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Association

“Transparency International Latvia”

[in Latvian – „Sabiedrība par atklātību - Delna”]

STATUTES

Accepted on May 13, 2005
in Association`s General Meeting
Corrected on May 10, 2007 at the
General Meeting
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General Meeting
corrected on May 21, 2009
Members meeting

Riga, 2005

A. General Rules

1. Name of the Association

- 1.1** Name of the Association in Latvian "Sabiedrība par atklātību - Delna".
- 1.2** Abbreviation of Association's name in Latvian is "Delna".
- 1.3** Name of the Association in English "Transparency International Latvia".
- 1.4** Abbreviation of Association's name in English "TI Latvia".

2. Association's Goal

2.1 Purposes of the Association are to promote democratic development of society through promoting information transparency and prevention of corruption.

3. Association's Objectives

3.1 Association's objectives are:

- a) strengthening of legal and democratic elements of the state;
- b) promote the transparency and availability of information at state, municipal and public institutions;
- c) to facilitate democratic principles in the society in order to increase public participation in the fight against corruption;
- d) to carry analysis of the causes and factors of corruption;
- e) develop and implement measures to prevent corruption;
- f) collect and compile information on corruption cases;
- g) to inform and educate the society about various forms of corruption and its prevention activities;
- h) contribute to improve the legal framework in combating corruption;
- i) to issue information materials and periodicals;
- j) carry out research and analysis of politics and policies;
- k) promote rule of law in the environmental sector;
- l) carry out other activities for fulfilment of the Association's objectives, that are not contravening the law.

B. Association's Members and their Rights

4. Association's Members

4.1. Any person that has reached the age of 18 can become a member of the Association and can help to raise the interest in the smooth functioning of the Association through supporting and undertaking these statutes and decisions of administrative bodies of the Association.

5. Association's Members

5.1. Association member group consists of members of Transparency International Delna.

5.2. Only 'new members' can become 'full members' of the Association. Only in exceptional cases, for special honors, the Council can unanimously decide to award full membership status to a person without a waiting time.

5.3. A decision on admission of a new member in the Association is to be taken by the Council with a simple majority vote within one year of the person's application for admission in the Association.

6. Members with special status

6.1. There are Honorary and Old Members that are outside the general members' body.

a) Honorary Member and Old Member status is granted by the Council by a unanimous vote of members present and is awarded for the special achievements of a person in implementing the objectives of the Association internally and externally.

b) Honorary Members and Old Members have all the rights and obligations of members except voting rights and the obligation to pay membership fees.

c) If elected as an Honorary Member or Old Member in a management institution of the Association, they acquire all the rights and obligations of full membership.

6.2. There are 'New Members' outside the membership body. The 'New Member' status serves the personal development of links with the Association and is a prerequisite for admission of full membership status.

a) Any person that has reached the age of 18 can become a member of the Association

- b) The 'New Member' accession date is considered the day when the Association Council has received its application.
- c) 'New Members' of the Association have all the rights and obligations of full membership, except the right to vote and be elected on the Association's institutions.
- d) 'New Member' status is a prerequisite for admission to full membership status.

7. Obligations of the Members of the Association and Members with special status

7.1. Obligations of Members of the Association and Members with the special status:

- a) participate in the activities of the Association in order to achieve its goals,
- b) pay the membership fee no later than the time prescribed by Director;
- c) to comply with these Statutes, to carry out the decisions of the institutions of the Association;
- d) to uphold Association's honour by avoiding actions that undermine its prestige and reputation.

8. Rights of the Members of the Association and Members with special status

8.1. Members of the Association and Members with the special status have the right to:

- 1) participate in Association's events, meetings;
- 2) to express their views on improving the operation of Association to more effectively achieve its goals;
- 3) to elect and be elected in the management institutions of the Association;
- 4) obtain information about the activities of the Association;
- 5) freely withdraw from the Association by written notice to the Council.

9. Association's Members and Members with special status elimination

9.1. The decision on expulsion of a Member of the Association shall present the Council with a simple majority of Council members.

10. Reasons for exclusion of Members and Members with special status

10.1. Members of the Association may be excluded if :

- a) without any good reason they haven't paid the membership fee payment for two

consecutive terms;

- b) they fail to comply with the Association's obligations;
- c) their acts or failure to act hinder attainment of the objectives of Association;
- d) their act has caused moral damage or loss to the Association;
- e) the Member has undermined the reputation of the Association in the society.

