

Pursuant to Article 13 of the Associations Act (Official Gazette No 74/14), the Assembly of the Association "Udruženje stranih ulagača u Hrvatskoj" /Foreign Investors Council/ held in Zagreb on the 19th of November 2015, has adopted

## STATUTE

### FOREIGN INVESTORS COUNCIL

#### I GENERAL PROVISIONS

##### Article 1

This Statute establishes the name, short name, name in foreign language, short name in foreign language, registered seat and scope of activities of the association; objectives and activities to be performed for the purpose of accomplishing objectives; achievement of publicity of the activities of the association; eligibility for membership, membership admission procedure, termination of membership; rights, obligations and disciplinary responsibility of the members and the procedure for maintaining members list, the association's bodies – appointment of the members of the bodies as well as composition, the term of office for the bodies' members and their dismissal, authorities and decision-making process of the bodies and due procedure to convene the Assembly in case of expiry of the mandate; appointing and dismissal of the liquidator of the association; property and the disposal of potential profit, method of acquisition of property; cessation of work and procedure with the property in the case of cessation of work; settlement of disputes and conflicts of interests in the association and other issues of importance for the Foreign Investors Council.

The association is organized as a non-governmental, non-political and non-profit organization registered in the register of associations at the Municipal Office for General Administration of the City of Zagreb.

##### Article 2

The full name of the Association is: UDRUŽENJE STRANIH ULAGAČA U HRVATSKOJ (hereinafter: FIC).

The short name is: USU

The full name in the English language is: FOREIGN INVESTORS COUNCIL.

The short name in the English language is: FIC.

The FIC's registered seat is in Zagreb.

The Board of Directors decides on a change to the address of the registered seat.

##### Article 3

The FIC has a seal.

The FIC has a round shape seal including the full name of the FIC written in the Croatian and the English language and the address of the registered seat.

#### II SCOPE OF ACTIVITIES

##### Article 4

The FIC performs its activities in the region of the Republic of Croatia.

##### Article 5

The FIC can become a member of, join and cooperate with an association or organization locally and abroad in any other appropriate manner. The FIC's Board of Directors takes a decision on FIC's membership in or joining any other association or organization.

#### III REPRESENTATION

##### Article 6

The FIC is represented by the President and two Vice Presidents.

The President represents the FIC independently and acts on its behalf and for its account.  
The Vice Presidents represent the FIC together. The FIC is legally bound or authorized by acts only if they are signed by the both Vice-Presidents jointly and if they are authenticated by the seal of the FIC.

## **IV OBJECTIVES**

### **Article 7**

The aims of the FIC are:

- to improve the general mood in the Republic of Croatia in regard to investment and business;
- represent, advocate and promote common opinions and views of its members, in order to promote mutual interest and to encourage foreign investments;
- improve communication, collaboration and permanent dialogue between the FIC and the Croatian authorities;
- cooperate with the Croatian authorities in order to resolve difficulties and obstacles that may be caused in relations with foreign investors and economic relations with some other countries;
- promote the interests of the international business community in Croatia;
- inform its members and other stakeholders about the investment climate in Croatia and
- communicate with any other foreign investors' associations in the region, so that all parties can benefit from an exchange of joint and common standard practice aimed at improvement of the economy in the region.

The areas of the FIC's activities corresponding to its aims are economy and international cooperation.

## **V SCOPE OF ACTIVITIES**

### **Article 8**

In order to accomplish the objectives referred to in the foregoing article, the FIC shall:

- represent, express and present common views and opinions of its members to promote common interests and to encourage foreign investments;
- cooperate with institutions and public authorities in the Republic of Croatia for the purpose of resolving difficulties and obstacles that might be caused in relations with foreign investors and economic policy issues;
- submit proposals to competent authorities in regard to the proposed bills and other regulations that are of interest for the activity of the FIC' members;
- organize scientific and expert seminars, forums and lectures;
- issue publications, in accordance with special laws;
- organize professional trips for its members;
- provide necessary funds for the performance of its activities;
- establish foundations and
- cooperate with related international and national associations.

