to organise and manage activity of „GS1 Latvia” according to the approved annual budget;

7.4.4. to manage the assets of „GS1 Latvia” and enter into economical agreements on behalf of „GS1 Latvia”;

7.4.5. to organise the accounting in accordance with regulatory enactments and preparation of annual reports;

7.4.6. to establish and maintain the Register of Members of “GS1 Latvia” and the Register of GS1 company numbers allocated;

7.4.7. to participate in meetings of the Management Board of “GS1 Latvia” with advisory voting rights.

7.5. The Chief Executive Officer shall perform his/her duties against remuneration, the amount of which is determined by the Management Board.

8. PROCEDURE OF FORMATION AND USE OF FINANCIAL RESOURCES

8.1. Financial resources of „GS1 Latvia” shall be formed of:

8.1.1. the one-off joining fees and the annual membership fees;

8.1.2. donations or gifts of legal entities and individuals;

8.1.3. income from economical activity carried out for achievement of the objectives of „GS1 Latvia”;

8.1.4. other income from financing sources which are not prohibited by legal enactments.

8.2. The resources of „GS1 Latvia” shall be used in accordance with the approved annual budget, which cannot be in conflict with the objectives and the Statutes of „GS1 Latvia”.

8.3. Voluntary donations, gifts, deductions and bequests with specified purposes of use shall be used solely for the purposes specified. Usage of these resources for any other purposes is permitted solely upon a written consent of the person who has made the donation, gift, deduction or bequest.

9. AUDITOR

9.1. The Auditor shall be elected for one year.

9.2. The Auditor shall carry out an audit of the annual report of „GS1 Latvia”, inspect the economical and financial activity of „GS1 Latvia” and carry out an audit of the accounting.

9.3. The Auditor shall report to the Management Board and the General Meeting of Members on the audit results.

10. TERMINATION OF ACTIVITIES, LIQUIDATION AND REORGANISATION OF „GS1 LATVIA”

10.1. The activity of „GS1 Latvia” may be terminated in the cases specified in the Associations and Foundations Law.

10.2. A resolution on termination of activity or reorganisation of „GS1 Latvia” is adopted if more than two third parts of the members present at a General Meeting of Members have voted for this resolution.

10.3. If a group of members of „GS1 Latvia” has resigned (has been excluded) from „GS1 Latvia” and has founded a new non-governmental organisation, it cannot receive a part of the assets and financial resources of „GS1 Latvia” and cannot retain the name, abbreviated name and symbols of „GS1 Latvia”.

10.4. In the case of liquidation of „GS1 Latvia” the resolution on the liquidation of „GS1 Latvia” shall be submitted to the Register of Enterprises of the Republic of

Latvia within three days. The General Meeting of Members shall elect a liquidation commission or a liquidator.

The Founders:

SIA ESPI Grupa

registration number 50003812621

address: Melioratoru iela 1a Ikšķile Ogres raj. LV-500

Mr. Ēriks Keirāns, Chairman of the Management Board

_____ (signature)

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According to a power of attorney: Mr. Didzis Zālītis

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Ms Žaneta Jaunzeme, Chairperson of the Management Board

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According to a power of attorney: Mr. Valdis Bīmanis

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According to a power of attorney: Mr. Edvīns Kauliņš

_____ (signature)

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Ms Gita Mūrniece, Chairperson of the Management Board

_____ (signature)

AS Siera Nams

registration number 40003326466

address: Raiņa bulvāris 15, Riga, LV-1050

Members of the Management Board:

Mr. Inārs Ķempelis _____ (signature)

Mr. Aivars Murāns _____ (signature)

Ms Dace Pauliņa _____ (signature)

K/S Tērbatiētis

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Mr. Miervaldis Grigalis, Chairman of the Management Board

_____ (signature)

The Statutes were approved by the Foundation Meeting held in Riga, on September 30, 2008.