



ARE APPROVED

**BY THE INITIATING GROUP OF THE
ARMENIAN WOMEN ON THE BOARD OF
DIRECTORS NETWORK**

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RULES OF PROCEDURE OF THE ARMENIAN WOMEN ON THE BOARD OF DIRECTORS NETWORK

Yerevan, 2022

SECTION 1. GENERAL PROVISIONS

Rule 1-1. The subject, entry into force, and key concepts of the Rules

- (a) The Rules regulate the mission of the Armenian Women on the Board of Directors Network (hereinafter AWOB), the core principles guiding its activities, the governance structure, procedures for participation and termination of participation, the formation and operation of the Participation Committee, as well as other matters arising in connection with AWOB activities.
- (b) The Regulation enters into force upon approval by the AWOB Initiating Group. Amendments and additions to it, as well as its repeal are approved by a simple majority of votes of AWOB participants present at the meeting. Each participant is entitled to one vote. A meeting shall be considered quorate if more than 50 percent of AWOB participants are present.
- (c) The main concepts used in the Regulation are as follows:

Initiating Group: A group of individuals advocating the formation and advancement of AWOB.

Secretariat: The Corporate Governance Center.

Advisory Board: A body made up of AWOB participants that carries out the strategic governance of AWOB.

Participation Committee: A committee of AWOB participants that resolves issues related to the participation in AWOB.

Attendance policy: An AWOB policy designed to encourage active participation, raise awareness of the AWOB strategy and performance, share the results of ongoing activities, and strengthen participants' involvement in achieving the goals and objectives of AWOB.

SECTION 2. MISSION AND GENERAL PRINCIPLES OF ACTIVITIES OF AWOB

Rule 2-1. Mission and objectives of AWOB

- (a) AWOB is committed to promoting good governance in Armenia by spreading a culture of diversity and inclusion in the governance frameworks of organisations.
- (b) The main objectives of AWOB are:
 - (1) to continuously develop the abilities of Armenian women to act on boards and in executive teams;
 - (2) to support the visibility and recognition of women participating on boards and/or executive teams of organisations, or with relevant potential, in the business environment;

- (3) to create a pool of talented Armenian women who are interested, willing, and able to assume responsibilities as board members and/or executives of organisations;
 - (4) to promote opportunities for exchanging experience and establishing business contacts among AWOB participants;
 - (5) to serve as a link between Armenian and foreign organisations.
- (c) The main principles governing AWOB activities are as follows:
- (1) **Inclusion:** Emphasising the contribution of AWOB and its participants to the improvement of the corporate governance environment in Armenia, their participation and involvement in AWOB activities is encouraged.
 - (2) **Diversity:** To ensure opportunities for considering alternative approaches to challenges faced by AWOB, the diversity of its participants is promoted.
 - (3) **Transparency:** To ensure the visibility, predictability, and comprehensibility of AWOB activities to stakeholders, relevant and complete disclosures on the results of AWOB activities are encouraged on a regular basis and through various channels, including the Internet.
 - (4) **Responsibility:** AWOB bears collective responsibility for achieving its mission and set objectives. Mutually responsible behaviour is encouraged among participants.
 - (5) **Cooperation:** AWOB encourages cooperation not only between AWOB and its participants but also with other stakeholders, including the Business Integrity Club.
- (d) AWOB logo is:



- (e) Explanation of the AWOB logo:

At the base of the logo is a quadrangle, symbolizing strength, professionalism, stability, balance, and organisation—qualities that define effective board members.

The colors of the logo are:

- blue: associated with trust, intellect, and loyalty.

- golden: associated with prosperity, wealth, success, and prestige.

Such a choice of colors symbolizes that women, with their abilities and their commitment and loyalty to organisations, can be a source of corporate success, well-being, and have a positive impact on both business reputation and reputation of organisations.

The crown in the logo not only represents women as queens but also emphasizes that any individual can become a leader and a driver of positive change if they so wish. The arrow signifies this aspiration. The three crests of the crown represent the three principles that positively influence board effectiveness: diversity, equity, and inclusiveness.

The open sides of the quadrangle symbolize a commitment to unbiased access and the opportunity for progress and advancement.

SECTION 3. RULES FOR PARTICIPATION IN AWOB

Rule 3-1. General principles of participation

- (a) Any adult citizen of the Republic of Armenia, as well as foreign citizens, who wish to actively participate in AWOB activities and accept these Rules, may become a participant of AWOB.
- (b) A person may not become an AWOB participant if he/she:
 - (1) been recognized as legally incompetent or limited in capacity by a court decision;
 - (2) been convicted of an intentional crime and the conviction has not been removed or expunged.
- (c) Advantages of participation in AWOB include:
 - (1) Being an AWOB participant committed to promoting international best practices in corporate governance and business.
 - (2) Access to information on the latest developments in corporate governance and other areas relevant to AWOB activities.
 - (3) The right to participate in AWOB and partner events under differentiated and preferential conditions.
 - (4) Access to advisory support when applying for board positions and while serving in such roles.
 - (5) Inclusion in the Registry of AWOB participants.
- (d) The period of participation in AWOB is not limited.