The FIC will also perform any other activities focused on accomplishment of the objective, according to the Associations Act and other special laws of the Republic of Croatia.

## **VI THE PUBLIC NATURE OF THE FIC'S WORK**

### **Article 9**

The FIC performs its activities publicly.

The public nature of its work is ensured in the following ways:

- by reporting to the members about the FIC's work at the meetings of FIC bodies,.
- by holding public sessions of FIC bodies, barring the exceptional cases when sessions are closed to the public,
- by drafting and publishing annual reports and reports on the FIC's projects and finances,
- by using information-communication technologies (internet pages, social networks and the like),
- by issuing statements for the public,

- by organising special events,
- in other appropriate ways.

## **VII MEMBERSHIP IN THE FIC**

### **Article 10**

Membership in the FIC is voluntary.

The basic categories of membership are:

- 1) Ordinary and
- 2) Honorary.

The amount of annual fees for members is determined by the Board of Directors.

### **Article 11**

An ordinary member may be any legal entity that accepts the goals and the Statute of the FIC and operates in accordance therewith. Any legal entity can fill in the application form declaring that he/she accepts the goals and the Statute of the FIC and will act accordingly, and will become a member according to the decision made by the FIC's Board of Executives on admission in the FIC's membership and payment of the stipulated membership fee. The membership fees are determined by the President of the FIC.

Honorary Member may be any natural person. Honorary members shall be appointed by the FIC's Board of Directors, on the basis of their contribution to the improvement of the work or objectives of the FIC. Honorary members may be called to participate in the FIC's specific bodies, but are not allowed to vote and may not be elected.

Membership (ordinary and honorary) is established by registering in the list of members supervised by the Secretary General of FIC.

The list of members is kept electronically and must contain information about the legal entity's name and address, its personal identification number, the legal entity's authorised representative, the authorised representative's personal identification number and name, personal identification number and date of birth for honorary members, date of admission, category of membership, date of expiry of membership in the FIC.

The list of members must always be made available to all members and competent bodies upon their request.

### **Article 12**

Rights and obligations of ordinary members are to:

- elect and be elected into the bodies of the FIC;
- participate in the activities of the FIC;
- comply with the provisions of this Statute and other general acts of the FIC;
- comply with the obligations assumed by the FIC abroad;
- protect and improve the reputation of the FIC and
- regularly pay their membership fee.

### **Article 13**

All members are entitled to the FIC certificate proving their membership in the FIC according to which they participate in the work of the FIC.

### **Article 14**

Membership in the FIC terminates in the event of:

- the end of the FIC's work,
- the member's own decision,
- bankruptcy or liquidation of the FIC member,
- a decision by the Board of Directors because of the failure to pay the membership fee for a period of more than 6 (six) months,
- expulsion because of the violation of the member's obligations and responsibilities
- the member's death.

In the event of termination of the membership according to a decision by the Board of Directors, the obligations of the FIC member and the date of the termination of the membership should be specified in the same decision.

The termination of the membership according to a member's own decision is exercised by written application for withdrawal from the FIC submitted to the Secretariat of the FIC.

A member of the FIC can be excluded from the membership by a decision made by the Board of Directors if his/her conduct is opposed to the objectives of the FIC or its Statute, or if his/her conduct causes damage to the FIC and its members, or damages the reputation of the FIC, or if his/her work is contrary to the principles of social and responsible business operation, and contrary to the applicable legislation of the Republic of Croatia. The excluded member is entitled to filing an appeal in writing to the Assembly of the FIC, within a fifteen days' period from the date of receipt of the decision made by the FIC's Board of Directors. The Assembly is obligated to include the appeal on the agenda at its first next session. The excluded member may not participate in the work of the FIC's bodies from the date of the receipt of the decision made by the Board of Directors on exclusion. If the member fails to file the appeal within the prescribed time, the decision by the Board of Directors shall be deemed final.

## **VIII DISCIPLINARY RESPONSIBILITY OF MEMBERS**

### **Article 15**

Members of the FIC assume obligations and responsibilities arising from the law and other legal acts, from this Statute and other FIC documents.

