

Pursuant to Article 13 of the Law on Associations (Official Gazette 74/2014, 70/2017, 98/2019 and 151/2022) the General Assembly of the PMI Project Management Chapter Croatia at the session held on 3<sup>rd</sup> May 2026 adopted this

## **S T A T U T E**

### **PMI Project Management Chapter Croatia**

#### **I. GENERAL PROVISIONS**

##### **Article 1**

- (1) This Statute shall establish the name, registered seat, representation; the appearance of seal, objectives and scope of activity in line with its objectives, activities whereby those objectives are pursued; the method of ensuring the public nature of the Association's operation; conditions for and methods of accession of new members and termination of membership, rights, obligations and responsibilities as well as disciplinary responsibility of the members and the method of keeping the Member's Register, the Association's bodies, their composition, method of convening their meetings, appointment and discharge of members, competencies, method of decision-making and mandate, and method of convening the General Assembly in case of expiry of the mandate; appointment and discharge the liquidator; dissolution of the Association; assets, methods of creation and disposal of assets, as well as the procedure relating to assets in case of dissolution of the PMI Project Management Chapter Croatia (hereinafter: the Association) and methods of resolution of disputes and conflicts of interest within the Association, as well as other matters of interest for the Association. The Association is associated with the Project Management Institute, Inc., EIN: 23-1711656, The United States of America (hereinafter: „PMI®“)
- (2) The Association, apart from its basic association with PMI®, is an independent legal entity in relation to any other association, company or entity.

##### **Article 2**

- (1) The Association is an autonomous, voluntary, independent and non-profit legal entity that promotes the application, awareness, and recognition of project management profession in the Republic of Croatia in a diligent and proactive manner.
- (2) The Association is registered in the Croatian Register of Associations at the Municipal General Administration Office of the City of Zagreb

##### **Article 3**

- (1) The full name of the Association is: PMI Udruga za upravljanje projektima Hrvatska.
- (2) The short name of the Association is: PMI Udruga Hrvatska.
- (3) The full name of the Association in the English language is: PMI Project Management Chapter Croatia.

- (4) The short name of the Association in the English language is: PMI Chapter Croatia.

#### **Article 4**

- (1) The Association operates in the territory of the Republic of Croatia
- (2) The registered seat of the Association is in Zagreb. The Executive Committee decides on the address of the seat.

#### **Article 5**

- (1) The Association may be a member of other related international and national associations.

#### **Article 6**

- (1) The Association holds a seal of square shape, of 4 x 2 cm, containing the name and the logotype of the Association. The logotype consists of stylized graphic elements – stylized squares – symbols commonly used for the Republic of Croatia.
- (2) The association has a giro account with an authorised financial institution.

#### **Article 7**

- (1) The President of the Association (hereinafter: The President) shall act on behalf of and represent the Association. Executive Committee of the Association (hereinafter: The Executive Committee) may also authorize other persons to represent the Association.

#### **Article 8**

- (1) The operations of the Association are public.
- (2) The public nature of work shall be ensured and accomplished in the manner established by the Statute, by timely dissemination of information to the members on the activities of the Association and important events, by written reports, on special meetings, through media or in any other appropriate manner.
- (3) The President of the Association is responsible for the official oral communication on behalf of the Association, whereas the Executive Committee shall issue the official written report on behalf of the Association.
- (4) Any body of the Association may by its decision exclude the public (non-members of the Association) from its session in the event of discussion and decisions on the matters of a sensitive nature.
- (5) Dissemination of information, notices and other materials electronically (through the Association's website or e-mail) shall be the primary means of communication with the members.

## **II. OBJECTIVES, SCOPE OF ACTIVITIES CONFORMED TO THE OBJECTIVES AND ACTIVITIES WHEREBY THE OBJECTIVES ARE PURSUED**

### **Article 9**

- (1) Objectives of the Association are:
- promoting expertise in project management;
  - contributing to the quality and scope of implementation of project management profession
  - disseminating information on appropriate global application of project management for the benefit of the general public;
  - ensuring a distinctive forum for free exchange of ideas, information, business experience and best practice, applications and solutions for project management issues between its members and other parties interested and involved in project management;
  - identifying and promoting project management basics as well as enhancing awareness about successful project management;
  - creating and promoting standards, professional ethics and best practice in the field of project management;
  - promoting business practices, knowledge and information on project management and related topics;
  - exchanging information, business experience and business practices between the members of the Association;
  - ensuring financial stability and technical conditions for the work of the Association.
- (2) In accordance with its objectives, the Association operates in the field of economy (Professional associations in the economy), and the target group of the Association are citizens - the general population.

