

“STATE REGISTERED”

State Registration Office of Legal Entities of
Main Department for National Revenues of
State Tax Service under the Ministry of
Economy of the Republic of Azerbaijan

Head of Office: Lala Jafarova

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“APPROVED”

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CHARTER
of “Space Agency of the Republic of Azerbaijan
(Azercosmos)” Public Legal Entity

1. General provisions

- 1.1. “Space Agency of the Republic of Azerbaijan” (Azercosmos) Public Legal Entity (hereinafter referred to as – Agency) under the Ministry of Digital Development and Transport of the Republic of Azerbaijan is a public legal entity that takes part in the formation and implementation of the state policy in the field of space activity, implements regulation and control in the field, state and public significant functions in telecommunication, launch, control and operation of Earth observation and other satellites, participates in relevant international cosmic projects and cooperates in the use of the space with international organizations and relevant state authorities of foreign states for peaceful purposes (hereinafter referred to as – relevant field).
- 1.2. Agency is guided by the Constitution of the Republic of Azerbaijan, international contracts joined by the Republic of Azerbaijan, laws of the Republic of Azerbaijan, orders and decrees of the President of the Republic of Azerbaijan, this Charter, other decisions of the Cabinet of Ministers of the Republic of Azerbaijan, as well as, orders and other regulatory legal acts, also the resolutions, orders and decrees of the Ministry in its activities.
- 1.3. While the Agency implements its duties and exercises its rights, it interacts with state and local self – governance bodies, international and non – governmental organizations, other legal and physical persons.
- 1.4. The Agency engages in the state and public significant activities. The Agency can be engaged in the entrepreneurship activities to achieve the aims set forth in the Charter.
- 1.5. The Agency has an independent balance, separate property in its ownership, treasury and banking accounts, its own name and seal on which the illustration of the State Emblem of the Republic of Azerbaijan engraved in accordance with the Law of the Republic of Azerbaijan “On the use of State Emblem of the Republic of Azerbaijan”, relevant stamps and forms, emblem and logotype.
- 1.6. The Agency has the rights and duties to conclude deals, acquire and exercise property and non – property rights on its behalf. The Agency may act as an plaintiff and defendant at court.
- 1.7. The official name of the Agency is as follows:
 - 1.7.1. In full form – “Azərbaycan Respublikasının Kosmik Agentliyi (Azərkosmos)”, in abbreviated form – Azərkosmos;

- 1.7.2. Full name in English – “Space Agency of the Republic of Azerbaijan” (Azrcosmos)”, abbreviated name in English – Azercosmos.
- 1.8. The Agency is located in Baku city.

2. Field of activities of the Agency

- 2.1. The field of activities of the Agency is as follows:
- 2.1.1. Take part in the formation of state policy in relevant field and ensure the implementation of this policy;
 - 2.1.2. Implement regulation and control in relevant field;
 - 2.1.3. Ensure the development of relevant field;
 - 2.1.4. Expand the integration to global information space of the Republic of Azerbaijan through the systems established on the basis of satellites and other cosmic facilities;
 - 2.1.5. Ensure that the Republic of Azerbaijan takes advantage of technological progress in the world in the field of cosmic activity, acquiring, control and operation of various satellites, cosmic technique and cosmic means for social – economic development, commercial, scientific activities and public purposes;
 - 2.1.6. Ensure that state bodies and institutions, local self – governance authorities, legal and physical persons have the opportunities to joint to various satellite networks;
 - 2.1.7. Promote, strengthen and support sustainable development of entrepreneurship in the field of cosmic activity in Azerbaijan Republic;
 - 2.1.8. Organize and present satellite communication, telecommunication services, high – speed satellite internet services, radio and tv broadcasting, remote reception, Earth observation, probing, taking photos, services on cosmic illustrations, and other types of satellite services through satellites and satellite systems;
 - 2.1.9. Choose insurers, re – insurers and insurance brokers in order to insure cosmic apparatus, satellite manufacturer, means of launch, surface systems and devices, including related risk to design, manufacture telecommunication, Earth observation and other satellites and other cosmic facilities, launch to cosmic space, around the Earth and celestial bodies or organize the implementation of such works;
 - 2.1.10. Organize the effective use and commercial activities of satellites, satellite systems and surface devices;
 - 2.1.11. Accept satellites in the cosmic space and surface satellite control systems regarding it;
 - 2.1.12. Realize the sale of satellite services and satellite equipment, software in the Republic of Azerbaijan and outside its borders including consulting and design services, including establish relevant sales network;

- 2.1.13. Organize the staff development on satellite control and operation, satellite services and their marketing, coordination of orbital positions and related radio frequencies and regulation of relations with cosmic operations;
- 2.1.14. Take measures related to the fulfillment of duties provided for in the relevant development concepts and state programs.