Disciplinary proceedings will be instigated against members of the FIC for the violation of their obligations and responsibilities:

- breach of legal and other obligations related to the FIC's work
- failure to respect the provisions of the Statute
- failure to respect the decisions by the FIC's managing bodies
- failure to fulfill assumed obligations
- unconscientious fulfilment of obligations which has caused material damage to the FIC
- unconscientious or unlawful use of the FIC's assets
- ###Tarnishing the FIC's reputation

### **Article 16**

Disciplinary responsibility of the FIC members is established in disciplinary proceedings.

Disciplinary proceedings may be initiated by any and every member of the FIC.

The Assembly conducts disciplinary proceedings and issues disciplinary measures.

Disciplinary proceedings will determine the circumstances in which the breach of the member's responsibilities and obligations has occurred, the extent of the breach and the damage caused to the FIC. Disciplinary proceedings are conducted in accordance with the Ordinance on disciplinary responsibility of members, passed by the Assembly.

### **Article 17**

The following disciplinary measures may be taken for a breach of the member's obligations and responsibilities that has been established:

1. warning or
2. expulsion from the FIC (or some other measures)

### **Article 18**

The member of the FIC who has been punished with the disciplinary measure of expulsion from the FIC has the right to appeal to the Assembly within fifteen days from the day the decision has been delivered to them.

The Assembly must decide on the appeal within 30 days from the day the appeal has been received.

The Assembly's decision confirming the expulsion is final.

### **Article 19**

Every member of the FIC has the right to warn the Assembly in writing of failures to respect the Statute's provisions or of irregularities in the implementation of the decisions by the FIC's bodies.

Every member of the FIC has the right to file written complaints about the work of any individual FIC member or the FIC bodies.

The President of the Assembly must reply in writing to warnings and complaints within 30 days from the day of their receipt.

## **IX BODIES**

### **Article 20**

The bodies of the FIC are:

- 1) The Assembly;
- 2) The Board of Directors;
- 3) The President.

## **X ASSEMBLY**

### **Article 21**

The Assembly is the highest body of the FIC.

The Assembly consists of the authorized representatives of ordinary members of the FIC.

Honorary members may participate in the work of the Assembly, without voting rights.

Each ordinary member of the Assembly is entitled to one vote.

The FIC Assembly decides by a majority of its members present at the FIC Assembly session.

Decisions on a change to the Statute and the cessation of the FIC shall be made by the Assembly by two-thirds majority of its members present at the FIC Assembly session. If the Assembly cannot achieve the two-thirds majority, the Board of Directors is obligated to convene a new session of the Assembly within a 10 (ten) days' period, which can make valid decision by majority vote of the members present at the session of the Assembly. Voting at the FIC Assembly is public, but voting on decisions on election and dismissal is secret.

Between the two sessions of the Assembly, the FIC's Board of Directors shall make decisions on behalf of the FIC, except for those decisions which require two-thirds majority of those present members.

### **Article 22**

The Assembly as the highest body of the FIC is responsible for performing the following tasks:

- adopts the Statute, changes and amendments thereof;
- decides on changes to the objectives of the FIC;
- elects and dismisses the members of the Board of Directors of the FIC;
- elects and dismisses the Vice-presidents of the FIC;
- elects and dismisses the President of the FIC;
- decides on complaints by members against their expulsion and
- decides on the cessation of the FIC.

The Assembly as the highest body of the FIC is competent for discussing and deciding on any matter related to accomplishment of the objectives of the FIC.

### **Article 23**

The Assembly meets annually, and if necessary more frequently. If necessary, the Board of Directors of the FIC can summon an Extraordinary Session of the Assembly. The Extraordinary Assembly can only consider the issue which is the reason for convening the session of the Assembly.

Each ordinary session of the Assembly has its ordinal number.

The Board of Executives shall convene the Assembly and prepare the meeting agenda of the Assembly. The FIC President proposes the composition of the Presidency Working Group of the Assembly.

On request by at least one third of ordinary members, the Board of Executives shall convene a meeting of the FIC Assembly within a maximum period of 30 (thirty) days from the receipt of the requirement. If the Board of Executives fails to convene the Assembly, then the proposers can summon the Assembly - at least one third of ordinary members.