### **Article 10**

- (1) In pursuit of these objectives the Association shall support in particular the exchange of technical and expert information, know-how, and shall provide initiative for all matters of interest to project management.
- (2) The activities of the Association are:
- monitoring and improvement of development in its narrow fields of activity and to this effect organise expert committees and working groups;
  - holding annual meetings with organised up-to-date and expert lectures, where the members of the Association have the opportunity to exchange information, know-how, and create common view on expert matters related to their business operations;
  - organizing seminars, conferences and expert meetings with a view of enhancing capacity of the members of the Association;
  - organizing workshops and trainings;
  - participating in international and national expert seminars in the field of project management organised by other project management organisations and associations;
  - participating in the work of PMI® as a national association, and the results obtained from such activities shall be made available to all its members at their disposal;

- establish co-operation with associations and individuals who are interested in the field of work and work programme of the Association;
- establishing and representing interests of project management as a profession before national authorities;
- assisting in the education of its members to obtain a PMI® certificate in co-operation with international and national registered education providers;
- participating in further professional advancement of its members;
- informing the public on the Association's activities through the Association's website, as well as through media.
- publishing brochures, journals and other publications;
- creating and distributing media and other content intended for information on project management

The economic activities of the Association are the organization of educational seminars and courses and the provision of advisory services related to the objectives of the Association

### **III. MEMBERSHIP**

#### **Article 11**

- (1) Membership in the Association is open to all legally capable natural persons who accept the provisions of this Statute, other regulations of the Association and PMI®.
- (2) Membership begins by registering in the Register of Members.
- (3) The amount of membership fees is jointly agreed upon by the Executive Board of the Association and authorized representatives of PMI®.
- (4) Collection of membership fees and issuing of invoices is carried out by PMI®.

#### **Article 12**

- (1) The method of admission of candidates into full membership of the Association is carried out in accordance with the provisions of The Ordinance on Membership.
- (2) The Register of Members is kept by the Association's General Secretary in electronic form and contains the data on the member's given name and family name/company, personal information number, date of birth/registration, date of admission into membership and date of membership termination.

### **IV. RIGHTS AND OBLIGATIONS OF ASSOCIATION MEMBERS**

#### **Article 13**

- (1) Rights of members of the Associations are:
  - active participation in the work and activities of the Association;
  - launching initiatives of interest for the work of the Association;
  - providing information on the Association's activities;
  - electing other members into the bodies of the Association;
  - getting elected into the bodies of the Association;

- participating in the activities of working groups;
- (2) Obligations of members of the Association are:
- complying with the provisions of this Statute and other general acts of the Association;
  - abiding by decisions taken by the bodies of the Association;
  - actively participating in furthering the objectives of the Association;
  - keeping the reputation of the Association and abiding by the Association's organisational structure;
  - fulfilling all obligations related to membership in the Association.

#### **Article 14**

- (1) Membership in the Association shall be terminated:
- by voluntary resignation of the member based on a written statement of resignation;
  - by expulsion of a member based on a decision of the Executive Committee in compliance with the provisions of the Ordinance regulating member expulsion;
  - by the death of the member;
  - by dissolution of activities of the Association.
  - if a member does not renew their membership, they are automatically deleted from the member register.

### **V. BODIES OF THE ASSOCIATION**

#### **Article 15**

- (1) The bodies of the Association are:
- The General Assembly;
  - The Executive Committee;
  - The President and Vice-president;
  - General Secretary;
  - Treasurer;
  - Arbitration Council;
- (2) The bodies of the Association shall be elected and recalled in the manner prescribed by the Statute.
- (3) For the purpose of ensuring smooth functioning of the Association, in the event that the President, Vice-president, Treasurer or General Secretary of the Association are unable to perform their duties, the Executive Committee may appoint the acting member until the election of the new member at the first upcoming session of the General Assembly, or the Executive Committee of the Association.

### **VI. GENERAL ASSEMBLY**

#### **Article 16**

- (1) The Assembly is the highest body of the Association.

