**MANAGEMENT BOARD MEMBER Agreement**

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| --- | --- |
| Place: | [insert information] |
| Date: | [insert information] |

The management board member agreement (the **Agreement**) is entered between the following parties:

**the Company**

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| --- | --- |
| Company name: | [insert information] |
| Registration number: | [insert information] |
| Registered address: | [insert information] |
| represented by legal / authorised representative: | |
| [name and surname] | |

**The Management Board member**

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| --- | --- |
| Name and surname: | [insert information] |
| Identity code / date of birth: | [insert information] |
| Residential address: | [insert information] |

The Company and the Management Board member collectively referred to as the “**Parties**” and individually a “**Party**”, conclude the following Agreement:

1. **Definitions**

The terms used in the Agreement shall have the following meanings:

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| **Remuneration** | gross monthly remuneration in the amount of EUR [number]. |
| **Payment Date** | [number] date of the following month. |

1. **Subject of the Agreement**
   1. The Management Board member, based on his consent, has been appointed to the position of the Company’s Management Board member as of [date].
   2. The subject of the Agreement is to define the rights, obligations and liability of the Parties in relation to the management of the Company and its representation by the Management Board member.
   3. The Parties are aware that the Agreement is not an employment agreement within the meaning of the Labour Law of the Republic of Latvia. Parties hereby certify that, considering the actual situation and needs of the Company, as well as specific nature of the Management Board member’s position and rights and obligations related thereto, the Parties are not willing to enter into the employment agreement, but conclude a different civil law agreement – the Agreement. Therefore, the provisions of the Labour Law of the Republic of Latvia shall not be applicable to the Agreement.
2. **duties of the Management Board member**
   1. The Management Board member shall manage and represent the Company in accordance with the laws of the Republic of Latvia, the articles of association, the resolutions of the shareholders of the Company, and the Agreement, always acting in the interests of the Company.
   2. The Management Board member undertakes to perform the following duties (the **Duties**):
      1. carry out the duties imposed on him by a resolution of the shareholders of the Company;
      2. manage and organise the day-to-day activities of the Company;
      3. prepare, carry out and observe the approved plans (budget, business plan, etc.);
      4. organise the accounting of the Company and prepare the annual report of the Company in accordance with the applicable laws;
      5. supply the shareholders of the Company with an overview of the Company’s operations and financial situation upon request by the shareholders, as well as inform the shareholders of the Company of any material deterioration of the financial situation of the Company and other important circumstances relating to the operations of the Company or the performance of his Duties;
      6. perform other duties as prescribed in the applicable laws or which are needed for successful operation of the Company.
   3. The Management Board member undertakes to:
      1. perform his Duties in accordance with his knowledge and abilities in the most beneficial manner for the Company and in the most economically justified manner;
      2. perform his Duties in accordance with the laws and regulations of the Republic of Latvia and European Union, as well as generally accepted traditions and practice in the Company and the fields of commercial activities, where the Company operates;
      3. act loyally to the Company and with the necessary diligence.
   4. The place of performance of the Duties shall be the seat of the Company in the Republic of Latvia, The Management Board member may be sent and hereby agrees to be sent to perform the Duties outside the seat of the Company, including going abroad, if such need is related to the commercial activities of the Company and/or is determined by the nature of the position of the Management Board member.
   5. The Management Board member shall be entitled to organise his working hours in performance of the Duties as he/she sees fit, however, the needs and interests of the Company shall be a priority.
3. **remuneration**
   1. For the due and proper performance of the Duties, the Company shall pay the Management Board member the Remuneration.
   2. The Remuneration is stated in amount prior to withholding of taxes and other mandatory payments.
   3. The Remuneration payable to the Management Board member under the Agreement shall be paid each month by the Payment Date by transferring it to the bank account as specified by the Management Board member. The Management Board member shall immediately notify the Company in writing about any changes related to the bank account details.
4. **holiday**
   1. Observing the long-term nature of the Agreement, the annual holiday shall be granted to the Management Board member and such holiday shall be 20 (twenty) working days (not including public holidays), for which time the accrual and payment of the Remuneration as stated in the Agreement to the Management Board member shall continue. The Management Board member shall use the holiday at the time, agreed with the shareholders of the Company. In determining the time of the holiday of the Management Board member, the need to continue proper day-to-day operations of the Company without interruption shall be considered.
   2. If the legal relations between the Company and the Management Board member are terminated and the Management Board member has not used all the holidays he is entitled to until the moment of termination, the Company shall, not later than on the last day of the legal relations, pay to the Management Board member compensation for unused holidays, which shall be calculated proportionally and based on the Remuneration. However, the Parties have specially agreed that such compensation will not be paid for more than 20 (twenty) unused working days of the annual holidays.
5. **Intellectual property rights**
