

The Bylaws of CFA Society Croatia

As revised December 21, 2018 General Provisions

Article 1

Association

- 1.1. These Bylaws shall establish the name of the Association; headquarters of the Association; its representation; appearance of the stamp; goals of the Association; areas of activity of the Association in accordance with its goals; activities whereby those goals are pursued; the economic activities of the Association in accordance with the law; the method of ensuring the public Association's activities; terms and methods of membership enrollment in the Association, membership termination, rights, obligations, and responsibilities of the members, disciplinary accountability, and the method of membership record keeping; the bodies of the Association, their structure and the method of convening their meetings, election and discharge proceedings, jurisdiction, decision making and mandate duration, as well as the method of convening the Assembly after the expiry of the mandate; method of election and discharge of the Association's liquidator; termination of the Association; Association's assets, as well as the methods of asset acquisition and management of Association's assets; management of assets in case of termination of the Association; procedure for handling disputes and conflicts of interest within the Association, as well as other matters of relevance to the CFA Society Croatia.

Article 2

Association Name and Headquarters

- 2.1. The full name of the Association in Croatian is: CFA Udruga Hrvatska. Its abbreviated name is: CFAUH.
- 2.2. The full name of the Association in English is: CFA Society Croatia (hereinafter: Association). Its abbreviated name is: CFASC.
- 2.3. The headquarters of the Association are in Zagreb.
- 2.4. The decision to change the headquarters location of the Association is made by the Steering committee of the Association.

Article 3

Representation and the Stamp of the Association

- 3.1. The Association is represented by the President, Vice-President, Secretary, and Treasurer of the Association.
- 3.2. The Association has a stamp.
- 3.3. The board of directors decides on the specifications of the stamp of the Association.
- 3.4. The stamp is kept by the Secretary of the Association. The stamp may be used by the Secretary of the Association as well as by other members of the Association with authorization from the Steering committee of the Association.

GOALS, AREAS OF ACTIVITY, AND ACTIVITIES OF THE ASSOCIATION

Article 4

Goals and areas of activity of the Association

4.1. Goals of the Association are:

- (a) promotion, development, and improvement of business activities with regards to investment management of assets, financial analysis, and in general any activities tied to the financial industry;
- (b) promotion of "CFA Institute Code of Ethics and Standards of Professional Responsibility, (Code and Standards) as an example of high professional and ethical standards in the financial industry;
- (c) improvement of legislative, institutional, financial, and strategic frameworks of business activities in the financial industry;
- (d) promotion of continued education and training of the Association's members and interested parties in the community;
- (e) to support the administration of the CFA Program®-a;

4.2. Areas of activity of the Association in accordance with its goals are:

- (a) democratic political culture;
- (b) education, science and research;
- (c) economy;
- (d) international cooperation.

Article 5

Activities of the Association

5.1. Activities of the Association are:

- (a) active involvement in promoting interests of professionals active in businesses relating to investment management of assets, financial analysis, and any activities in general that deal with the financial industry,
- (b) organization of educational workshops, lectures, courses, and seminars,
- (c) promoting financial activities by holding public forums, round tables, and conferences,
- (d) developing a code of professional responsibility as well as a method of joint cooperation with the authorities,
- (e) following the legislative, institutional, financial, and strategic frameworks of business activities in the financial industry and proposing new legislature,
- (f) publishing brochures, pamphlets, and other publications relating to the goals of the Association,
- (g) cooperation with similar domestic and international organizations.

5.2. Economic activities of the Association are:

- (a) organization of educational workshops, lectures, courses, examinations, and seminars,
- (b) publishing activity

PUBLIC NATURE OF ASSOCIATION'S ACTIVITIES

Article 6

Ensuring the public nature of activities

- 6.1. The Association's operation is open to the public. The public nature of the Association's operation shall be ensured by the following:
- (a) notifying the members about the activities of the Association at meetings of the Association's bodies;
 - (b) allowing public access to the meetings of the Association's bodies, with exception of meetings that are closed to the public;
 - (c) drafting and publishing annual information and financial reports as well as project specific reports on the activities of the Association;
 - (d) using information and communication technologies (internet sites, social networks, etc.);
 - (e) public announcements;
 - (f) organizing special events;
 - (g) other appropriate means.