- (2) The General Assembly is composed of all members of the Association.
- (3) The President of the Association is also the President of the General Assembly. In the absence of the President, the Vice-president shall act as replacement. In the case of absence of the Vice-president, the General Assembly shall by public vote at the beginning of the session appoint a person chairing the session.
- (4) Minutes from the session of the General Assembly, signed by the General Secretary, and approved by the verifier, shall be maintained and kept permanently in the archive of the Association.

#### **Article 17**

- (1) The session of the General Assembly can be regular, election or special.
- (2) Regular sessions of the General Assembly shall be held at least once a year.
- (3) Special sessions of the General Assembly may be convened to address issues particularly important for the Association's work, if requested in writing by at least one tenth (1/10) of members of the Association or the President.
- (4) At the special session of the General Assembly only the matters for which the session has been convened shall be discussed.
- (5) In the event that the Executive Committee within thirty (30) days from the date of receiving a written request for convening the special session for any reason should not convene the session, the submitter may convene the session within a further period of ten (10) days.
- (6) In the event of the expiry of the mandate of the bodies of the Association's Executive Board, the session of the General Assembly shall be convened by the last person for representation registered in the Register of Associations of the Republic of Croatia.
- (7) Sessions shall be held electronically, physically in Zagreb or hybrid, unless the General Assembly at an earlier session decides that they shall be held in another place.

#### **Article 18**

- (1) Sessions of the General Assembly shall be convened by the Executive Committee of the Association.
- (2) The notice for the session of the General Assembly must be sent by e- mail, or by other electronic means no later than ten (10) days before the session to the members of the Association.
- (3) The notice for attendance of the session should specify a draft of the Agenda, the venue and start time of the session.
- (4) All members of the Association must be acquainted with the Agenda, date and time of the session of the General Assembly, in an appropriate manner, either in writing or electronically.

#### **Article 19**

- (1) The General Assembly performs the following activities:

- adopts the Statute of the Association and its amendments;
- adopts other general acts necessary for the Association's operation;
- appoints and, if appropriate, discharges members of the Executive Committee;
- appoints President of the Executive Committee;
- appoints and, if appropriate, discharges the Association's liquidator;
- brings a decision on changing the objectives and activities of the Association;
- ceremoniously honours the members with awards;
- approves the annual financial report;
- decides on entering into unions, communities, networks and other forms of association linking;
- adopts the work plan and financial plan for the next and performance report for the previous calendar year;
- brings the decision on the Association's membership in related international and national associations;
- brings the decision on the termination of the Association and distribution of the Association's remaining assets;
- decides on other matters in compliance with the law, the Statute and other subordinate documents of the Association.

## **Article 20**

- (1) Members of the General Assembly in good standing can vote and run for elected positions.
- (2) Each member is entitled to one vote.
- (3) The General Assembly has a quorum and decides legitimately if at least 10% (ten percent) of the Association's members are in attendance at the session. The General Assembly brings decisions by a majority of the votes of the Association's members who are in attendance at the session. In the event that there should be no sufficient number of members, 15 minutes after the expiry of scheduled start time the General Assembly may proceed with the work and bring legitimate decisions based on voting of members attending in person if their number is not under 10 (ten).
- (4) All members of the Association entitled to vote are those who are in attendance at the session or are voting electronically.
- (5) Voting electronically shall be conducted by means of an electronic ballot form within the prescribed time limit as defined in the electronic ballot paper. In the event that a member has not returned the ballot form, he/she will be deemed to refrain from voting.
- (6) The manner of voting at the session of the General Assembly shall be determined by the body of the Association convening the General Assembly session.
- (7) Votes shall be „in favour“, „against“ and „abstain“.
- (8) The minutes from the session of the General Assembly shall be kept and maintained permanently in the Association's archive.

