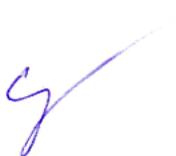


**ARTICLES OF ASSOCIATION OF THE COOPERATIVE FOR
ETHICAL FINANCING**

April 2014

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Pursuant to the provisions of Article 18, paragraph 2 of the Cooperatives Act (Official Gazette No. 34/11, 125/13), at the session held on 22 April 2014, the General Assembly of the Cooperative for Ethical Financing (hereinafter referred to as the Cooperative), adopted the following

ARTICLES OF ASSOCIATION OF THE COOPERATIVE

In order for the Articles of Association of the Cooperative to be more fluent, words and terms with gender meaning will be written in their masculine form, although they refer to both the masculine and the feminine gender.

GENERAL PROVISIONS

Article 1

(1) The Cooperative is a transparent, democratic, solidarity organization, founded with the aim of establishing and managing a credit institution which provides its members with the most favorable terms of financing, ongoing advisory support in their business and active reduction of risk by connecting members into economic units, and which also provides the conditions for a quality life through the processes of real economy.

(2) A member of the Cooperative may be any natural or legal person who accepts the principles of socially responsible entrepreneurship, social entrepreneurship and ethical banking.

(3) The Articles of Association of the Cooperative represent the fundamental and general acts of the Cooperative, pursuant to which, and in accordance with the Cooperatives Act, the members of the Cooperative regulate the following:

- name, address and business activity of the Cooperative
- internal structure,
- conditions and procedures of membership acquisition, type and amount of members' stakes, along with their payment and return, rights, obligations and responsibilities of members, conditions and procedures of membership termination and other issues related to the membership in the Cooperative,
- bodies of the Cooperative, their authority, rights and obligations, the process of election and dismissal, the members' terms of office, decision-making and other issues related to the work of the bodies of the Cooperative,
- representation of the Cooperative and the rights and authorities of the manager,
- Cooperative assets and the management thereof,
- use of profits or surplus, coverage of losses or deficits,

- portion of the profit, i.e. the surplus, which is allocated to the mandatory reserve,
- status changes and termination of the Cooperative,
- communication with members and data protection,
- modes and procedures for amending the Articles of Association
- other issues relevant to the functioning and the business activities of the Cooperative.

NAME, ADDRESS AND OFFICIAL SEAL OF THE COOPERATIVE

Article 2

(1) The full name of the Cooperative is: Cooperative for Ethical Financing.

Article 3

The Cooperative seat is in Zagreb.

Decisions regarding the change of the Cooperative seat and activities are adopted by the General Assembly.

Article 4

(1) The Cooperative has a round seal.

(2) The seal contains the name and address of the Cooperative

(3) The seal is kept by the Manager of the Cooperative, who determines the ways in which it is used.

(4) Each additional seal has its own unique number.

BUSINESS PRINCIPLES AND REGISTERED ACTIVITIES OF THE COOPERATIVE

Article 4

(1) The Cooperative is an independent association of persons who, in order to meet their common economic, social and cultural needs and endeavors, voluntarily form an organization of joint ownership which is democratically managed.

(2) In its work, the Cooperative shall adhere to the ethic principles of socially responsible entrepreneurship and the following cooperative values: cooperation, responsibility, democratic values, equality, voluntariness, fairness and solidarity, as well as honesty,

openness, social responsibility and care for others.

(3) Transparency is exceptionally important to the Cooperative regarding the source and the use of capital, relationship with the members of the Cooperative and the community and regarding each aspect of its business activities.

(4) The Cooperative systematically assesses the social and environmental impact of its activities and the activities of the institutions it manages.

(5) The Cooperative pays special attention to providing support to the initiatives for the self-employment and entrepreneurship of women, youth and disadvantaged groups, as well as bringing different social and age groups together on the same projects.

(6) The Cooperative is deeply rooted in the community in which it operates, especially in the local social and economic networks in order to develop relationships with its members and be familiar with the projects to which it provides financial support.

Article 5

(1) The Cooperative performs its activities with the aim of making a profit which is intended for socially useful purposes. At least 90% of the profit is invested back into the community.

(2) The aim of the Cooperative is to work for the common good and, using a credit institution which it establishes and manages, to ensure the right to obtain loans through a business process which consists of raising funds and subsequently reallocating them in the form of loans for cultural, social and environmental projects. Using a credit institution which it establishes and manages, the Cooperative promotes social inclusion, sustainable development, development of social economy and social entrepreneurship, and raises public awareness regarding the role of money and the collapse of the economy based solely on short-term profits.

Article 6

(1) The Cooperative collects funds primarily from the members' stakes, which derive from the activities of the real economy. The Cooperative does not accept money if it comes from illegal activities, if there is reasonable suspicion that it comes from organized crime or mafia, arms industry and polluting industries or if it is of unknown origin.

(2) The Cooperative uses the cash funds at its disposal for social, environmental and cultural development by supporting activities aimed at human, social and economic progress, while simultaneously helping the disadvantaged, promoting social integration and employment.

(3) The Cooperative encourages the placing of loans in the service of people and does not see the generating of profit as its sole purpose.

Article 7

Activities of the Cooperative

The activities of the Cooperative include as follows:

- business and management consulting;
- consulting legal persons on capital structure, business strategies and related issues and offering services regarding mergers and acquisitions of stocks and business shares in other companies;
- promotion (advertising and publicity)
- market research and public opinion survey;
- mediation in the conclusion of transactions in the money market
- trade mediation on domestic and foreign markets
- public information services
- providing electronic publications via electronic communications networks
- providing information society services;
- creating and editing web pages;
- accounting;
- private transport.

Article 8

(1) The Cooperative performs its activities directly, through its subsidiaries, its affiliates or its members.

(2) The Cooperative may employ workers to carry out its activities.

(3) Activities of the Cooperative may be performed by third parties if this does not impact the interests and the work of the members of the Cooperative.

MEMBERSHIP IN THE COOPERATIVE

Article 9

(1) A member of the Cooperative is a fully competent natural or legal person that directly participates in the work of the Cooperative, uses its services or is otherwise directly involved in achieving the goals for which the Cooperative was founded.

(2) Members of the Cooperative cannot transfer their membership to another person.

(3) Membership in the Cooperative is gained through the inscription in the Register of Members, containing all the data prescribed by laws, bylaws and the Articles of Association of the Cooperative.

(4) Members of the Cooperative have the following rights: the right to manage, the right to elect and be elected to the bodies of the Cooperative and other membership rights

prescribed by Law, other regulations and general acts of the Cooperative.

