

COOPERATIVE MEMBERSHIP

- rights and obligations -

Becoming a member

Any individual or organization can become a member of the Cooperative for Ethical Financing (ZEF) providing that he or she accepts and adheres to the core values of the cooperative in everyday business and is familiar with the rules of the cooperative, and in particular the rights and obligations of its members.

By filling out the membership application form, you become a candidate for cooperative membership. The Membership Committee decides on accepting or denying membership based on two recommendations of the existing cooperative members or based on an interview with the candidate.

After the Board has reached a positive decision, the candidate is required to:

- sign the Statement of Acceptance of the Rules of the Cooperative
- send a copy of his or her ID card (in case of individuals) or a copy of the excerpt from the relevant register or a registration document (in case of organizations)
- if you do not have an OIB (Croatian identification number for both individuals and organizations) you will have to apply for one - please get in touch at clanstvo@zef.hr if you need assistance
- to pay a basic cooperative share of 2500 HRK - if paid in euros (cca 330 EUR) it will be paid at the CNB [midpoint exchange rate](#) for the day of payment

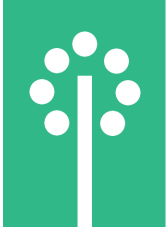
Only when the candidate fulfills all of the above can he or she become a member of the cooperative and be added to the official member directory which carries all the rights and obligations arising from membership.

Basic and additional cooperative share

There are two types of cooperative shares - **basic and additional**. The basic cooperative share is equal for all cooperative members in the amount of 2500 HRK, and all members of the cooperative are obliged invest it in order to become members of the Cooperative. The basic cooperative share is paid to the member when he or she leaves the Cooperative, less any potential liabilities that the member has towards the Cooperative at the time of payment.

Additional cooperative shares can be invested by a member in addition to the basic cooperative share without limitation to the number of additional shares that the member wants to invest. The amount of one additional cooperative share is equal for all ZEF members - 2500 HRK and can not be less than the stated amount.

Investment of additional cooperative shares is not mandatory for individuals, while there is a prescribed minimum amount for organizations, depending on the size and other factors. The



defined minimum additional cooperative shares are used to raise the capital for the establishment of the ethical bank, while all the additional shares invested above the prescribed minimum, as well as all the additional cooperative shares paid by individuals, may be used as free funds for investing in ZEF projects.

Investing additional cooperative shares will enable an organization to take out credit from the future ethical bank in the amount of 8 times the amount of the additional shares invested. Additional cooperative shares are paid back to the member upon request.

Minimum prescribed additional cooperative shares

Investment of additional cooperative shares is not mandatory for individuals, while it is mandatory for organizations in the following amounts:

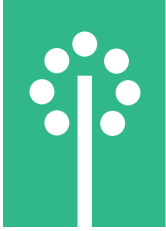
- for non-profit legal entities without employees: minimum 1 additional share = 2500 HRK
- for non-profit legal entities with employees: minimum 3 additional shares = 7500 HRK
- for newly established companies that operate for less than 1 year: minimum 1 additional share = 2500 HRK
- for micro business entities - j.d.o.o., OPG, craft, d.o.o., d.d., independent activities, cooperatives and other business entities (up to 10 employees, annual turnover or balance sheet total of 2 million EUR): minimum 3 additional shares = 7500 HRK
- for small business entities - OPG, crafts, subsidiaries, subsidiaries, self-employed, cooperatives and other business entities (up to 50 employees, annual turnover or balance sheet total of 10 million EUR): minimum 7 additional shares = 17500 HRK
- for medium business entities - OPG, crafts, co-operatives, subsidiaries, sole proprietors, cooperatives and other business entities (up to 250 employees, annual turnover of 50 million EUR or balance of balance 43 million EUR): minimum 19 additional shares = 47500 HRK
- for large business entity - OPG, crafts, doo, self-employed, cooperatives and other business entities (more than 250 employees, annual turnover of more than EUR 50 million or a balance of more than 43 million EUR): minimum 39 additional shares = 97500 HRK
- for public and private institutions: minimum 7 additional shares = 17500 HRK
- for foundations: minimum 7 additional shares = 17500 HRK
- for government-owned legal entities and other public institutions: minimum 19 additional shares = 47500 HRK

Rights of cooperative members

The Cooperative for Ethical Financing is a democratic organization, a network of members - individuals and organizations, whose goal is to create innovative business models and implement projects that meet their needs - financial, business, educational, infrastructural and others.

The cooperative accomplishes its goals by member networking, encouraging the creation of a common market, sharing knowledge and resources, and joint representation towards third parties.

In order to implement its projects and achieve its goals, the Cooperative cooperates with domestic and international organizations, external partners and other stakeholders, and undertakes the



activities necessary for the implementation of projects for the benefit of its members, in accordance with the core business values. In order to achieve its objectives, the cooperative can establish new departments or new legal entities fully owned by the Cooperative.

All members of the Cooperative have equal voting rights in the Cooperative Assembly as the highest cooperative body according to the principle "one member - one vote", and have the same rights to use all services of the Cooperative regardless of the amount of shares invested.

Every member has the following rights at the least:

- right to vote at the Cooperative Assembly that votes, among other things, on
 - the Cooperative Manager
 - the Chairman of the Assembly of the Cooperative
 - the strategic guidelines for the activities of the Cooperative, ethical bank and other legal entities owned by ZEF
 - the members of the board of directors and supervisory board of the ethical bank and other legal entities owned by ZEF
 - the acceptance of the annual business plan of Cooperative, ethical bank and other legal entities owned by ZEF
 - the acceptance of the annual business report of the Cooperative, ethical bank and other legal entities owned by ZEF
 - the establishment of new legal entities owned by ZEF for meeting the needs of the cooperative members
- the right to a professional, transparent, fair and socially aware service
- the right to invest in projects owned by ZEF and in the projects of ZEF members
- the right to inspect the financial status and all decisions of the Cooperative, ethical bank and other legal entities owned by ZEF
- the right to be elected as Chairman of the Assembly or the Cooperative Manager
- the right to participate in regional and sectoral advisory bodies that propose strategic investments of the ethical bank
- the right to use basic services of the ethical bank, the following at the least:
 - to open and use bank accounts without fees
 - to use internet and mobile banking free of charge
 - to use bank cards linked to open accounts
 - to use all other ethical bank services, among others:
 - for legal entities: crediting in the amount of 8x greater than the amount of the additional cooperative shares invested
 - for individuals: access to all credit services for individuals in accordance with the ethical bank credit policy
 - all other banking services
 - advisory assistance in business planning and operations
 - mediation and reconciliation services among ethical bank clients
- other rights provided for by the Cooperative Rules