## **VII. EXECUTIVE COMMITTEE**

### **Article 21**

- (1) The Executive Committee is the executive body of the Association, responsible for all decisions made in the period between convening of the General Assembly sessions.
- (2) The Executive Committee has at least 10 (ten), and not more than 15 (fifteen) members. The exact number of members of the Executive Committee shall be established by the General Assembly. In addition to the aforementioned members of the Executive Committee, also the Leaders of Branches are considered as members of the Executive Committee with full voting rights.
- (3) The Executive Committee has:
  - President,
  - Vice-president,
  - General Secretary,
  - Treasurer and
  - at least 6 (six) other members of the Executive Committee.
- (4) All members of the Association have the right to elect members of the Executive Committee and the right to be elected members of the Executive Committee. A candidate for the office of the President of the Executive Committee obtaining the greatest number of votes from the members of the Association who participate in the voting process at the session of the General Assembly shall be elected President of the Executive Committee. The members of the Executive Committee shall elect and/or remove from office among themselves the Vice-president, the General Secretary and Treasurer by a majority of vote of all members of the Executive Committee.
- (5) A candidate for membership in the Executive Committee shall deliver his/her candidacy to the General secretary at least 15 (fifteen) days prior to the election session of the General Assembly with the following enclosures:
  - a curriculum vitae;
  - a description of past activities in the Association over the last 2 (two) years;
  - a plan for future activities in the Association for a particular office.Each candidate may submit a maximum of three candidacies for: (i) President of the Association, (ii) membership in the Executive Committee, and (iii) the Leader of a Branch.
- (6) The mandate of members of the Executive Committee lasts 2 (two) years. The mandate of particular members of the Executive Committee elected during the mandate of the existing Executive committee shall last until the expiry of the mandate of that Executive Committee.

### **Article 22**

- (1) The Executive Committee performs the following activities:
  - convenes and prepares materials for session of the General Assembly session;
  - proposes to the General Assembly the performance plan and financial plan for the next calendar year and performance report for the previous calendar year;
  - proposes to the General Assembly the annual financial review;
  - proposes to the General Assembly prizes to be awarded;
  - implements decisions and conclusion from the sessions of the General Assembly;

- upon the President's proposal among members of the Executive Committee appoints and/or removes from office members responsible for co-ordination the activities of particular expert committees;
- appoints as appropriate the auditor of the Association for a period of 1 (one) year;
- decides on participation in expert consultative meetings in the country and abroad,
- co-operates with PMI®;
- decides on other matters which are not within the responsibility of other bodies of the Association.

## **VIII. PRESIDENT AND VICE-PRESIDENT**

### **Article 23**

- (1) The President of the Association is also the President of the Association's Executive Committee.
- (2) The President is elected in accordance with Article 21 of this Statute.
- (3) The mandate of the President shall last 2 (two) years.
- (4) During the President's absence or his being prevented from acting, the functions of President shall be exercised by the Vice-president.
- (5) In the event of the President's being permanently prevented from acting or the President's resignation, within the period of six (6) months the Executive Committee shall elect a new President.

### **Article 24**

- (1) The President:
  - acts on behalf of the Association at conferences and other meetings in dealings with third parties, and if appropriate shall appoint another member of the Executive Committee to act as a representative to a third party;
  - convenes the session of the Executive Committee;
  - chairs the sessions of the Executive Committee and the General Assembly;
  - takes care of the implementation of decisions and conclusions of the General Assembly and the Executive Committee;
  - prepares the materials for sessions of the General Assembly and the Executive Committee together with the General Secretary;
  - is responsible for executing the financial plan together with the Treasurer;
  - proposes to the Executive Committee the appointment and/or removals from office of members responsible for coordinating the work of particular special committees;
  - is the unofficial member of all committees responsible for appointments except the committee for appointments;
  - in terms of the decision of the Executive Committee, the President manages the assets of the Association;
  - in terms of the decision of the Executive Committee, the President concludes contracts and undertakes legal actions on behalf of the Association;
  - submits the minutes from the regular session of the General assembly to the competent office that maintains the Register of Associations;
  - ensures the public nature of the Association's operations,

- informs the public on the Association's activities through timely reporting to the members on the Association's operations and important events, through written reports, at special meetings or through any other appropriate means as well as through media;
  - maintains communication with PMI® and responds to PMI® enquiries;
  - performs other activities within the competencies of President, as well as those that have been entrusted to him/her by the Executive Committee.
- (2) The President shall submit to the Executive Committee a written report on his/her work within the period of 30 (thirty) days after the expiration of the calendar year at the latest.
  - (3) The President is responsible for delivering regular annual reports to PMI® within the period of 30 (thirty) days from the date of holding a regular annual session of the General Assembly.