(5) Members of the Cooperative shall fulfill all obligations towards the Cooperative, participate in the activities of the Cooperative, promote and protect the interests and reputation of the Cooperative and work in accordance with the general acts and decisions of the General Assembly and other bodies of the Cooperative.

Membership acquisition

Article 10

(1) Members of the Cooperative are those persons who have founded the Cooperative and those who have joined the Cooperative in accordance with the applicable legal regulations and Articles of Association of the Cooperative, and who accept and abide by the rules of socially responsible business and ethical banking and are accepted by the Cooperative and listed in the Register of Members of the Cooperative.

(2) A candidate for membership submits an application form to the Cooperative. The application form is subsequently forwarded to the Membership Board in printed or electronic form (via e-mail or in some other appropriate way) by the Manager or by a person authorized by the Manager.

(3) The decision to accept a candidate for membership is reached by the Membership Board with a majority vote of its members, who can vote either by e-mail or in any other appropriate manner.

(4) In deciding on the acceptance of candidates for membership it should be taken into account that, pursuant to the provisions of the Cooperatives Act, a member of the Cooperative may only be a person who can directly participate in the work of the Cooperative, who can operate through the Cooperative, use its services or be otherwise directly involved in achieving the goals for which the Cooperative was founded.

(5) The Chairman of the Membership Board establishes the fact that a candidate has been accepted and immediately informs the Manager of the adopted decision.

(6) The candidate should be familiar with the Articles of Association of the Cooperative and with his obligations towards the Cooperative at the time of his accession.

(7) Following the adoption of the decision to accept a candidate for membership in the Cooperative, the candidate shall pay a membership stake and sign a declaration of acceptance of the Articles of Association of the Cooperative within 30 days.

(8) Upon the payment of the membership stake, the candidate will be entered in the Register of Members of the Cooperative and thus become a regular member of the Cooperative.



(9) If the candidate fails to pay the membership stake within 30 days of the decision on the acceptance of membership, the decision shall be deemed void.

(10) Founders of the Cooperative and members who joined the Cooperative after its founding have equal rights and obligations.

Termination of membership

Article 11

Membership in the Cooperative is terminated:

- via an agreement between the Cooperative and the member,
- because of the death of a natural person, or deletion of a legal person from trade or court registers,
- via the member's voluntary resignation based on a written statement of withdrawal from the Cooperative,
- because the member no longer meets the requirements for membership,
- via a decision on the exclusion of the member, adopted by the General Assembly
- because of the termination of the Cooperative.

Resignation from membership

Article 12

(1) A member of the Cooperative may resign from membership by submitting a written Request for Resignation to the Cooperative. The process of resignation is conducted by the Manager in accordance with the regulations of the Cooperative.

(2) The decision establishing the resignation from membership specifies the date on which the membership in the Cooperative is terminated.

(3) In the event that a member of the Cooperative has certain obligations towards the Cooperative, he shall fulfill those obligation prior to the termination of membership.

Exclusion from the Cooperative

Article 13

The Cooperative may exclude a member who, after due warning, still:

- fails to fulfill his obligations towards the Cooperative,
- acts contrary to the principles of socially responsible business and ethical banking
- acts against the interests and objectives of the Cooperative or in a way which negatively affects the Cooperative and its members.

Article 14

(1) The process of exclusion of a member of the Cooperative is initiated by the Manager via a special written motion. The Manager's decision shall state the reasons for initiating the process of exclusion.

(2) In special cases, along with the decision to initiate the process of exclusion, the Manager is also authorized to suspend the membership rights of the concerned member of the Cooperative, pending the decision of the Membership Board regarding the motion for the exclusion of that member from the Cooperative.

(3) The Manager shall inform the Supervisory Board of the decision to suspend membership rights of a member of the Cooperative in an appropriate manner and within 8 (eight) days from reaching the decision.

(4) Within 8 (eight) days from receiving the notice or decision from the previous paragraph, the Chairman of the Membership Board shall convene a meeting at which the Membership Board shall decide on the Manager's decision on suspension. If the Membership Board does not explicitly annul the decision on suspension, it shall be considered confirmed and shall remain in force.

(5) The decision to initiate the process of exclusion from the Cooperative, along with the decision on suspension (if made), is delivered to the concerned member of the Cooperative in person or by registered mail, along with the request that he make an official statement in response to the accusations no later than 15 (fifteen) days from receiving the decision.

(6) Upon receiving the official response from the member of the Cooperative, or following the expiration of the deadline for delivering such response, the Manager submits to the Membership Board the decision to initiate the process of exclusion, along with the member's response and the evidence on which the proposed expulsion from the Cooperative is based.

(7) If the process is initiated against the Chairman of the General Assembly or a member of the Membership Board, the decision to initiate the process, along with the proposal to convene a meeting is submitted to the Chairman of the Supervisory Board or his deputy. In this case, the Supervisory Board acts in accordance with the provisions of these Articles of Association which regulate the work of the Membership Board.

(8) The concerned member is entitled to appeal to the Supervisory Board against the decision on suspension or exclusion adopted by the Membership Board within 15 (fifteen) days from receiving the decision. The appeal is submitted to the Supervisory Board via the Membership Board.

(9) The member is entitled to appeal against the decision of the Supervisory Board to the General Assembly, within 15 (fifteen) days from receiving the decision. The appeal is submitted to the General Assembly via the Supervisory Board, which forwards the appeal to the Chairman of the General Assembly, along with the proposal that the appeal be included in the agenda of the General Assembly's next session.

Article 15

- (1) The decision to grant or terminate membership in the Cooperative is made by the Membership Board in writing.
- (2) The decision to refuse membership must contain an explanation.
- (3) The decision to terminate membership in the Cooperative must contain an explanation of the reasons for adopting such decision.
- (4) Upon the adoption of the decision to terminate membership, all voting and other membership rights are suspended until the decision is considered final.
- (5) The decision to refuse, grant or terminate membership in the Cooperative is delivered to the concerned candidate or member of the Cooperative in person, by registered mail or e-mail.
- (6) The concerned member of the Cooperative is entitled to appeal to the Supervisory Board against the Membership Board's decision to refuse or terminate membership in the Cooperative within 15 (fifteen) days from receiving the decision. The appeal is submitted to the Supervisory Board via the Membership Board.
- (7) The concerned member is entitled to submit to the General Assembly the request to review the Supervisory Board's decision, within 15 (fifteen) days from receiving the decision. The request to review the decision is submitted to the General Assembly via the Supervisory Board, which forwards the appeal to the Chairman of the General Assembly, along with the proposal that the appeal be included in the agenda of the General Assembly's next session.