3. Duties and rights of the Agency

- 3.1. The duties of the Agency in accordance with the field of activities specified by this Charter are as follows:
 - 3.1.1. Take part in preparation and implementation of regulatory legal acts, development concepts and purposeful programs in relevant field;
 - 3.1.2. Prepare suggestions on the application of cosmic studies and their results in the country and present them to the Ministry;
 - 3.1.3. Ensure the fulfillment of obligations undertaken by the Republic of Azerbaijan on the issues regulated by the international contracts of the Republic of Azerbaijan and referring to the powers of the Agency;
 - 3.1.4. Analyze economic and financial condition of the representative offices and branches of the Agency, including other bodies under its subordination and take measures to increase the efficiency of their activities;
 - 3.1.5. Establish the production capacity of the collection of nano - satellites (total weight not exceeding 10 kg), micro – satellites (total weight not exceeding 100 kg), other small satellites and carrier services leading to lower orbits around the Earth, apply relevant parts of the programs for the preparation for pilot space flight tested in the world practice;
 - 3.1.6. Acquire the rights to use radio frequencies on orbital positions, including out of plan geostationary satellite networks;
 - 3.1.7. Cooperate with the space agencies of the foreign states and other competent state bodies for the use of cosmos for peaceful purposes and in the field of international satellite communication, including represent the Republic of Azerbaijan at international organizations;
 - 3.1.8. Take measures for the cosmic facilities of the Republic of Azerbaijan to be registered;
 - 3.1.9. Coordinate the activities of state bodies and institutions, local self – governance bodies, legal entities and physical persons in the relevant field;
 - 3.1.10. Manage intellectual property of the Agency and dispose of it;
 - 3.1.11. Take measures for social protection, improvement of working conditions and occupational security of the employees of the Agency;

- 3.1.12. Realize the sale of goods (works and services) related to the implementation of economic activities in accordance with the Law of the Republic of Azerbaijan “On public procurement”;
- 3.1.13. Organize electronic services in relevant field in accordance with the Decree 263 dated September 12, 2018 of the President of the Republic of Azerbaijan “On the rules for the formation, conduct, integration and archiving public information reserves and systems”;
- 3.1.14. Consider the application received in relation to the activities of the Agency in accordance with the laws of the Republic of Azerbaijan “On the applications of citizens”, “On administrative proceedings” and “On obtaining information” and take measures in the manner specified by law;
- 3.1.15. Organize clerical work and citizens’ reception in accordance with the requirements of relevant regulatory legal acts, take measures for further qualification and professional development of the employees of the Agency;
- 3.1.16. Ensure the awareness of population on its activities, establishment of website, posting public information owned and which is to be disclosed and which the list is specified by the Law of the Republic of Azerbaijan “On obtaining information” and the regular update of such information;
- 3.1.17. Ensure the use of the budget funds allocated to the Agency, effective use of credit, grant and other financial resources on the purpose;
- 3.1.18. Take measures for the protection of public and commercial secret, as well as, confidentiality mode;
- 3.1.19. Organize the information provision of the Agency and ensure its security;
- 3.1.20. Take measures for the improvement of the structure and activities;
- 3.1.21. Taking into account advanced international practice, ensure the application of scientific – technical achievements in relevant field;
- 3.1.22. Give suggestions on the development of professional specialists in relevant field and the compilation of teaching programs and take part in their implementation;
- 3.1.23. Fulfill other duties specified by this Charter.

3.2. The Agency has the following rights to fulfill its duties:

- 3.2.1. Give suggestion to the Ministry on the acceptance of draft regulatory legal act in relevant field, making changes in the act, interpreting on the act, its termination of cancellation;
- 3.2.2. Cooperate with international organizations and relevant state bodies of foreign countries to study the opportunities to apply international practice and study relevant practice of foreign states;

- 3.2.3. Conduct studies related to the issues referring to the field of activities, establish working groups and commissions;
- 3.2.4. Establish commercial and useful scientific – technical cooperation with related bodies, other legal entities in the field of cosmic activity, including satellite, missile carrier technologies, apply the achievements of the cosmic industry and cosmic activities in the country, promote and support scientific research to develop cosmic science and technique, satellite services, information technologies;
- 3.2.5. Make requests to state bodies and institutions, local self – governance bodies, legal and physical entities on necessary information (documents) and receive such information (documents) from them;
- 3.2.6. Give opinions and suggestions on the field of activities, conduct analysis and generalizations, prepare analytical materials;
- 3.2.7. Involve independent experts and specialist in its activities;
- 3.2.8. Hold conferences, consultations, workshops related to the issues referring the field of activities, organize other events in the country and abroad;
- 3.2.9. Confer state and other awards to the employees, take measures for their encouragement;
- 3.2.10. Establish business companies to involve advanced technique and technology, involve control practice, financial and material resources, and implement cosmic project or take part in them, cooperate with relevant bodies of foreign states, cosmic operators and satellite operators, manage cosmic projects;
- 3.2.11. Publish special bulletins and other publications;
- 3.2.12. Exercise other rights specified by the Charter.