#### **Article 25**

- (1) The Vice-president of the Executive Committee is the Vice-president of the Association concurrently.
- (2) The Vice-president is elected in accordance with Article 21 of this Statute.
- (3) The mandate of the Vice-president shall last 2 (two) years.
- (4) The Vice-president shall replace the President in accordance with Article 24 of this Statute.
- (5) In the event that the Vice-president is permanently prevented from acting or should resign, the candidate who has received the highest number of votes at the last elections for membership in the Executive Committee among the non-elected candidates shall join the Executive Committee, while the Executive Committee shall elect a new Vice-president within the next 30 (thirty) days.
- (6) In case of the foregoing paragraph of this Article, the mandate of the new member of the Executive Committee, as well as the mandate of the newly-appointed Vice-president shall last until the expiration of the mandate of the Vice-president who has been permanently prevented from acting or has resigned.

### **IX. GENERAL SECRETARY AND TREASURER**

#### **Article 26**

- (1) The Secretary of the Executive Committee is the General Secretary of the Association concurrently.
- (2) The General Secretary is appointed in accordance with Article 21 of this Statute.
- (3) The mandate of the General Secretary shall last 2 (two) years.
- (4) In the event of the General Secretary's being permanently prevented from acting or the General Secretary's resignation, the candidate who has received the highest number of votes at the last elections for membership in the Executive Committee among the non-elected candidates shall join the Executive Committee, while the Executive Committee shall elect a new General Secretary within the next 30 (thirty) days.

- (5) In the case the foregoing paragraph of this Article, the mandate of the new member of the Executive Committee, as well as the terms of office of the newly-appointed General Secretary shall last until the expiration of the mandate of the General Secretary who has been permanently prevented from acting or has resigned.
- (6) The General Secretary performs the following activities:
  - conducts current expert and administrative activities in line with this Statute, other subordinate legislation of the Association and regulations in effect;
  - prepares materials for the sessions of the Executive Committee and General Assembly, and helps the President in implementing the decisions and conclusions of these bodies;
  - performs activities related to the organisation of consultation and other professional meetings;
  - takes care of drafting the minutes from the sessions of the Executive Committee and the General Assembly;
  - keeps the Association's Register of Members;
  - submits the Report on his/her activities and be responsible to the Executive Committee for his/her work.

#### **Article 27**

- (1) The Treasurer is elected in accordance with Article 21 of this statute.
- (2) The mandate of the Treasurer shall last 2 (two) years.
- (3) In the event of the Treasurer's being permanently prevented from acting or the Treasurer's resignation, the candidate who has received the highest number of votes at the last elections for membership in the Executive Committee among the non-elected candidates shall join the Executive Committee, while the Executive Committee shall elect a new Treasurer within the next 30 (thirty) days.
- (4) In the case of the foregoing paragraph of this Article, the mandate of the new member of the Executive Committee, as well as the mandate of the newly-appointed Treasurer shall last until the expiration of the mandate of the Treasurer who has been permanently prevented from acting or has resigned.
- (5) The Treasurer performs the following activities:
  - looks after the Association's assets;
  - proposes to the President the payment of the Association's commitments;
  - submits a written report on the Association's financial status on each session of the Executive Committee and the General Assembly;
  - submits business records and necessary information for audit to the chosen auditor and competent inspectors;
  - prepares the draft of the financial plan and monitors its implementation.

#### **Article 28**

- (1) The remaining members of the Executive Committee, who have not been elected Vice-president, Secretary General, and/or Treasurer, shall allocate the following roles/duties among themselves:
  - the member of the Executive Committee responsible for academic initiatives (Academic Program Manager), for a period of 2 (two) years;

- the member of the Executive Committee responsible for communication channels (Director of Communications) for a period of 2 (two) years;
  - the member of the Executive Committee responsible for professional development of members (Professional Development) for a period of 2 (two) years;
  - the member of the Executive Committee responsible for membership (Director of Membership) for the period of 2 (two) years;
  - the member of the Executive Committee responsible for work with volunteers (Director of Volunteers) for a period of 2 (two) years;
  - the member of the Executive Committee responsible for marketing (Marketing Director) for the period of 2 (two) years.
- (2) The previous President of the Executive Committee, who immediately precedes the current President of the Executive Committee, upon the expiration of his/her mandate shall automatically become the advisor to the newly appointed President of the Executive Committee in the period in which the new President of the Executive Committee performs his duty, but shall not be considered a member of the Executive Committee and shall not have the right to vote at the sessions of the General Assembly.