Article 16

- (1) In the event that the decision cannot be delivered to the concerned member of the Cooperative (if the member refuses to accept the delivery or does not receive mail, or if the delivery to the last known address fails twice because the Cooperative has been given the wrong address or if other similar situations occur), the decision to initiate the process to exclude the member from the Cooperative and the decision to suspend or terminate membership in the Cooperative shall be published on the message board and the website of the Cooperative.
- (2) Following 15 (fifteen) days from its publishing on the message board and the website of the Cooperative, the decision is considered delivered to the concerned member of the Cooperative.

Article 17

- (1) The person whose membership in the Cooperative has been terminated, or his heir and legal successor, is entitled to the reimbursement of the membership stake and the additional stake.
- (2) The decision on the amount of the payment referred to in paragraph 1 of this Article is

made by the Supervisory Board within 30 (thirty) days and it must be executed no later than three years from the date of membership termination.

(3) Stakes and additional stakes that belong to the concerned member of the Cooperative, or his heir and legal successor, shall not be repaid before the member fulfills his obligations towards the Cooperative.

Succession of rights and obligations

Article 18

(1) Membership in the Cooperative is terminated upon the death of a member of the Cooperative, and property rights and obligations of the deceased member are transferred to his successors in accordance with the decision on inheritance, court order or other relevant legal acts, and pursuant to applicable legislation.

(2) The successors of the deceased member of the Cooperative may choose among themselves the person to take over the property rights and obligations of the deceased member of the Cooperative, by written agreement certified by a notary public.

(3) Property rights and obligations of a legal person that ceased to exist are transferred onto its legal successor.

(4) One or more successors of the deceased member of the Cooperative may become members only if, based on the prescribed application form, the competent body of the Cooperative grants them membership and if they meet the requirements determined by these Articles of Association.

(5) The heir or the legal successor is granted membership in the Cooperative in accordance with the procedure of accepting new members to the Cooperative, but without the obligation to pay the membership stake if the property rights of the former member cover the required stake.

(6) The procedures in this article may be applied in cases where a member of the Cooperative cannot, or willingly decides not to participate in the work of the Cooperative. In this case, the concerned member of the Cooperative shall submit a written request to the General Assembly, proposing a family member to whom he wishes to transfer his rights and obligations in the Cooperative. The decision to accept the new member to the Cooperative in place of the former on the basis of a written request is adopted under the provisions of these Articles of Association regarding the acceptance of new members.

Protection of rights of members of the Cooperative

Article 19

Each member of the Cooperative has the right to appeal against each decision made by the

Manager to the Supervisory Board within 15 (fifteen) days from receiving the decision. Members of the Cooperative have the right to appeal against the decisions of the Supervisory Board to the General Assembly within 15 (fifteen) days from receiving the decision. Members of the Cooperative have the right to submit a request for the revision of decisions made by the General Assembly in the first instance within 30 (thirty) days from receiving the decision. This request shall not stay the execution of the decision.

REGISTER OF MEMBERS OF THE COOPERATIVE

Article 20

(1) The Cooperative keeps a Register of Members of the Cooperative. The Register of Members of the Cooperative is managed as a public book. The Register of Members of the Cooperative is kept permanently.

(2) Upon the termination of their membership, members of the Cooperative are deleted from the Register of Members.

(3) The inscription and removal from the Register of Members of the Cooperative is based on the final decision of the competent authority within the Cooperative. The inscription and deletion from the Register of Members of the Cooperative has constitutive effect on the rights and obligations of members of the Cooperative.

Article 21

(1) All members of the Cooperative are entered into the Register of Members of the Cooperative.

(2) The Register is managed in accordance with the law and the Ordinance on the Register of Members of the Cooperative, adopted by the competent minister of economy and entrepreneurship.

(3) The Manager of the Cooperative organizes, controls and maintains the management of the Register and ensures an orderly and timely registration in accordance with paragraph 1 of this Article.

(4) Members of the Cooperative have access to the Register of Members and may request an extract from the Register.

(5) A third party who can demonstrate legal interest can make a written request to obtain access to or extract from the Register.

Registration of membership acquisition

Article 22

The following dates are entered into the Register of Members of the Cooperative as dates of membership acquisition:

- date of the foundation of the Cooperative for all founding members,
- date of the final decision on admission to the Cooperative (or the date of inscription into the Register), for persons who have acquired membership after the foundation of the Cooperative.

Registration of membership termination

Article 23

The following dates are entered into the Register of Members of the Cooperative as dates of membership termination:

- date of death of a natural person, based on a valid death or disappearance certificate;
- date of deletion of a legal person from the court register, based on a valid certificate of deletion from the register;
- date of deregistration or deletion of crafts from the crafts register;
- date of deregistration or deletion from the register of those natural persons with the status of a freelancer or a freelance artist, or the date of losing such status;
- date specified in the agreement on membership termination or in the member's statement of withdrawal from the Cooperative or, if such date is not specified, the date of conclusion of the termination agreement between the Cooperative and the member or the date on which the Cooperative receives the member's statement of withdrawal from the Cooperative;
- date of the final decision of the General Assembly on the loss of membership requirements and exclusion from the Cooperative;
- date of deletion of the Cooperative from the court register (except in the cases where the termination of the Cooperative is the result of a merger or consolidation with another cooperative or division into more cooperatives and the membership is transferred onto the legal successor of the Cooperative).

INTERNAL STRUCTURE AND BODIES OF THE COOPERATIVE

Article 24

(1) The Cooperative consists of the following bodies: General Assembly, Supervisory Board, Membership Board and Manager.

(2) When necessary, the General Assembly may establish other bodies, in accordance with these Articles of Association.

GENERAL ASSEMBLY

Article 25

(1) The General Assembly is the highest managing body of the Cooperative. The General Assembly consists of all the members of the Cooperative or their legal representatives.

(2) If the Cooperative has more than 300 (three hundred) members, the Manager shall propose to the Chairman of the General Assembly to convene and establish the General Assembly as a permanent body composed of no less than 20 representatives of the members of the Cooperative. The above proposal may be made by the Manager regardless of the number of members of the Cooperative, if he believes that the General Assembly as a permanent body would ensure a more efficient work of the Cooperative.

(3) The General Assembly as a permanent body of the Cooperative must have an odd number of members.