MEMBERSHIP IN THE ASSOCIATION

Article 7

Membership categories and statuses

- 7.1. *Regular Members.* Any natural person interested in working for the Association and contributing to its goals can become a Regular Member of the Association as long as he/she:
- (a) accepts the provisions of the Bylaws,
 - (b) is a regular member of the CFA Institute.
- 7.2. *Affiliate Members.* Any natural person interested in working for the Association and contributing to its goals can become an Affiliate Member of the Association as long as he/she:
- (a) accepts the provisions of the Bylaws,
 - (b) is an Affiliate Member of the CFA Institute.
- 7.3. *Associate Member.* Any natural person interested in working for the Association and contributing to its goals can become an Associate Member of the Association as long as he/she:
- (a) works as a professional in an investment and/or related finance industry, including banks, insurance companies, investment and business advisories, mergers and acquisitions, investment companies, fund management companies, charitable organizations, funds, foundations, trusts, publishing houses, other institutional investors or similar private sector companies, as well as state or public services whose activities are related to financial, investment, and economic matters (jointly "financial analysts"), or if his/her professional activity involves direct or indirect overseeing of financial analysts; or if he/she studies or conducts research related to financial analysis at a college or university, such as professors, associate professors, assistants, deans and other research associates; or he/she is a full time employee at a company specialized in investment in other companies and real

estate, such as a treasury, corporate finances, auditing companies, or other company sectors related to financial analysis, and

(b) has a recommendation from their superior or a Regular Member;

7.4. *Student Members.* Any natural person interested in working for the Association and contributing to its goals can become a Student Member of the Association as long as he/she is enrolled either full-time or part-time at any college or university and he/she mayors in finance, economy, and related fields.

7.5. *Honorary Members.* Any natural person interested in working for the Association and contributing to its goals can become an Honorary Member of the Association in case he/she made a distinguished contribution towards achieving the goals of the Association, according to the Board of Directors decision.

7.6. Retired member status. Regular and Affiliate members may request the retired member status. Members with the retired status retain all the rights, obligations, and responsibilities which are defined by their membership category, however, the Steering committee may approve a membership fee reduction. The Steering committee of the Association may approve the retired member status for Regular and Affiliate members of the Association if they:

(a) were Regular or Affiliate members of the CFA institute for at least one year;

(b) are not currently involved in any professional activity which qualifies as acceptable work experience in the profession;

(c) file a request for the status of a retired member of the Association; and

(c) fulfill any other requests in accordance with the decisions of the Steering committee of the Association.

Article 8

Membership request

8.1. A natural person interested in becoming a Member, a Student Member, an Honorary Member or a Retired Member submits a membership application form to the Association's Board of Directors, which decides on the admission with majority of votes within one month. If the Board of Directors of the Association does not make the decision within one month, it shall be considered that the request has been rejected.

8.2. A natural person interested in becoming a Regular or Affiliate Member submits a CFA Institute membership form and a Society membership application form.

8.3. A Regular or Affiliate membership in the Association starts the day when the CFA Institute and the Association accept a natural person to join. On the request for the membership in the Association, the Board of Directors of the Association shall decide within one month, by majority vote. If the Board of Directors of the Association does not make the decision within one month, it shall be considered that the request has been rejected.

Article 9

Member registry, rights, obligations, and responsibilities

9.1. The Association keeps a registry of its members. The member registry is stored electronically and contains the personal name of the member, personal identification number (OIB), date of birth, date of admission to the Association, category and status of membership, membership fee, as well as the membership termination date.