Rule 3-2. Participant's obligation to attend AWOB events

- (a) An AWOB Participant is required to attend at least 50% of AWOB events per year.
- (b) The Secretariat is obliged to inform the participants about AWOB events at least 7 days in advance, so that the latter have the opportunity to plan their schedules.

- (c) Events may be held in person or remotely.
- (d) AWOB participants may provide professional or marketing support to events.
- (e) If an AWOB participant fails to follow the attendance policy and is absent from three consecutive AWOB events, the Secretariat shall notify the participant and warn him/her about the establishment of a six-month trial period. If the participant continues not to attend AWOB activities during the trial period, the Secretariat shall submit a proposal to the Participation Committee to terminate his/her participation.

Rule 3-3. Participation process

- (a) Matters related to AWOB participation are resolved by the AWOB Participation Committee.
- (b) The decision to participate in AWOB shall be made by the potential participant on a fully informed basis. For this purpose, the potential participant should familiarize himself/herself with these Rules in advance, and if necessary, contact the Secretariat with questions regarding participation.
- (c) Any person wishing to become an AWOB participant who meets the requirements set forth in these Rules must submit an application for participation to AWOB, the form of which is provided by Appendix No. 1 of these Rules.
- (d) The application may be submitted:
 - 1) Electronically:
 - (A) by sending it to the Secretariat's email address, or
 - (B) through the Secretariat's official website, subject to the availability of appropriate features and solutions therein.
 - 2) In writing, by delivering or sending it personally or by postal service to the Secretariat's address.
- (e) The Secretariat shall forward the application to the Participation Committee within one working day.
- (f) Within 5 working days from the date of receipt of the application, the Participation Committee may request additional information and documents. In that case, the application for participation will be considered submitted upon receipt of all additional documents and information requested by AWOB.
- (g) Within 15 calendar days from the date of receipt of the application for participation, the Participation Committee examines the submitted application and attached documents and makes a decision on granting or rejecting participation.
- (h) The Participation Committee may refuse to grant participation in the following cases:
 - (1) The person falls under the restrictions described in Rule 3-1 (b).

- (2) The submitted application for participation:
 - (A) does not meet the requirements set forth in these Rules;
 - (B) is obviously false or misleading;
 - (C) remains defective on the second submission after notification by the Participation Committee.
- (i) The Secretariat informs the person who submitted the application about the decision of the Participation Committee within 2 working days.

SECTION 4. TERMINATION OF PARTICIPATION

Rule 4-1. Termination of participation

- (a) Each AWOB participant may withdraw from AWOB upon written request to the Secretariat. Participation is considered terminated from the moment of submission of the request.
- (b) The Participation Committee may disqualify a participant in the following cases:
 1. Failure to maintain AWOB's reputation;
 2. Failure to comply with the requirements of these Rules;
 3. Failure to pay the annual AWOB participation fee;
 4. Being declared legally incompetent or limited in capacity by a court decision;
 5. Conviction for an intentional crime.

SECTION 5. PARTICIPATION COMMITTEE

Rule 5-1. Composition and formation of the Participation Committee

- (a) The Participation Committee is formed from AWOB participants for a term of three years and consists of at least three members. The Secretariat holds at least one seat on the Committee. Re-election of an AWOB participant is unlimited.
- (b) The Secretariat participates in the Committee without election.
- (c) During Committee elections, each AWOB participant may propose candidates, including self-nominations. The number of nominations cannot exceed the number of Committee seats.
- (d) Candidates receiving the highest number of votes, equal to the number of Committee seats, are considered elected.
- (e) The Participation Committee elects the Chair of the Committee from among its members. The Chair of the Committee is elected by a simple majority of the Committee members.
- (f) The Committee may re-elect the Chair or elect a new Chair at any time.

Rule 5-2. Activities of the Participation Committee

- (a) The functions of the Committee include:
 - (1) Reviewing applications for AWOB participation and grounds for termination;
 - (2) Making decisions related to participation.
- (b) Committee meetings are convened by the Chair on his/her initiative, at the request of a Committee member, or the Secretariat. Decisions may be made in person, remotely, or by ballot.
- (c) Decisions of the Committee are made by a majority vote of the Committee members present at the meeting. Each Committee member has one vote. The transfer of votes and voting rights from one Committee member to another (including any third party) is not allowed. The Chair does not have a casting vote.
- (d) Committee meetings are recorded by the Secretariat. The meeting minutes are drawn up after the end of the meeting within 10 days.
- (e) The Committee meeting minutes are signed by all the members participating in the meeting.
- (f) If necessary, the Secretariat provides access to the minutes of Committee meetings to AWOB participants by publishing them on the Secretariat's website or by sending them to the authorized e-mail addresses of AWOB participants.