(4) The General Assembly performs the following tasks:

- adopts the Articles of Association and general acts of the Cooperative,
- adopts other general acts, with the exception of those regarding labor relations,
- elects and dismisses the following: Chairman of the General Assembly, Deputy Chairman of the General Assembly, Members of the Supervisory Board, Manager, Membership Board and other bodies established by these Articles of Association,
- adopts business and financial plans of the Cooperative,
- adopts the annual financial reports and business reports, reports on the work of the Supervisory Board, the Manager and other bodies,
- adopts decisions on the distribution of profits or surplus, and the covering of loss or deficit,
- adopts decisions on the management of the assets specified in the Articles of Association,
- adopts decisions on the protection of the rights of members,
- adopts decisions on all status changes and termination of the Cooperative,
- adopts decisions on the exclusion of members from the Cooperative,
- adopts decisions on co-founding other cooperatives,
- adopts decisions on establishing companies and other legal persons founded by the Cooperative,
- adopts decisions on all forms of association and disassociation,
- adopts decisions on membership in cooperative association and representatives of the Cooperative in those associations;
- adopts decisions on other issues in accordance with the acts of the Cooperative and the law.

Sessions of the General Assembly

Article 26



(1) Sessions of the General Assembly of the Cooperative are held when necessary, and at least once in three months.

(2) The General Assembly discusses and decides in accordance with the Rules of Procedure of the General Assembly, which must be adopted on the third session of the General Assembly at the latest.

(3) Members of the General Assembly participate in the work of the General Assembly and are entitled to exercise their right to vote personally and directly.

(4) The right to vote at the General Assembly is acquired once the member is entered into the Register of Members.

(5) Each member of the Cooperative is entitled, under the conditions specified in these Articles of Association, to attend sessions of the General Assembly, make proposals, elect and be elected to the bodies of the Cooperative and actively participate in the decision-making process.

(6) In case of absence, members of the Cooperative may be represented by their legal representatives on the basis of written and personally signed powers of attorney, provided that each legal representative acts on behalf of only one member. The power of attorney to represent a member of the Cooperative is submitted to the Chairman of the General Assembly prior to the beginning of the session.

(7) Each member of the Cooperative, or their legal representative, is entitled to one vote at the General Assembly, on the basis of membership or power of attorney, regardless of the number of the member's stakes.

(8) Members are not entitled to vote at the General Assembly in cases when the General Assembly decides on their requests and their exclusion from the Cooperative or when it decides on whether those members meet membership requirements.

Convening the General Assembly of the Cooperative

Article 27

(1) The General Assembly has the Chairman and the Deputy Chairman.

(2) The Chairman and the Deputy Chairman of the General Assembly are elected for a term of office of 4 (four) years.

(3) The same person may perform the duties of the Chairman or the Deputy Chairman for a maximum of two consecutive terms.

(4) The Chairman and the Deputy Chairman of the General Assembly are elected at the first (inaugural) session.

(5) The Chairman of the General Assembly convenes and chairs the sessions of the General Assembly. In the case of Chairman's absence, the session of the General Assembly is chaired by the Deputy Chairman. In the case of absence of both the Chairman and the Deputy Chairman, the General Assembly may choose among the members of the Cooperative the person who will chair the session.

(6) The Chairman convenes the General Assembly when necessary.

(7) The Chairman shall convene the General Assembly at the request of the Supervisory Board or the Manager. The Chairman shall convene the General Assembly in the case of a written request made by no less than one tenth of the members of the Cooperative, and in other cases prescribed by Law and the Articles of Association of the Cooperative.

(8) If the Chairman fails to convene the General Assembly within 8 (eight) days from receiving the request of the Supervisory Board, the Manager or at least one tenth of the members of the Cooperative, the General Assembly may be convened by the Supervisory Board, the Manager or the members of the Cooperative.

(9) The Chairman shall also perform other duties stipulated by the Cooperatives Act and these Articles of Association.

Article 28

(1) The General Assembly works in sessions.

(2) Notice of the session shall be sent to the members of the Cooperative and the Manager no later than eight (8) days prior to the session. The notice shall contain information about the time and place of the session and the proposed agenda.

(3) The notice shall be published on the message board and the website of the Cooperative and in a visible place within the premises of the Cooperative.

(4) Reasoned decision proposals, necessary reports and other materials may be attached to the notice of the session.

(5) All preparations for the session of the General Assembly are conducted by the Manager and the administrative departments of the Cooperative.

Minutes of the General Assembly's sessions

Article 29

(1) Meeting minutes are kept for the sessions of the General Assembly. At each session the keeper of minutes is elected. The minutes contain the time and place of the session of the

General Assembly, the total number of present members of the Cooperative, their legal representatives and other persons, as well as the indication of a quorum. The minutes also include the decisions adopted by the General Assembly, with an indication of the number of votes, any objections and comments made by the members of the Cooperative and all other information relevant to the session of the General Assembly. The minutes are signed by the minutes keeper, elected by the General Assembly, and the person who chairs the session.

(2) Minutes of the sessions of the General Assembly are published on the message board and website of the Cooperative or in another visible place within the premises of the Cooperative. Minutes of the sessions of the General Assembly are kept permanently, in accordance with the law.

Decision making at the General Assembly

Article 30

(1) The General Assembly may be held and its decisions may be considered valid if the session is attended by members of the Cooperative, or their legal representatives, who hold the majority of the total number of votes. The number of present members or their legal representatives shall be determined at the beginning of the session.

(2) In the absence of a quorum, the session is postponed for 30 (thirty) minutes, and if there is still no quorum after that, the new date for the session of the General Assembly is determined by a majority vote of the members present.

(3) The person who chairs the session of the General Assembly ensures an orderly course of the session, which is in accordance with the agenda, and maintains order by giving the floor to the members of the Cooperative, warning the speakers to follow the agenda (if applicable) and performing other duties necessary for the proper functioning of the session.

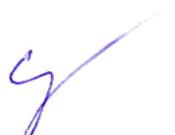
(4) Following a discussion on a particular issue, the General Assembly adopts a decision.

(5) The decisions of the General Assembly are adopted by voting. At the General Assembly the voting is public. In exceptional circumstances, the General Assembly may decide by a two thirds majority that certain decisions be made by a secret ballot or in another appropriate manner. The preparation for the secret ballot shall be made by the Chairman of the General Assembly.

Article 31

The decisions of the General Assembly are adopted in the following manner:

- **by a two-thirds majority vote of all members** of the General Assembly in the



following cases:

- adoption of the Articles of Association of the Cooperative,
- adoption of decisions on all status changes and termination of the Cooperative,
- in other cases provided by Law

- **by a majority vote of all members** of the General Assembly in the following cases:

- adoption of decisions on the management of assets whose value is greater than HRK 400,000.00,

- in cases in which, according to the Articles of Association of the Cooperative or the decisions of the General Assembly, decisions must be adopted by a majority vote of members of the Cooperative

- in other cases determined by Law and explicitly prescribed by the Articles of Association of the Cooperative

- **by a majority vote of the present members** of the General Assembly:

- in all other cases.

Article 32

(1) Each member of the Cooperative is entitled to one vote at the General Assembly.