If the mandate of the FIC bodies that are authorised to convene the Assembly has expired, the Assembly may be convened upon request from at least 1/3 of the members.

## **XI BOARD OF DIRECTORS**

### **Article 24**

The Board of Directors is the executive body of the FIC, which operates between two Assembly sessions of the FIC and is competent to perform the following tasks:

- summons the FIC Assembly session and proposes the agenda of the FIC Assembly;
- enforces the decisions of the FIC Assembly;
- supervises the President's work;
- decides on co-opting members to the Board of Directors;
- determines the proposed changes and amendments to the Statute of the FIC;
- decides on a change to the address of the FIC;
- decides on the admission of ordinary members;
- appoints honorary members;
- decides on the membership fee;
- decide on tasks of the Vice Presidents, upon the proposal by the President;
- adopts annual budget and annual financial statement;
- decides on a number of employees and their salaries;
- adopt the Rules of rights and obligations of employees;
- appoint boards, committees and other similar bodies, and delegates tasks to them;
- decides on linking FIC with, or making it a member of another organisation or association, sets the FIC's internal organisation.

### **Article 25**

The Board of Directors is composed of a minimum 5 (five) and a maximum of 9 (nine) members, that is, the President, two Vice Presidents and two (2) to 6 (six) other members elected by the Assembly of the FIC. The term of office of members of the Board of Directors is 2 (two) years and such term may be extended.

A decision by the Board of Directors is valid if more than 1/3 (one-third) of all members of the Board have voted in favour.

Each member of the Board of Directors may request his/her dismissal before the expiry of the term for which he/she is elected.

The Board of Directors may co-opt up to 1/3 (one-third) of members of the Board and they must be approved by the Assembly at the very next session of the Assembly.

A member of the Board of Directors may be dismissed before the expiry of the period for which he/she was elected, if he/she fails to participate in 3 (three) sessions of the Board of Directors. Failure by a member of the Board of Directors to attend the sessions includes unexcused absence from the session and failure to vote at the session.

The decision to dismiss a member of the Board of Directors for his failure to take part in the work of three Board sessions is taken by the Board of Directors.

According to the decision by the Board of Directors, the FIC President shall warn a member of the Board of Directors in writing who fails to participate in the work of two sessions of the Board of Directors about a danger of being dismissed if he/she fails to participate in the work of another session of the Board of Directors.

### **Article 26**

The meetings of the Board of Directors are convened by the President. The President of the FIC also chairs the meetings of the Board of Directors.

The FIC's Board of Directors convenes regularly at least 6 (six) times a year, and may convene more often if warranted. In case of necessity, an extraordinary session of the Board of Directors can be convened.

## **XII PRESIDENT**

### **Article 27**

The President of the FIC:

- represents the FIC;

- is responsible for the legal work of the FIC;
- organizes and manages the activities performed by the FIC;
- chairs the session of the Assembly and the FIC Board of Directors;
- proposes the composition of the Presidency Working Group of the Assembly;
- summons meetings of the Board of Directors;
- reports on the work to the FIC Assembly and the FIC Board of Directors;
- proposes internal organization to the FIC Board of Directors and
- concludes employment contracts.

Upon proposal by the President, the Board of Directors decides on tasks of the Vice Presidents.

#### **Article 28**

The Secretary General of the FIC shall be appointed by the Board of Directors upon proposal by the FIC President.

The Secretary General of the FIC:

- is responsible for the work of FIC, especially for maintaining financial records;
- keeps records of the members of the FIC and is responsible for such records;
- conducts correspondence with international organizations which the FIC is a member of and is responsible for fulfilling all the commitments assumed abroad.

#### **Article 29**

Depending on the financial situation, some officials may be employed in the FIC, where they can receive a salary. The Board of Directors of the FIC has exclusive competence to determine the number of employees and salaries, according to the FIC budget and special laws.

All employees are obligated to abide by the FIC Rules of rights and obligations of employees, passed by the Board of Directors.