4. Management of the Agency

- 4.1. The Agency applies advanced corporate management standards to its activities and management.
- 4.2. The executive body of the Agency is the Management Board.
- 4.3. The Management Board of the Agency consists of 3 (three) members – Chairman of the Management Board appointed and dismissed by the President of the Republic of Azerbaijan and 2 (two) deputy chairmen of the Management Board appointed and dismissed by the Ministry.
- 4.4. The Management Board exercises general management and control over the Agency.
- 4.5. If the Chairman of the Management is temporarily absent, his/ her authorities is executed by the deputy Chairman of the Management Board (one of deputy

chairman), in case of absence of the deputy chairman of the Management Board, by other person appointed by the chairman of the Management Board.

4.6. The duties of the Management Board of the Agency are as follows:

- 4.6.1. Organize and control over the activities of the Agency;
- 4.6.2. Give suggestions and submit documents (including financial statements and annual report on the activities of the Agency) for the fulfilment of the powers of the founder;
- 4.6.3. Give suggestions to the Ministry on the development directions of the Agency, as well as, determine strategic aims and plans;
- 4.6.4. Make decision on the establishment and participation of business companies of the Agency with the consent of the Ministry, as well as, establishment of bodies, branches and representations of the Agency;
- 4.6.5. Take measures for the solution of issues provided for in subclauses 3.1.1 and 3.1.2 of this Charter;
- 4.6.6. Approve internal rules on the activities of the Agency (including rules for exclusion of conflict of interests), as well as, the regulations of the bodies, branch and representative offices of the Agency, the charters of the business companies;
- 4.6.7. Approve the financial planning and budget of the Agency;
- 4.6.8. Ensure the effective use of the funds provided for in subclause 3.1.17 of this Charter on the purpose;
- 4.6.9. Control over the execution of the strategic aims and plans, as well as, the budget of the Agency;
- 4.6.10. Approve the salary payment fund, number limit of the employees of the Agency and the amount of their salaries (tariff salary, additions to salary, bonuses and other payments), including determine the encouragement system paid additionally to the employees at the expense of the funds obtained by the Agency (except for funds allocated from the state budget and other state funds);
- 4.6.11. Appoint external auditor of the Agency and receive its audit report;
- 4.6.12. Take measures on the external audit, as well as, other audit results;
- 4.6.13. Control over the activities of internal audit division or the division executing the duties and powers of internal audit and get reports on its activities, as well as, appoint and dismiss internal auditors;
- 4.6.14. Make decision on the conclusion of the deed which the value exceeds 25 percent of the value of net assets of the Agency with the consent of the Ministry and the deed which the value comprises 5 or more percent of the assets of the Agency with related person;
- 4.6.15. Make decision on the conclusion of the deed which the value comprises up 5 percent of the assets of the Agency with related person;

- 4.6.16. Listen to annual report on the activities of the Agency;
- 4.6.17. Review the applications of the members of the Management Board and make decision;
- 4.6.18. Make decision on all issues not referring to the powers of the Chairman of the Management Board related to the activities of the Agency.

4.7. The Chairman of the Management Board convenes the meetings of the Management Board at least once a month and chairs the meetings. He acts as the member of the Management Board at the initiative of holding the meetings of the Management Board. The meetings of the Management Board shall be considered competent if more than half of its members are present. Decisions are adopted by simple majority via open voting each member of the Management Board having one vote. It is not allowed for the members to stay neutral during voting. In case of equal votes, the vote of the chairing person shall be deemed decisive.

4.8. The result of the meetings of the Management Board is formalized with minutes signed by the members of the Management Board.

4.9. The members of the Management Board, as well as, persons invited to the meetings of the Management Board are notified in writing of the place and time of the meetings of the Management Board, as well as, issues included in the agenda at least 3 (three) days prior to the meeting adding necessary documents.

4.10. In case any issue conflicting with the interests of any member of the Management Board is put forward on the agenda of the meeting, the same member must provide detailed information on the interests regarding this and not take part in the discussion of the issue and voting on that issue.

4.11. Decision cannot be made on the issues not included in the agenda or which the related documents are not submitted before the meeting except for the case when all participatory members give their consents.