(2) Members of the General Assembly are not entitled to a vote in the cases prescribed by Law and these Articles of Association.

Article 33

Decisions adopted by the Assembly are published on the message board and the website of the Cooperative and in a visible place within the premises of the Cooperative, where they shall remain available to the members of the Cooperative for at least 8 (eight) days.

Article 34

(1) A decision of the General Assembly is considered null and void if it is contrary to the values and principles of the Cooperative, the Articles of Association of the Cooperative and the Croatian Constitution, peremptory norms or business ethics, regulations passed exclusively or primarily to protect the interests of creditors or the public interest.

(2) Each member of the Cooperative, as well as the Supervisory Board and the Croatian Association of Cooperatives may request the finding of nullity of a decision.

(3) The Manager shall watch for the nullity of the decisions of the General Assembly and other bodies of the Cooperative, and request the finding of nullity of the disputable decision.

(4) The finding of nullity of a decision may be requested by the body that adopted the decision or by a higher authority.

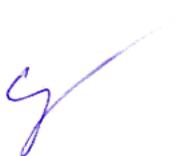
SUPERVISORY BOARD

Article 35

- (1) The Supervisory Board consists of 3 (three) or 5 (five) members.
- (2) The Chairman and members of the Supervisory Board are elected by the General Assembly of the Cooperative.
- (3) The Supervisory Board is convened when necessary, but no less than once every six months.
- (4) One member of the Supervisory Board may be a person who is not a member of the Cooperative but is elected by the General Assembly among experts or persons who respect the cooperative principles.
- (5) If the Cooperative has more than 10 (ten) employees, those employees elect one member of the Supervisory Board.
- (6) Employees elect their member of the Supervisory Board by a majority vote of the employees present at an employees' meeting, via secret ballot or public vote, in accordance with the decision made at that meeting. Candidates may be nominated by employees in writing prior to the meeting or verbally at the meeting. The meeting is chaired by the Manager. The candidate who receives a majority vote from the employees present is considered elected. The elected employee's membership in the Supervisory Board is approved by the General Assembly. If this election is not in accordance with specific regulations on this matter, those regulations will be applied at the election.
- (7) The Supervisory Board adopts decisions at sessions. The Supervisory Board's decisions are considered valid if the session is attended by the majority of its members, and decisions are made by a majority vote of the members present.
- (8) Each member of the General Assembly may nominate members of the Supervisory Board, and those who get the most votes in a public voting will be elected, in accordance with the decision of the General Assembly, along with the members elected in accordance with paragraphs 4 and 5 of this Article.

Article 36

- (1) The Supervisory Board is elected for a term of office of four years.
- (2) After the expiry of the Supervisory Board's term of office, the General Assembly may re-elect the same Supervisory Board or elect a different board, with no limit to the number of terms of office for the board or board members.
- (3) The General Assembly may dismiss the Chairman and the members of the Supervisory Board and elect new members to replace them at all times, in accordance with the election procedure.



Article 37

(1) The Supervisory Board performs the following duties:

- supervises the legality of the business activities and work of the Cooperative,
- discusses and decides on the acceptance of the annual financial reports and reports on the work of the Cooperative,
- provides opinions on the distribution of profit or surplus,
- informs the General Assembly of its activities and the results of supervision,
- performs other duties prescribed by Law and the Articles of Association of the Cooperative.

(2) The Supervisory Board cannot conduct business activities on behalf of the Cooperative nor represent the Cooperative in situations involving third parties.

Article 38

(1) If the Supervisory Board determines a serious violation of laws, regulations, Articles of Association or decisions of the General Assembly in the decisions and actions made by the Manager, or if it detects other serious irregularities in the work of the Cooperative, the Supervisory Board shall suspend the decisions and actions of the Manager and limit his authority.

(2) In the case described in the previous paragraph, the Supervisory Board shall, within 8 (eight) days from learning of the situation, request the convening of the General Assembly.

Article 39

Members of the Supervisory Board are liable for any damage caused to the Cooperative by their actions or omission, in accordance with the relevant provisions of the Companies Act.

MANAGER

Article 40

(1) The Manager of the Cooperative is a natural person with full legal competence who meets the requirements for performing the duties of the manager determined by the Companies Act and these Articles of Association.

(2) The Manager cannot be a person who, in accordance with the Companies Act, cannot be a representative or a member of the management board of a company.

(3) The Manager is elected for a term of office of 5 years.

Representation of the Cooperative

Article 41

(1) The Cooperative is represented by the Manager of the Cooperative.

(2) In the case of the Manager's absence, the Cooperative is temporarily represented by the Chairman of the General Assembly until a new Manager is elected, but no longer than 6 (six) months.

(3) The General Assembly and the Manager may authorize another fully competent person for representation, based on a power of attorney notarized by a notary public and in accordance with the law.

(4) The power of attorney must be special, granted for a specific job, which must be specified in the power of attorney.

Article 42

(1) The Manager conducts the business activities of the Cooperative.

(2) In conducting the business activities of the Cooperative, the Manager proposes business plans and programs to the General Assembly, submits business reports and financial reports, and makes proposals regarding the distribution of profit and the covering of losses of the Cooperative.

(3) Business decisions that fall within the scope of regular business activities are adopted by the Manager independently, unless otherwise prescribed by these Articles of Association and the Law.

(4) Prior to the conclusion of major decisions relevant to the Cooperative, the Manager shall seek the opinion of the Supervisory Board.

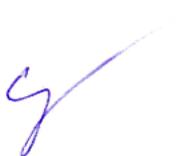
(5) The Manager is not entitled to sell the assets of the Cooperative or adopt, implement or influence decisions regarding companies founded by the Cooperative without the prior approval of the General Assembly.

(6) If an opinion or a decision of the Supervisory Board is contrary to the Law or the Articles of Association, the Manager shall not implement it. If the Law or the general acts of the Cooperative stipulate that certain business activities require a prior approval of the General Assembly, the Manager shall request such approval prior to concluding an agreement or assuming an obligation.

(7) If an opinion or a decision of the Supervisory Board or the General Assembly is contrary to the Law or these Articles of Association, the Manager shall not act upon it or implement, but shall request its revision.