### **Article 29**

- (1) The sessions of the Executive Committee shall be held as appropriate, at the notice of the President or at the written request of at least 3 (three) members of the Executive Committee submitted to the General Secretary.
- (2) The Executive Committee has a quorum and brings valid decisions if at the session of the Executive Committee at least a majority of members of the Executive Committee are in attendance. Each member of the Executive Committee is entitled to 1 (one) vote, and may participate and vote only in person.
- (3) The Executive Committee reaches decisions by a majority votes of all members of the Executive Committee in attendance, if the Statute does not provide for another majority.
- (4) In justified cases, the members of the Executive Committee may vote electronically, teleconferencing or otherwise.
- (5) In the event that a majority of the Executive Committee is not present at the session, the President shall convene a new meeting of the Executive Committee within the next 8 (eight) days. If majority is not present at the repeated meeting of the Executive Committee, the Executive Committee may make legitimate decisions if at least 5 members of the Executive Committee are present.
- (6) The minutes from the sessions of the General Assembly shall be written, signed by the General Secretary, and kept permanently in the Association's Archive.
- (7) The membership in the Executive Committee shall terminate in the event of:
- resignation of the member of the Executive Committee based on his/her written statement of resignation, in which case the membership shall expire on the day of the receipt of the written resignation;
  - discharge of the member of the Executive Committee based on the decision of the Executive Committee adopted by a two-thirds majority of all members of the Executive Committee;
  - termination of membership in the Association;
  - death of the member of the Executive Committee;
  - dissolution of the Association.

## **X. SPECIAL COMMITTEES**

### **Article 30**

- (1) Special committees are the Association's scientific and expert forms of action that study and deal with the aspects of certain areas of work, for the purpose of advising and assisting the Executive Committee in performing its activities.
- (2) The Association may have the following expert committees:
  - Special committee for academic education;
  - special committee for marketing and sponsor affairs;
  - special committee for project of the year award;
  - special committee for volunteering;
  - special committee for management and organisation of events;and the Executive Committee may form other special committees as well.
- (3) Special committees shall be set up and terminated as appropriate, based on the decision of the Executive Committee.
- (4) The Presidents and the members of the Special Committee shall be elected among the members of the Association by the Executive Committee. The special committee shall have at least 3 (three) members.
- (5) The work and activities of the Association's members on the special committee is voluntary.
- (6) The Special Committee for Nominations and Appointments comprises 3 (three) members of the Association nominated by the Executive Committee at least 20 (twenty) days prior to the elections. The Committee for Nominations and Appointments shall prepare table forms with names of the persons who are candidates for each body of the Association and office in the Executive Committee and assess the qualifications and readiness of each candidate to participate in the elections. When voting, the representative of the Committee for Nominations and Appointments counts votes. The members of the Special Committee for Nominations and Appointments may not be included in the table forms of candidates for the Association prepared by the Committee for Nominations and Appointments.
- (7) In accordance with accepted policies, practices, procedures, rules and guidelines of the Association, no funds or resources of PMI® or the Association may be used to support the election of any candidate or group of candidates for PMI® or public office. In addition, no type of organised pre-election campaign, communications, fundraising or any other form of organised activity on behalf of a candidate is allowed. The Committee for Nominations and Appointments or any other competent body designated by the Association, is the sole distributor of election materials for elected offices in the Association.

## **XI. FINANCIAL OPERATIONS**

### **Article 31**

- (1) The Association acquires assets:
  - from voluntary contributions and gifts,
  - from membership fees, grants, donations and sponsorship,
  - performing economic activities,

- from other resources in accordance with the law.
- (2) The Association's Executive Committee decides on distribution of the Association's assets.
- (3) The Association may dispose of its assets solely for the purpose of pursuit of the objectives and performing activities set forth in this Statute and in accordance with the law.
- (4) Financial operations of the Association must be in line with the annual financial plan adopted by the General Assembly.

## **XII. ASSETS OF THE ASSOCIATION**

### **Article 32**

- (1) The assets of the Association consist of:
  - funds,
  - movables,
  - any other property rights,
  - any other income of the Association.
- (2) The Executive Committee decides on the disposal of the Association's assets.