10.1. If the Council refuses to grant full membership status to a New Member, his is considered as excluded from the Association.

11. Procedure of withdrawal or exclusion of a Member or Members with special status from the Association and its consequences

11.1. A Member or Member with the special is excluded from the day when the Council has made such a decision.

11.2. If the Member or Member with the special status withdraws or is excluded from the Association, he is not eligible to acquire the property of the Association, its parts and financial resources, as well as using the Association's logo.

11.3. Member or Member with the special status is deemed to have withdrawn if he has not paid membership fee before the annual General Meeting of members.

11.4. If the grounds for exclusion are eliminated, the expelled Member or Member with the special status is entitled to make application to the Council on the renewal of their membership in the Association.

11.5. The Council shall decide the matter during a regular session by a simple majority of Members present.

C. Management Institutions of the Association

12. Management Institutions of the Association

12.1. Association's highest administrative body is the General Meeting.

12.2. Association's sub-national authority (authority) is the Council.

12.3. Association's executive functions are undertaken by the Director.

13. General Meetings

13.1. The Director shall convene a meeting of Members.

13.2. The Director shall convene a meeting of Members, if in writing, stating the reason for calling, requested by the Council or not less than one-tenth of the members.

13.3. If the director does not convene a meeting of Members on the basis of the second paragraph which requires meeting, Members may themselves convene the meeting, subject to the meeting agenda.

14. Decision-making at the General Meeting

14.1. The General meeting shall have a quorum if more than half of the Members have been present and it has been convened not later than 14 days in advance.

14.2. General Meeting Decisions are taken by Members present with a simple majority.

14.3. If a meeting of Members has not had a quorum then it can take place again with the same agenda within 14 days and simple majority voting is sufficient.

15. Competence of the General Meeting

15.1. Meeting of Members has the right to:

- a) the amendment to the Statutes of Association;
- b) elect Council members, Council chair and the Members of the Audit Commission;
- c) dissolve or reorganize the Association;
- d) approve the annual Audit Commission report on the use of funds;
- e) after proposal of the Council, to decide on the creation of sub-associations or sub-institutions, their liquidation, approve principles of their operation;
- f) decide on the purchase of real estate for the Association or the sale of it;
- g) approves the size and frequency of the membership fees proposed by the Council;
- h) review other issues related to operation of the Association.

16. Election of the Council

16.1. Council shall be elected for one year during the meeting of the Members. If in the end of the year and meeting of Members it hasn't elected a new Council, the previous Council's power will continue until the new Council is elected, but it cannot be longer than 18 months from the election date.

16.2. The Council consists of three to nine Members.

16.3. If the number of Council Members becomes less than three, a General Meeting of members is summoned to elect the necessary Council members.

17. Decision-making in the Council

17.1. Council meetings are convened when necessary.

17.2. The Council has a quorum if the meeting is attended by half of the Members of the Council.

17.3. Council decisions are taken by simple majority of present Council Members.

17.4. If the Council has three Members then the Council has a quorum if the meeting is attended by all the members.

17.5. The Council meeting can take place remotely and electronically according to an order set by the Council.

18. Council Competence

18.1. Council has the competence to:

- a) implement decisions of the Members meeting;
- b) to determine the Association strategy and work directions;
- c) develop and approve working groups for particular issues;
- d) decide on the appointment and removal from the Director, as well as his pay;
- e) prepare a report on the activities of the Association for the submission to Members' meeting;
- f) to take decisions on the admission of New Members or exclusion of existing Members

and Members with special status;

g) approve the Association's annual budget;

h) to confirm the Association`s symbols and rules to use the emblem of the Association;

i) decide on the Association of financial resources and the use of property,

j) decide on the Association's sub-institution founding, reorganization and liquidation, as well as to determine the their rights and obligations.

k) decide on the amount of expenditure incurred in the course of volunteer work.

19. Chairman of the Council

19. Chairman of the Council is a Council Member chairs its meetings.

20. Competence of the Director

20.1. Director manages the Association's regular work. His work is carried out independently, without any special authorization while consulting about the most important issues with the Council. Director's competences shall include:

a) organizing and managing the Association;

b) representing the Association in relations with third parties;

c) ensuring that activities of the Association and the General Meeting and Council decisions are made correctly ;

d) dealing with the administration of the Association,

e) managing the Association's property and dealing with its financial resources in accordance with the Council and Members of the members general meeting's decisions;

f) issue authorizations and conclude contracts,

g) opening and closing of the bank accounts;

h) establishing and terminating the employment relationship with employees of the Association;

i) organizing the Association accounting and in accordance with the law "On Accounting", annually submitting to the Annual Report to the State Revenue Service.