Election of the Manager

Article 43



- (1) The Manager is elected by the General Assembly with or without prior competition, in accordance with the Law and the Articles of Association of the Cooperative.
- (2) For the position of the Manager, the General Assembly may appoint any person who is not legally restricted from performing such activities.
- (3) If the General Assembly decides that the Manager of the Cooperative will be appointed on the basis of a competition, the call for applications must be published in the Official Gazette or any other public media.
- (4) The General Assembly of the Cooperative determines the terms and conditions of the competition.
- (5) A special requirement for a managerial position is to develop a business program for the manager and the cooperative for a term of office for which the candidate is elected.
- (6) The competition is carried out by a special Committee elected by the General Assembly among its members. After the conclusion of the competition, the Committee provides a report on the results of the competition and proposes a candidate for the position of the manager. The Committee's proposal is not binding for the General Assembly of the Cooperative.
- (7) The manager is elected by a majority vote of all the members of the Cooperative at the General Assembly, by a public vote. If only one candidate competes for the position, that candidate is appointed if elected by a majority vote of the present members of the General Assembly.

Article 44

- (1) For his work, the Manager receives a salary or a compensation.
- (2) The salary or the compensation is determined by the contract between the Manager and the Cooperative.
- (3) In principle, the height of the salary depends on the business performance of the Cooperative. The Manager's salary does not have to be fixed, but it has to be calculable based on the parameters specified in the contract.
- (4) Negotiations regarding the conclusion of the employment contract are conducted by the Chairman of the General Assembly on behalf of the Cooperative.
- (5) The employment contract is signed by the Chairman of the General Assembly and the Manager, in accordance with the decision of the General Assembly.

Article 45

(1) The Manager is authorized to undertake all legal and other actions within the scope of regular business activities of the Cooperative in order to achieve the objectives for which the Cooperative was established

(2) If the Law or these Articles of Association stipulate that certain business activities require a prior approval of the General Assembly, or if the Manager is about to make a major business decision or a decision with special effect on the profitability and liquidity of the Cooperative, the Manager shall request an approval of the General Assembly prior to concluding an agreement or assuming an obligation.

(3) The Manager is responsible for the orderly keeping of the business books and the timely preparation of the financial reports of the Cooperative

(4) The financial reports are made in compliance with accounting regulations and delivered to the competent authorities, in accordance with relevant regulations, and to the bodies of the Cooperative, in accordance with the provisions of these Articles of Association.

Duties of the Manager

Article 46

(1) The Manager shall submit an annual report to the Supervisory Board regarding:

- implementation of the business program of the Manager and the Cooperative;
- business policy and business management plan;
- profitability of the business activities of the Cooperative;
- course of business transactions, income and expenses;
- matters that might have significant effect on the profitability and liquidity of the Cooperative.

(2) A full report on the matters referred to in the previous paragraph shall be submitted by the Manager to the General Assembly of the Cooperative during the adoption of financial reports.

Article 47

(1) For his work, the Manager is responsible to the General Assembly, in accordance with the law, these Articles of Association and the Manager's employment contract.

(2) If the Cooperative experiences loss, insolvency or inability to pay current liabilities (illiquidity), the Manager shall immediately inform the Supervisory Board of the disruption of business and the causes thereof.

(3) In the case of major disruptions in the business of the Cooperative, and particularly if they last for a long period of time (more than 3 months), and especially if the Manager is not taking effective measures or if the disruptions in business, despite the implemented measures approved or recommended by the Supervisory Board, could not have been overcome in a short period of time or the causes of disruption could not have been eliminated, the Supervisory Board shall convene the General Assembly in order to provide detailed information and adopt appropriate decisions.

(4) The General Assembly may dismiss the Manager at any time if they are no longer confident in his work and performance as Manager.

(5) The General Assembly of the Cooperative and the Supervisory Board may adopt a special decision to limit the Manager's use of funds.

Article 48

(1) In accordance with the Labor Act and these Articles of Association, the Manager adopts general and specific acts regulating the rights and obligations of employees of the Cooperative and performs other tasks determined by applicable regulations and the Manager's employment contract.

(2) The Manager shall take all the necessary measures to ensure that members and employees of the Cooperative conduct their work responsibly and perform their duties in accordance with their contracts, the Articles of Association of the Cooperative and other general acts and decisions made by the bodies of the Cooperative, and the Manager shall also monitor the legality of the business activities of the Cooperative, its members and employees, and preserve natural and other resources.

Communication with the members

Article 49

(1) The Manager shall inform the members of the Cooperative about the work of the Cooperative. The Manager shall choose the most appropriate way of communication to enable each member of the Cooperative to get acquainted with the work of the Cooperative.

(2) In accordance with regulations and these Articles of Association, the Manager shall inform the General Assembly about the work of the Cooperative, attend the sessions of the General Assembly and propose decisions regarding the work of the Cooperative.

(3) The Manager shall prepare the decisions and general acts whose adoption falls within the competence of the General Assembly and execute the decisions adopted by the General

Assembly within its competence.

Article 50

(1) At least once in every four months, the Manager shall submit a summary report to the Supervisory Board on the activities and work of the Cooperative, and particularly on the measures taken to implement the decisions of the General Assembly, on business policies, the financial state of the Cooperative and other issues relevant to the functioning of the Cooperative.

(2) The Manager is specifically required to promptly notify the Supervisory Board of all important events that affect or could affect the operations of the Cooperative.

Liability of the Manager

Article 51

The liability of the Manager for the damage caused to the Cooperative by actions or omission is determined by the relevant provisions of the Companies Act.

Dismissal of the Manager

Article 52

The General Assembly of the Cooperative may dismiss the Manager at any time, regardless of his term of office, in the case of violations of cooperative values and principles, the Cooperatives Act or other regulations, these Articles of Association and decisions of the bodies of the Cooperative, or in the case of the Manager's inability to conduct business activities, the non-acceptance of the reports on the work of the Manager and other similar cases which result in the loss of confidence in the work and business performance of the Manager.

Resignation of the Manager

Article 53

(1) The Manager submits a written resignation to the General Assembly.

(2) The resignation of the Manager is considered a statement of termination of the employment contract with the Manager, unless otherwise specified in the employment contract. The notice period begins on the day on which the authorized person in the Cooperative receives the Manager's resignation.

(3) Upon resigning, the Manager shall continue to perform the managerial duties until the election and the appointment of a new manager or until the expiry of the notice period stipulated in the employment contract, unless there is a valid reason for the termination of Manager's activities before the expiry of the notice period.

(4) In the event that the Manager, for reasons which cannot be considered legitimate, stops conducting the activities of the Cooperative before the expiry of the notice period stipulated in the employment contract, thus causing damage to the Cooperative, the Manager shall compensate the Cooperative for the damages caused by any such termination of his activities.

(5) The Manager is not liable for damages if he acted in accordance with a decision of the General Assembly, whose content is not contrary to the Law.

MEMBERSHIP BOARD

Article 54

(1) The Membership Board consists of 3 (three) or 5 (five) members.

(2) The Chairman of the Membership Board and his Deputy are elected by the General Assembly.