## **XIII. BRANCHES OF ASSOCIATION**

### **Article 33**

- (1) The Association may organise its members in groups in a geographically limited area in the form of a Branch (hereinafter: Branch), for the purpose of providing its service locally. A branch of the Association shall operate under the provisions of this Statute and shall financially operate in line with the Association's policies and procedures.
- (2) The Branch shall be established on the basis of the decision of the Executive Committee. The registered seat of the Branch and geographical area of the Branch shall be determined by a decision of the Executive Committee on establishment of the Branch, in line with the expressed interest of the members.
- (3) The branch does not have a legal status, a logotype and is authorised to use solely the logotype of the Association.
- (4) The branch has no special separate membership. The Membership of the Branch consists of all members who have their place of residence in the geographical area in which the Branch operates consistent with the decision of the Executive Committee. All members of the Branch must be members of the Association.
- (5) The Executive Committee of the Association supervises all activities of the Branch.

### **Article 34**

- (1) Every 2 (two) years, the members of the Branch elect by a majority vote between themselves the Leader of a Branch who shall co-ordinate the Branch.

- (2) The Leader of a Branch reports to the Executive Committee on the activities of the Branch.
- (3) The Leader of the Branch is also a member of the Executive Committee of the Association.
- (4) The activities of the Branch shall be organised in line with the objectives and activities of the Association, the Association's business plan and expressed interest of members coming from the region covered by the Branch.
- (5) The Leader of a Branch shall submit to the Executive Committee a complete business plan and financial plan for the next (upcoming) fiscal year by 1 December of the previous fiscal year.
- (6) The Leader of a Branch shall in the first quarter of the business year submit to the Executive Committee a complete separate business and financial report for the previous year no later than 10 (ten) days prior to the session of the General Assembly.
- (7) The activities of the Branch shall be funded in line with the financial framework of the Association. The Association shall allocate funds to the Branch in compliance with policies and procedures of the Association. The Branch shall not organise its membership nor collect membership fees. Branches do not have any funding resources nor their own bank account. Exceptionally, the Executive Committee may decide that for certain activities the Branch may independently obtain funds that are to be spent for a particular purpose in that Branch.

#### **XIV. CONFLICT OF INTERESTS**

##### **Article 35**

- (1) No member of the Association can achieve any financial gain, benefit or profit, incidental or not, from the activities, financial accounts or resources of the Association.
- (2) No member of a body of the Association, appointed committee member or authorised representative of the Association can receive any compensation or any other tangible or financial benefit for service on the Executive Committee. However, the Executive Committee may authorise payment by the Association for actual and reasonable expenses incurred by members of the Executive Committee related to attendance at sessions of the Executive Committee, organisation of events and other approved activities.
- (3) The Association may engage in contracts or transactions through its members, elected officers or members of the Executive Committee, appointed members of committees or authorised representatives with corporations, partnerships, associations or other organisations in which one or more of directors, officers, appointed members of committees or authorised representatives hold the office of directors or officers who have a financial interest or are employed in another organisation provided the following conditions are met:
  - the facts regarding the relationship or interest related to the contract or transaction must be disclosed to the Executive Committee prior to commencement of any such arrangement or transaction;

- the Executive Committee in good faith authorises the contract or transaction by a majority vote of members who do not have an interest in the transaction or contract;
  - the contract or transactions is fair to the Association and in compliance with the laws and regulations of the Republic of Croatia;
  - all members of the Executive Committee, appointed members of committees, and authorised representatives of the Association shall act in an independent manner and in line with their obligations to the Association and applicable law, regardless of any other affiliations, memberships or positions;
  - all members of the Executive Committee, appointed members of committee and authorised representatives shall disclose any interest or affiliation they may have with any entity or individual with which the Association shall enter into contract, agreement or any other business transaction, and in such case shall abstain from voting or influencing the decision.
- (4) Members of the Executive Board are prohibited from entering into a contractual relationship with the Association and PMI®.