20.2. The Director is chairing the meeting of Members if there is no other Member elected to run them.

21. The Audit Commission

- 21.1. Association's economic and financial activities are controlled by the Audit Commission, who shall be elected for one year.
- 21.2. Audit Commission is composed of one to three members.
- 21.3. Audit Commission Member cannot be a Member of other Association's institutions.
- 21.4. Audit Commission Members shall elect the Chairman of the Audit Commission.
- 21.5. Audit Commission Chair is chairing the Audit Commission's work sessions.
- 21.6. The Audit Commission has a quorum when all Members are present and decisions are taken by majority vote of Members present.

22. Auditing Procedures

- 22.1. The annual audit shall take place no less frequently than once every calendar year.
- 22.2. After request by the Chairman of the Council, the Council, Director or a fourth of the Member body and in accordance with the law, an extraordinary audit can be requested.
- 22.3. The Audit Commission has the right to seek for the assistance of Certified Auditors, agreeing with the Council or general meeting of Members about the payment.

23. Audit Commission Competence

- 23.1. Audit Commission Competence:
 - a) to control funds of the Association;
 - b) to prepare a report to the Members and the Council about the usage of the property and financial resources and their condition after the annual and the emergency audits.

D. Association's Finance Usage

24. Association's Finance Usage

24. Association's finances according to the General Meeting and Council decisions are used for:

- a) the Association goals and objectives;
- b) the hiring of employees of the Association;
- c) other expenses necessary for the successful operation of the Association.

E. Association's Inviolable Capital

25. Anti-Corruption Support Fund

25. Part of the funds of the Association is directed to the inviolable capital - Anti-Corruption Support Fund (hereinafter - the Fund).

25.1. Fund's inviolable capital is the money and property that Association has gained in possession of the so-called gifts and donations. Their usage is only allowed for gaining any kind of benefits.

25.2. The Fund is managed separately from other funds of the Association.

26. The Board of the Anti-Corruption Support Fund

26.1. Fund's inviolable capital management, investment and proceeds are monitored by the Council of the Fund (hereinafter - the Fund's Board).

26.2. Fund Board shall be elected and dissolved, as well as changed by the Membership meeting by simple majority of the members present with the exception stipulated in 26.4.point.

26.3. Fund Board is elected by the General Meeting for a term determined, but should not be less than one year.

26.4. The Fund shall consist of at least three members who may not be the Members of the Association.

26.5. One of the Foundation Board members is the Member of the Association Council.

26.6. The Foundation Board members are bound by the Association Code of Ethics and Guidelines for Acceptance of Donations.

26.7. Fund Council has a quorum if at least half of the Members plus one has been present.

26.8. Foundation Council shall act by a simple majority.

26.9. Fund Council shall elect the President with calling up the meeting and management rights. The Foundation Chairman of the Council of the Association shall be President of the Council.

26.10. Council of the Foundation must report about its work during the Member meetings.

26.11. Fund Council meetings are entitled to convene a meeting of Members, the Association Board, the Audit Commission and the Association Council.

26.12. Association Council can suspended the Foundation Council Member from its duties if there is an important cause, but the final decision on the abolition of the Foundation Council Member is entitled to be taken during the meeting of Members. Disqualified Foundation Council Member may not participate in the work of the Fund to the General Meeting decision making.

26.13. In order to determine the Fund's Council of operational issues, that are not present in the Charter, Members' meeting may approve the Fund rules.

F. Association's Reorganization and Termination

28. Association's Reorganization and Termination

28.1. The decision to dissolve the Association or to reorganize it shall be adopted by the General Meeting if 2/3 of the Members present are in favour of it.

28.2. In the case when the Association is terminated or it is being reorganized, meeting of Members must elect three liquidators who shall carry out all laws and regulations set by the Association.

29. Association's Budget Expenditure in case of Association's Dissolution

29.1. In case of Association's dissolution all the property and financial resources left over after the creditors and other claimants application for satisfaction, is not divided between the Members of the Association, but according to terms agreed by the General Meeting is transferred to another Association or Foundation or State or Municipal institution.

Director Laura Mikelsonsone

May 21, 2009