(3) Members of the Membership Board are elected for a period of four years.

(4) The Membership Board adopts decisions in the first instance regarding the rights of members and candidates for membership in accordance with these Articles of Association and other regulations of the Cooperative.

(5) The Membership Board adopts decisions by a majority vote of its members.

ASSETS OF THE COOPERATIVE

Article 55

(1) The assets of the Cooperative are comprised of members' stakes, funds derived from business and other activities of the Cooperative and assets obtained through other means, in accordance with these Articles of Association, the law and other regulations.

(2) The assets of the Cooperative belong to the Cooperative and are used to conduct its business activities and cover its liabilities.

(3) Assets which are not used to conduct the business activities of the Cooperative may be sold or leased, based on the decision of the General Assembly, and the obtained funds shall be directed towards the business activities of the Cooperative.

Members' stakes

Article 56

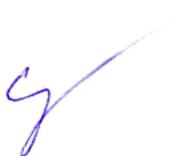
- (1) Stakes of the members of the Cooperative may be membership stakes or additional stakes.
- (2) **The membership stake** is the amount of money that each member of the Cooperative pays to the Cooperative at the moment of its founding or when becoming a member of the Cooperative.
- (3) The amount of the membership stake is HRK 2,500.00 (two thousand five hundred).
- (4) **Additional stake** is the stake which members of the Cooperative pay in accordance with the decision of the General Assembly and in addition to the membership stake.
- (5) The decision to introduce additional stakes is made by the General Assembly when necessary. The amount of the additional stake is determined by the General Assembly of the Cooperative. Modifications of the amount of membership and additional stakes in the Cooperative are determined by the General Assembly in accordance with the law.
- (6) Members' stakes are entered under the names of the members in the Register of Members of the Cooperative.

Article 57

- (1) Stakes are generally paid in cash. If the stake is paid in the form of properties or rights, their monetary value is estimated by a court expert.
- (2) If a member of the Cooperative pays the membership stake with a property or a right whose ownership is transferred to the Cooperative, the member is liable for all actual and legal shortcomings of the property, as if he were selling it. If a member of the Cooperative pays the membership stake with a property or a right of which he retains ownership, and only transfers the right to use it to the Cooperative, the member is liable for all actual and legal shortcomings of the property, as if he were leasing or renting it.
- (3) Stakes in property and rights require the approval of the Manager, and in the event that the value of such stakes is ten times the value of the membership stake, they require the approval of the General Assembly.
- (4) The member's stake is returned to the member after the termination of membership, in accordance with the provisions of these Articles of Association.

Article 58

- (1) If during the membership, decisions of the General Assembly or amendments to the Law prescribe an increase in the amount of the membership and additional stakes, members of the Cooperative shall pay the additional amount in order for their stakes to be in accordance with the decision of the General Assembly or the applicable regulations.



(2) Members of the Cooperative who do not pay the additional amount within the period determined by the General Assembly will be excluded from the Cooperative.

Non-members' stakes

Article 59

(1) Non-members of the Cooperative that have interest in its business activities can invest money into non-member stakes in the Cooperative.

(2) The payment, return and transfer of the stakes to another person are regulated by the contract between the Cooperative and the investor, in accordance with the Articles of Association of the Cooperative and legal regulations.

(3) The contract between the Cooperative and the investor governs the issues regarding stake purchase, methods of its return and transfer to another person, rights of investors to be informed about the business activities of the Cooperative, sessions of the General Assembly and other issues concerning investment security.

(4) Investors have the right to elect three representatives, in a manner they see appropriate, to represent them at the General Assembly of the Cooperative, when the annual financial and business reports are discussed and decisions on the sale and encumbrance of assets are adopted. The elected representatives of investors have the right to express opinions at the General Assembly of the Cooperative regarding the business activities of the Cooperative or the decisions of the General Assembly, which could impact the safety or recoverability of their stakes.

Article 60

The stakes of persons who are not members of the Cooperative shall be registered in the business books of the Cooperative in accordance with the provisions of the Cooperatives Act and other legislation.

Article 61

Additional stakes which exceed the minimum prescribed amount of the member's stake (membership and additional) can, at the request of a member of the Cooperative, be paid to that member, transferred to another member of the Cooperative or to another person who acquires membership in the Cooperative, provided that such option exists in the membership contract and is approved by the General Assembly of the Cooperative.

Membership fee

Article 62

(1) In principle, members of the Cooperative do not pay the membership fee.

(2) The General Assembly may, under exceptional circumstances, decide on introducing the

membership fee in order to secure funds for the work of the Cooperative.

Cooperative work with members and for members

Article 63

(1) The Cooperative will enter into a legal agreement with each of its members to regulate the rights and obligations of the Cooperative and the member.

(2) The Manager shall not allow a member to work for the Cooperative or to use its services without the proper contract.

Acting in legal transactions

Article 64

(1) In legal transactions, the Cooperative generally acts in its own name and for its own account.

(2) A member of the cooperative on whose behalf or for whose account the Cooperative acts in legal transactions with third parties shall reimburse the Cooperative for all costs and potential damages to the Cooperative which may arise from business or other undertakings in the name or for the account of that member, and the Cooperative shall be liable for any damage caused to the member if it results from not complying with the member's orders without a legitimate reason.

Article 65

(1) The Cooperative may conclude contracts regarding business activities and services with persons who are not members of the Cooperative, but only to the extent in which such transactions with third parties do not affect regular business activities with members of the Cooperative and do not put members of the Cooperative in a subordinate position in relation to third parties.

(2) The Manager of the Cooperative shall inform the General Assembly, at least once a year, of the contracts concluded with third parties and the scope of those business activities.

Distribution of profit

Article 66

(1) The profit determined by the annual accounts shall be used by the Cooperative to cover the losses from previous periods.



(2) After covering the losses from previous periods, the Cooperative shall use the profit determined by the annual accounts for the following specially recorded purposes :

- at least 30% for the development of the Cooperative,
- at least 5% for the mandatory reserve until the reserve reaches the total amount of the members' stakes,

(3) Acting in accordance with paragraph 2 of this Article, the Cooperative shall allocate 90% of the profit to socially beneficial objectives.

(4) Mandatory reserve may be used by the Cooperative to cover losses or deficit, to return stakes to members leaving the Cooperative and for other similar purposes.

Non-competition clause

Article 67

The Manager of the Cooperative, the Chairman of the Supervisory Board and the employees of the Cooperative cannot be founding members, employees or co-owners of another company, or members of another cooperative registered for the same activities as the Cooperative, without the explicit consent of the General Assembly.

Article 68

Business losses are covered by the funds from the reserve of the Cooperative. The manner in which the losses that cannot be covered from the reserve will be settled is determined by the General Assembly.