   1. If the Management Board member, in performing the work duties under the Agreement and / or using information or tools provided by the Company, produces a work that is the object of copyrights in accordance with the laws of the Republic of Latvia, then all economic rights associated with this work belong to the Company. The Management Board member transfers all economic rights associated with this work to the Company without remuneration. The Management Board member undertakes not to use his moral rights of an author during his life if he has obtained such rights as a result of work performance, including rights to revocation of a work, inviolability of a work and legal counter action.
   2. If within the performance of his work duties and/or using information or tools provided by the Company the Management Board member produces an invention or a design, then all economic rights associated to this invention or design belong to the Company. The Management Board member shall immediately inform the Company on creation of such invention or design. The Management Board member transfers all economic rights associated with this invention or design to the Company without remuneration. The Management Board member during his life undertakes not to use his moral rights associated to this design or invention, if he has obtained such rights as a result of development of this design or invention.
6. **CONFIDENTIALITY AND RESTRICTIONS ON COMPETITION**
   1. The Management Board member undertakes not to disclose information that is the Company’s commercial secret, and to take all necessary and reasonable steps to ensure that third parties do not have direct or indirect access to that information. Likewise, the Management Board member cannot use the Company’s commercial secret in any other way that is contrary to the interests of the Company.
   2. The Company’s commercial secret includes, but is not limited to:
7. any information about the suppliers and clients of the Company, products, specifications, procedures, any know-how, trade secrets, any financial information, as well as any other information that is not public, including information about product planning, marketing strategies, plans, finance, procedures, relationships with clients, sale indicators, business plans and internal sale results, associated companies or branch offices, computer software, databases;
8. any documents or information (for example, such technical information as methods, processes, formulas, compositions, systems, techniques, inventions, machines, computer programs and research projects, or such business information as customer lists, pricing data, sources of supply, financial data and marketing, production, or merchandising systems or plans) given to the Management Board member by the Company or a third party on the Company’s instructions or the Company’s client, supplier or partner in confidence or marked “confidential” (or with a similar expression);
9. any information, which the Management Board member should reasonably expect the Company would regard as confidential.
   1. The confidentiality obligations of the Management Board member referred to in the Agreement shall remain in force also following the termination of the Agreement.
10. **TERM AND TERMINATION OF THE AGREEMENT**
    1. The Agreement shall enter into force as of its signing by the Parties and shall remain in force until terminated by one of the Parties or terminated by agreement of the Parties in the manner provided by the Agreement.
    2. The Company may unilaterally terminate the Agreement at any time without indicating any reason. The Agreement is regarded to be as automatically terminated as of the day the meeting of shareholders of the Company have passed a resolution on revocation of the Management Board member from the position of the management board member or as of any other day if that is indicated in the resolution of the meeting of shareholders of the Company.
    3. The Management Board member may unilaterally terminate the Agreement by notifying the Company 1 (one) month in advance.
    4. Upon termination of the Agreement regardless of the grounds, the Management Board member shall, proceeding from the legitimate interests of the Company, do everything that is reasonably necessary for transferring his position to a person appointed by the Company and to enable such person to begin performing the Duties of a Management Board member as soon as possible.
    5. Upon termination of the Agreement, the Company shall take the necessary measures for removing the Management Board member from the Commercial Register of the Republic of Latvia as a member of the management board of the Company. Regardless of whether the Management Board member has been removed from the commercial register or not, he undertakes not to perform any activities on behalf of the Company after the expiration or termination of the Agreement, unless directly required by the Company.
11. **Miscellaneous**
12. By signing the Agreement all agreements previously concluded between the Parties related to services provided by the Management Board member in the capacity of employment, authorisation or other, are automatically regarded as null and void.
13. The Agreement shall be governed by the laws of the Republic of Latvia. Any disputes arising from and in connection with the Agreement shall be resolved by way of negotiations. If the Parties are not able to reach an agreement, the respective dispute or claim shall be resolved by the courts of the Republic of Latvia.
14. In case any of the provisions of the Agreement becomes or appears to be invalid or unlawful, it shall not affect the validity, lawfulness or enforceability of the remaining provisions hereof, and the Parties shall make their best efforts to replace such provision within reasonable time with another provision that complies with the applicable laws and is the most similar to the original provision and aim of the Parties.
15. Any amendments to the Agreement shall be made in writing and signed by the Parties.
16. The Agreement is prepared in English in 2 (two) copies, 1 (one) shall remain with the Company, 1 (one) with the Management Board member.

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| On behalf of the Company:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **[name and surname]** |  | The Management Board member:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  **[name and surname]** |