## **XV. INDEMNIFICATION**

### **Article 36**

- (1) In the event that any person who is or has been a member of the Executive Committee, committee member or authorised representative of the Association, acting in good faith and in a manner reasonably believed to be in the best interest of the Association, has been made party or is threatened to be made a party to any civil, criminal, administrative or investigative action or proceeding (other than an action or proceeding by or in the right of the Association) such representative may be indemnified against reasonable expenses and liabilities, including lawyer fees, actually and reasonably incurred, judgments, fines, and amounts paid for settlements related to such action or proceedings, to the fullest extent permitted by the legislation of the Republic of Croatia. If the representative has been successful in defending the action, indemnification is mandatory.
- (2) Unless ordered by a competent court, discretionary indemnification will be granted to a representative only when consistent with the requirements of applicable law, and upon determination that indemnification of the representative is proper in the circumstances because the representative has met the applicable standard of conduct prescribed by law and this Statutes.
- (3) To the extent permitted by applicable law, the Association may purchase and maintain liability insurance on behalf of any person who is or was a member of the Executive Committee or authorised representative of the Association, and who is or was serving at the request of the Association as director, officer, employee, trustee, agent or representative of another corporation, national or international, non-profit or profit, partnership, joint venture, trust or other enterprise.
- (4) No discretionary indemnification shall be granted to those representatives of the Association who have not acted in good faith and in a manner reasonably believed to be in the best interest of the Association and from such reimbursement may be demanded.

## **XVI. DISSOLUTION OF THE ASSOCIATION**

### **Article 37**

- (1) The Association shall discontinue its operations on the basis of a decision of the General Assembly and in other such cases as provided by the law.
- (2) The General Assembly shall bring a decision to dissolve the Association by a majority of vote of all members of the General Assembly in attendance.
- (3) Should the Association dissolve, the President is obliged to notify PMI<sup>®</sup> about it, including the grounds for dissolution, as well as to return the Charter and other documents to PMI<sup>®</sup>.

### **Article 38**

- (1) In the event that the Association should dissolve, the Association's assets shall be distributed in conformity with the General Assembly's decision to association, institution or foundation with the same or similar statutory goals, but may not be distributed to its founders, members of the Association, persons authorised for representation of the Association or employees of the Association.

### **Article 39**

- (1) The liquidator is appointed and dismissed by the General Assembly.
- (2) The liquidator is empowered to represent the Association in the liquidation proceedings and upon starting the liquidation proceedings shall be entered in the Registry of the Associations as the person empowered to represent the Association until the end of the liquidation proceedings and abolishment from the Registry of Associations.

## **XVII. RESOLUTION OF DISPUTES AND CONFLICTS OF INTEREST**

### **Article 40**

- (1) Dispute/conflict of interest in the Association shall arise in the case of rights and interests of the Association's members which members may freely dispose of, and which affects the Association's operations in general or if they relate to matters of common interest to all members of the Association.
- (2) For settling disputes/conflicts of interest, the General Assembly shall appoint the Arbitration Council among members of the Association, or non-members legal experts, as appropriate. The Arbitration Council comprises 3 (three) members, who are elected for a period until their dismissal. Composition, mandate, manner of decision-making of the Council shall be regulated by the Ordinance adopted by the Executive Committee.
- (3) The request for resolution of dispute on the violation of rights and interests of a member of the Association, or for the resolution of conflict of interests, a member of the Association whose rights or interests have been violated shall be obliged to submit to the Arbitration Council within 15 (fifteen) days from the date of his/her awareness of the violation of rights/interests, or awareness for conflict of interests, and within the

period of 6 (six) months from the date on which their rights/interests have been violated. The decision of the Arbitration Committee is final.

- (4) Should a dispute/conflict of interests relate to the decisions of the Association's governing bodies upon which a request for registration of changes in the Register of Associations has been submitted in the jurisdiction of the competent office, discontented member shall be obliged to first notify the Association and submit a request for resolution of dispute/conflict of interests. Upon finality of the Arbitration Council's decision, the Association submits to the competent office a request for registration of changes in the Register of Associations together with the decision of the Arbitration Council.

#### **Article 41**

- (1) The Executive Committee shall conduct a periodic, at best annual comparison of activities of the Association with its Statute and by-laws. The Association must ensure compliance of provisions of this Statute and by-laws with the PMI<sup>®</sup> by-laws, and the Charter concluded between the Association and PMI<sup>®</sup> as well as with any requirements arising from the law and applicable law of the competent state.

### **XVI. FINAL PROVISIONS**

#### **Article 42**

- (1) The interpretation of provisions of this Statute shall be provided by the General Assembly.
- (2) The interpretation of any other general acts of the Association shall be provided by the Executive Committee.
- (3) This Statute shall enter into force on the day of its adoption and is applied by the day of its registration in the Croatian Register of Associations at the Municipal General Administration Office of the City of Zagreb.
- (4) On the day of this Statute's entry into force, the Statute of the Association adopted by the General Assembly on 15<sup>th</sup> February 2018 ceases to be valid.

PRESIDENT:

  
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