4.12. The chairman of the Management Board of the Agency:

4.12.1. Lead the current activities of the Agency and represents it;

4.12.2. Carries out operations on behalf of the Agency within the powers specified by this Charter, concludes contracts and ensures their implementation;

4.12.3. Arranges the activities of the Management Board;

4.12.4. Organizes, checks and controls over the execution of acts adopted regarding the field of activities of the Agency;

4.12.5. Gives internal decrees and orders which are mandatory in relation to the organization of the activities of the Agency;

4.12.6. Cancels the decisions contrary to the legislation made by himself/ herself and officials of the structural divisions of the Agency;

- 4.12.7. Controls over the use of the property of the Agency for the purposes provided for in this Charter;
- 4.12.8. Establishes advisory committees and working groups related to the field of activities of the Agency;
- 4.12.9. Approves the structure of the Apparatus of the Agency and other structural divisions, staff schedule of the bodies under its subordination and cost estimates within the defined structure, labor payment fund and number limit of employees;
- 4.12.10. Except for the cases specified by this Charter, makes decision on the appointment and dismissal of the employees of the Agency, including its bodies, branches and representative offices, as well as, other bodies under its subordination (and only managers in the business companies), taking incentives and disciplinary measures;
- 4.12.11. Arranges the payment of salaries, premiums to the salaries, bonuses and other payments of the employees of the Agency within the labor payment fund;
- 4.12.12. at his/ her initiative and at the initiative of the other member of the Management Board, convenes the meetings of the Management Board;
- 4.12.13. invites other persons to take part in the meeting of the Management Board at his/ her initiative and at the request of any member of the Management Board;
- 4.12.14. takes necessary measures for the protection of public secret and confidentiality mode, as well as, other information protected by law on the field of activities of the Agency;
- 4.12.15. ensures the conduct of clerking and archive works at the Agency;
- 4.12.16. ensures the consideration of applications and reception of the citizens at the Agency;
- 4.13. the members of the Management Board of the Agency:
 - 4.13.1. take part in the solution of issues referring to the powers of the Management Board;
 - 4.13.2. give suggestions on considering the issues referring to the powers of the Management Board at its meetings;
 - 4.13.3. gets acquainted with the agenda of the meeting of the Management Board and materials which are intended to be considered beforehand;
 - 4.13.4. expresses an opinion on the decisions to be adopted by the Management Board;
 - 4.13.5. gets familiar with the decisions of the Management Board, the minutes of the meetings and other documents.
- 4.14. The members of the Management Board must approach the issues considered at its meetings impartially, avoid acts and actions that may prejudice to the name of the member of the Management Board, as well as, fulfill other requirements specified by the article 49 of the Civil Code of the Republic of Azerbaijan.

5. The authorized fund, property and basics of financial activities of the Agency

- 5.1. The amount of the authorized fund of the Agency is 295605880 (two hundred ninety five million six hundred five thousand eight hundred eighty) manat.
- 5.2. The property of the Agency is formed by the authorized fund, property contributed by the founder, funds generated from satellite services, other incomes generated from its activities, donations, grants, attracted investments and other funds not prohibited by law.
- 5.3. The Agency uses its property in accordance with the aims specified by this Charter and its field of activities. The Agency fulfills its powers in relation to state property in its balance in the manner specified by the Decree No. 586 dated June 6, 2007 of the President of the Republic of Azerbaijan “On the protection of the state property and improvement of effective use”.
- 5.4. The Agency is entitled to give order independently on the funds obtained from the activities of the Agency, its bodies, branches and representative offices, as well as, other bodies under its subordination after paying taxes and other mandatory payments provided for in the law.
- 5.5. The profit of the Agency is transferred to the state budget by the resolution of the Cabinet of Ministers of the Republic of Azerbaijan only for the aims not provided for in this Charter.
- 5.6. The prices of the products (goods, works, services) of the Agency do not refer to the regulated prices (tariffs).

6. Type of control over and scope of the activities of the Agency

- 6.1. Control over the activities of the Agency is executed by the Management Board in the manner specified by the President of the Republic of Azerbaijan, the Cabinet of Ministers of the Republic of Azerbaijan, the Ministry, as well as, by this Charter.
- 6.2. Annual report on the activities of the Agency is presented to the Ministry.

7. Accounting and reporting in the Agency

- 7.1. The Agency carries out accounting in the manner specified by public legal entities by the Law of the Republic of Azerbaijan “On Accounting”, presents and publishes financial statements accordingly compiling them in accordance with International Financial Reporting Standards.
- 7.2. The Agency compiles and presents statistical statements in accordance with the Law of the Republic of Azerbaijan “On official statistics”.

- 7.3. The Agency ensures the control of financial – economic activities of the bodies, branches and representative offices, as well as, other bodies under its subordination.
- 7.4. The Agency involves external auditor for the inspection of its activities independently.

8. Liquidation and re – organization of the Agency

- 8.1. The liquidation and re – organization of the Agency are carried out by the President of the Republic of Azerbaijan.