### **XIII FINANCING, ASSETS AND TERMINATION OF WORK**

#### **Article 30**

The FIC's assets comprise:

- The funds the FIC has gained through membership fees, voluntary contributions and gifts
- The funds the FIC has gained through conducting activities that serve to achieve its goals; by regular FIC's work, by financing FIC's projects and programmes from the state budget, from local and regional administration budgets and funds and/or from foreign sources
- immovable and movable property of the FIC,
- other ownership rights.

The FIC may use its assets only for the purpose of achieving its goals and conducting activities determined by its Statute and in accordance with the law.

#### **Article 31**

The FIC's activities are financed from:

- membership fees and contributions,
- voluntary contributions and gifts, donations,
- funds received from organisations that support the work and activity of FIC,
- Subsidies from the state budget, budgets of cities or counties, from funds and
- from organising games of chance, from its own activities in accordance with the law
- From other sources in accordance with the law.

#### **Article 32**

The fiscal year of the FIC shall begin on the 1st of January and ends on the 31st of December of the current year.

The FIC financial records are duly maintained by the FIC Secretary General.

### **Article 33**

The Board of Directors prepares the draft budget and annual financial statements of the FIC, which is adopted by the FIC Assembly.

### **Article 34**

The FIC ceases its work on the basis of a decision by the Assembly and in other cases foreseen by the law.

The FIC may cease to exist according to the decision of 2/3 (two thirds) of all the members of the FIC. In the event of cessation of the FIC, the Board of Directors decides on the ownership of all funds and all movable and immovable property of the FIC.

### **Article 35**

The President or Vice-Presidents are obliged to inform the competent state body of the FIC's termination of work, so that it can be removed from the Registry of Associations.

### **Article 36**

The liquidator for the FIC is appointed and dismissed by the Assembly for a term of 2 (two) years. The same person may be appointed as Liquidator several times.

The Liquidator represents the FIC in the process of liquidation and with the start of the liquidation procedure he is entered into the registry of associations as the person authorised to represent the FIC until the liquidation is completed and the FIC is removed from the registry of associations.

## **XIV SETTLEMENT OF DISPUTES AND CONFLICTS OF INTEREST**

### **Article 37**

A dispute/conflict of interest in the FIC exists if it is about the rights and interests of the members with which the members can freely dispose of and which may affect the work of the FIC, or if the rights and interests relate to the issues of common interest for all members.

The Assembly appoints an arbitration council from among its members to deal with the disputes/conflicts of interest. The make-up, mandate and decision-making process of the arbitration council are determined by the ordinance passed by the Assembly. The arbitration council must appropriately apply the provisions of the Act on Conciliation in its work.

The arbitration council's decision is final.

If the dispute/conflict of interest relates to decisions by the FIC's managing bodies which are the basis for a request to enter changes in the registry of associations that is under the jurisdiction of the competent office, the dissatisfied member must first address the FIC in order to resolve the dispute/conflict of interest. After the arbitration council's final decision, the FIC files a request to enter the changes in the registry of associations, together with the arbitration council's decision, to the competent office.

## **XV TRANSITIONAL AND FINAL PROVISIONS**

### **Article 38**

The Statute is a fundamental general act of the FIC and all other general acts have to be in compliance with the provisions of the Statute.

The draft of the changes and amendments to the Statute is prepared and determined by the FIC Board of Directors.

The Assembly of the FIC decides on changes and amendments to the Statute by 2/3 (two thirds) of majority votes of the members present at the session of the Assembly.

### **Article 39**

The interpretation of the provisions of the Statute is provided by the Assembly of the FIC.

### **Article 40**

Each body of the FIC shall adopt its Rules of Procedure.  
All members shall comply with the FIC Rules of Procedure.

**Article 41**

This Statute shall enter into force on the date of its adoption and shall apply as of the day of its entry in the registry maintained by the competent authority.

The Assembly of the Foreign Investors Council adopted this Statute at its extraordinary session held in Zagreb on November 19, 2015. The validity of the document is confirmed by the signature subscribed thereunto by:

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Mladen Fogec  
President