SECTION 6. REGISTRY OF AWOB PARTICIPANTS

Rule 6-1. Maintaining the registry of AWOB participants

- (a) AWOB maintains the electronic registry of its participants in accordance with the form provided for in Appendix No. 2 of these Rules.
- (b) The Registry is managed by the Secretariat, which is responsible for entering and updating information on new participants, as well as making appropriate records regarding the suspension or termination of participation.
- (c) Extracts from the electronic registry of AWOB participants may be disclosed on the Secretariat's website.

SECTION 7. AWOB VOLUNTEERS

- (a) The Secretariat may engage volunteers to fulfill AWOB objectives.
- (b) The Secretariat maintains the electronic registry of volunteers in accordance with the form provided for in Appendix No. 3 of these Rules.

SECTION 8. AWOB GOVERNANCE

Rule 8-1. Strategic governance of AWOB

- (a) The strategic governance of AWOB is carried out by the Advisory Board.
- (b) The Advisory Board:
 - (1) determines the priority directions of AWOB activities,
 - (2) approves the AWOB annual plan and budget (annual cost estimate) and their performance;
 - (3) approves AWOB annual reports;
 - (4) support the activities of AWOB Secretariat;
 - (5) involves local and foreign partners;
 - (6) approves documents governing AWOB activities.

Rule 8-2. Formation and governance of the Advisory Board

- (a) Members of the Advisory Board are elected from among AWOB participants by a simple majority of votes of those present at the relevant meeting, except for the first formation of the Advisory Board. In that case, the Advisory Board is formed by the Initiating Group.
- (b) The Secretariat participates in the Advisory Board without election.
- (c) The Advisory Board shall consist of at least 5 elected members.
- (d) Recommendations for Advisory Board candidates may be submitted by AWOB participants and the Advisory Board itself (except during the first formation).
- (e) Any Advisory Board member may withdraw by providing written notice at least one month in advance.
- (f) The Advisory Board is headed by a Chair, elected from among its members by a majority of votes. The Advisory Board may re-elect or elect a new Chair at any time.
- (g) The Chair of the Advisory Board:
 - (1) guides Advisory Board activities and ensures it functions as a unified team;
 - (2) the meeting agenda, format, date, time, and location;
 - (3) defines the list of materials and information related to agenda items and ensures their provision to the Advisory Board members,
 - (4) performs the functions of the Chair of the Advisory Board meetings,
 - (5) allocates sufficient time for organising comprehensive discussions of issues and making balanced decisions at the Advisory Board meetings,

(6) initiates the formation of Advisory Board activity procedures, annual work plans and ensures their implementation.

Rule 8-3. Procedures for the operation of the Advisory Board

- (a) The Advisory Board carries out its activities through meetings.
- (b) Advisory Board meetings are convened according to the annual work plan of the Advisory Board and as needed. The annual work plan of the Advisory Board is prepared on an annual basis and approved at the first annual meeting of the Advisory Board. The performance of the previous work plan is approved by the Advisory Board until March 1 of the current year.
- (c) Meetings outside the working plan of the Advisory Board are convened by the Chair of the Advisory Board on his/her own initiative, at the request of at least 30% of the members, the Secretariat, and AWOB participants.
- (d) Advisory Board meetings are quorate if more than half of the members participate in the meeting.
- (e) The Advisory Board may invite third parties to meetings.
- (f) The Chair of the Advisory Board is obliged to convene a meeting within 7 working days after the date of submission of the properly formulated request.
- (g) The notification of an Advisory Board meeting is sent by the Secretariat by e-mail to the Board members not later than on the 7th day after the day of convening the meeting. The notice should contain information on the date and place of the meeting and the agenda. The materials and information to be discussed at the meeting are also attached to the notice.
- (h) Advisory Board meetings can be held and decisions on the issues included in its agenda may be made in person, remotely, or by ballot.
- (i) Advisory Board meetings may be held remotely only if members attending in person and those participating remotely are able to communicate with each other.
- (ja) Advisory Board meetings are recorded by the Secretariat. The meeting minutes are drawn up after the end of the meeting within 10 days.
- (jb) The minutes are signed by all the members of the Advisory Board participating in the meeting.
- (jc) Minutes of Advisory Board meetings are kept at the location of the Secretariat.

Rule 8-4. The operational management of AWOB

- (a) The operational management of AWOB is carried out by the Secretariat.
- (b) The Secretariat:
 - (1) organises AWOB events according to the annual plan;

(2) organises Advisory Board meetings;

(3) maintains the AWOB registry of participants and volunteers;

(4) submits the following to the Advisory Board for approval:

- Draft prospective development plan of AWOB,
- Draft annual programs and budget of AWOB (annual cost estimate), as well as their implementation,
- Annual AWOB report,
- Draft internal working procedures of AWOB;

(5) performs other powers provided by these Rules.