RIGHTS AND OBLIGATIONS OF EMPLOYEES

Article 69

(1) Employees of the Cooperative shall perform their duties in accordance with their employment contracts, the Labor Act and the orders of the Manager or a person authorized by the Manager or the General Assembly.

(2) Employees shall preserve the property of the Cooperative and adhere to the legal acts of the Cooperative related to their employment in the Cooperative.

Article 70

(1) The rights of employees are based on employment contracts, the Labor Act and other regulations and decisions made by competent authorities within the Cooperative.

(2) For their work in the Cooperative, employees receive a salary. The employees' right to salary is based on their work results, in accordance with the regulations and legal acts of the

Cooperative.

Article 71

An employee who is also a member of the Cooperative cannot have special privileges which are not available to those employees who are not members of the Cooperative.

Transparency and data protection

Article 72

(1) Data regarding the work of the Cooperative are available to all the members and are generally available to the public.

(2) The Cooperative handles the members' personal information in accordance with applicable regulations.

(3) In exceptional cases, the Supervisory Board may act upon the Manager's proposal and declare certain data regarding the business activities of the Cooperative a trade secret, and specify the rules for handling such data if it is estimated that their public disclosure could harm the interests of the Cooperative.

(4) Data on salaries, compensations and other types of income paid by the Cooperative cannot be declared a trade secret.

Membership in cooperative associations

Article 73

The Cooperative is a member of the Croatian Association of Cooperatives, and may, at the discretion of the Assembly, join territorial, professional, specialized and other cooperative associations.

DISPUTE RESOLUTION

Article 74

Efforts will be made to resolve any disputes between the Cooperative, its members and the employees within the Cooperative and by mutual agreement.

Council of Conciliation

Article 75

(1) Members and employees of the Cooperative shall, prior to addressing a court or other external institution, request mediation by the Council of Conciliation.

(2) The Council of Conciliation consists of 3 (three) members elected by the General Assembly among its members and third parties who are renowned experts. The Council of Conciliation mediates in disputes at the request of any member or employee.

(3) Minutes are taken at the meetings of the Council of Conciliation and at the end of the proceedings, the Council of Conciliation adopts an opinion or a suggestion of dispute resolution.

Arbitration

Article 76

(1) The Cooperative and its member or employee may agree in writing that, instead of addressing a court, if no agreement is reached before the Council of Conciliation, the dispute will be settled by arbitration, in which each side will choose one arbitrator and the selected arbitrators will consensually agree on the third arbitrator.

(2) Decisions made through the arbitration process are adopted by a majority vote of the arbitrators and are binding for the parties to the dispute.

LIABILITY FOR OBLIGATIONS

Article 77

(1) In legal transactions, the Cooperative is liable for its obligations, and guarantees for them with its assets.

(2) The Cooperative is not liable for the obligations of its members.

(3) Members of the Cooperative are not liable for the obligations of the Cooperative.

(4) Each member of the Cooperative is morally and materially liable to the Cooperative for his work and actions performed or not performed in fulfilling all the obligations arising from the contract concluded with the Cooperative and the membership in the Cooperative.

Article 78

(1) A member of the Cooperative who exploits the fact that according to the Law he is not liable for the obligations of the Cooperative, cannot claim that he is not liable for those obligations.

(2) It is considered that a member of the Cooperative is abusing the fact that under the Cooperatives Act he is not liable for the obligations of the Cooperative if:

- he uses the Cooperative to achieve an objective which is otherwise prohibited,
- he uses the Cooperative to cause damage to the creditors,
- he manages the assets of the Cooperative as if they were his property, contrary to the Law,
- he deflates the assets of the Cooperative for his own account or for the account of others,
- he creates obligations for the Cooperative although he knows or should have known

that the Cooperative will not be able to fulfill those obligations.

TERMINATION OF THE COOPERATIVE

Article 79

- (1) Grounds for the termination of the Cooperative are specified by the Cooperatives Act and other regulations.
- (2) The Cooperative ceases to exist as a legal entity by deletion from the court register.
- (3) The members of the Cooperative who oppose the decision of the General Assembly on the merger, consolidation or division of the Cooperative may withdraw from the Cooperative.
- (4) The procedures of status changes and liquidation of the Cooperative are determined by the provisions of the regulations governing such changes in companies.

TRANSITIONAL AND FINAL PROVISIONS

Article 80

- (1) In the case of deciding on the liquidation of the Cooperative, the General Assembly cannot adopt the decision to terminate the Cooperative if 7 or more members of the Cooperative make a written statement opposing the termination of the Cooperative,
- (2) A decision made contrary to the provisions of paragraph 1 of this Article shall have no legal effect.
- (3) In the case of deciding on status changes (merger or consolidation with another cooperative, division into a number of new cooperatives), or in the case of deciding on the termination of the Cooperative through liquidation or bankruptcy, the Manager of the Cooperative shall ensure that the General Assembly get the appropriate documentation and data required to adopt the necessary decisions.
- (4) In the case proceedings have been initiated before competent authorities in order to establish grounds for the termination of the Cooperative, or if proceedings have been initiated before a court, or a final court decision ordering the termination of the Cooperative or its deletion from the court register ex officio has been made, the Manager shall immediately report this to the General Assembly of the Cooperative.
- (5) In the case when causes for the termination of the Cooperative arise from the failure to submit annual financial reports to the competent authority in accordance with special regulations, or if the number of members of the Cooperative stays below the limit prescribed by this Act for a period of six months, the Manager shall immediately report this to the Supervisory Board and the General Assembly of the Cooperative in order for them to adopt a decision on the termination of the Cooperative.
- (6) In adopting a decision on status changes or liquidation of the Cooperative, the General Assembly shall act in accordance with applicable regulations and the conditions and limitations prescribed by the Cooperatives Act.



PUBLICATION OF THE ARTICLES OF ASSOCIATION AND THEIR ENTRY INTO FORCE

Article 81

(1) These Articles of Association were adopted by the General Assembly of the Cooperative with a two-thirds majority vote of all the members of the Assembly, based on the results of voting on the adoption of the Articles of Association.

(2) Amendments to the Articles of Association are adopted by the General Assembly with a two-thirds majority vote of all the members of the General Assembly.

Article 82

(1) The Articles of Association enter into force on the day of their adoption by the General Assembly of the Cooperative

**CHAIRMAN OF THE GENERAL
ASSEMBLY:**



OFFICIAL NOTE:

The Articles of Association were adopted by the General Assembly of the Cooperative on April 22nd, 2014 and they entered into force on May 9th, 2014

UPRAVITELJ ZADRUGE