92. The Membership registry is available for access at request to all the members of the Associations as well as to the authorities.
93. The Membership registry is kept by the Secretary of the Association.
94. Rights, obligations, and responsibilities of all the members of the Association are:
- (a) to take an active part in the realization of the goals of the Association as well as fulfillment of Association's activities;
 - (b) to nominate individuals to for representation in the organs and the work of the Association;
 - (c) to be informed about the work of the Association and its bodies, as well as its material and financial affairs;
 - (d) to make proposals, give comments and express views on the activities of the Association and its bodies.
 - (e) to act in accordance with all the existing rules and regulations of the Association and the CFA Institute, which includes, but is not limited to the Articles of Incorporation, Bylaws, the Code and Standards, as well as other regulations related to professional conduct and membership, which may all periodically change;
 - (f) to provide information related to professional conduct and activities as requested by the Association or the CFA institute;
 - (g) to provide documents, testify, and cooperate in other various ways during the disciplinary proceedings of the CFA Institute, as well as to comply with any other applicable requests determined necessary by the CFA Institute and the Association at any given time;
 - (h) in case their membership category requires it, to maintain their membership in the CFA Institute;
 - (i) to pay membership fees.
95. *Voting rights.* Only Regular members have voting rights in the Association, and every Regular member is entitled to one (1) vote for every question that is put to the vote. Affiliate and other members do not have voting rights in the Association.
96. Regular and Affiliate members of the Association may be:
- a) subjected to the disciplinary jurisdiction and sanctions of the Association and CFA Institute
 - b) asked for information on professional conduct and activities that can be requested by an Association or CFA Institute
 - c) required to provide evidence, testify, and otherwise cooperate in the disciplinary proceedings of the CFA Institute and to comply with other applicable requirements established by the Association or CFA Institute

Article 10

Membership termination and disciplinary accountability

- 10.1. Members of the Association assume the obligations and responsibilities defined by these Bylaws and other articles of the Association.
- 10.2. Membership in the Association may be terminated by:
- (a) termination of the Association,

- (b) withdrawal from the Association, effective from the day that the withdrawal application was submitted to the President or the Secretary.
- (c) a verbal statement on the voluntary withdrawal from membership in front of the Steering committee of the Association, effective on the day of the statement.
- (d) expulsion due to violations of membership obligations and responsibilities,
- (e) decease of a member.

10.3. Members of the Association may be involved in disciplinary proceedings for the following:

- (a) violating legal and other obligations related to the activities of the Association,
- (b) disregard for provisions of the Bylaws,
- (c) disregard for the decisions made by the managing authorities of the Association,
- (d) non-fulfillment of obligations from Article 9.4. (e)(f)(g)(h)(i)(j),
- (e) irresponsibly carrying out their duties and causing material damage to the Association,
- (f) irresponsible or illegal management of assets of the Association,
- (g) damages to the reputation of the Association.

Under the condition that the CFA Institute has a unique right of decision-making in investigative and disciplinary proceedings related to the violation of “CFA Institute Code of Ethics and Standards of Professional Responsibility, (Code and Standards)”.

10.4. Disciplinary accountability of Association’s members is determined through disciplinary proceedings, except in the following cases:

- (a) When a member does not pay his due membership fees to the Association. In this case, his membership is automatically suspended until he pays the due membership fees. After the payment is made, the membership automatically renews;
- (b) When a Regular or Affiliate member is for any reason suspended or his membership at the CFA Institute is terminated. In this case, his membership in the Association is automatically suspended or his membership terminated.

10.5. Disciplinary proceedings may be initiated by any member of the Association.

10.6. Disciplinary proceedings are held by and disciplinary sanctions applied by the Steering committee of the Association. The goal of disciplinary proceedings is to assess the circumstances which lead to the violation of membership obligations and responsibilities, as well as the gravity of the violation and the damages done to the Association. Disciplinary proceedings are conducted in accordance with the Rules of Procedure for disciplinary accountability passed by the Association’s Assembly.

10.7. For established violations of membership obligations and responsibilities, the following disciplinary sanctions may be applied:

- (a) first warning,
- (b) suspension, or
- (c) expulsion from the Association.

10.8. Members who are suspended or expelled from the Association lose all of the rights detailed in Article 9.4. (a)(b)(c)(d)

10.9. A member of the Association that was expelled from the Association has the right to appeal to the Association’s Assembly within fifteen days, starting from the expulsion date. The Association’s Assembly is obligated to review the appeal at the next regular

Assembly session or by convening an extraordinary Assembly. The member whose appeal is in question remains suspended until the Assembly ruling.

- 10.10. Any member of the Association has the right to warn the Steering committee in writing about any violations of the provisions of the Bylaws as well as any irregularities in the decision making within the bodies of the Association. Any member has the right to file a written complaint about the work of individual members or the bodies of the Association. The Steering committee of the Association is required to issue a written response to the complaint within 30 days since it was received.
- 10.11. Regardless of membership status in the Association, membership in the CFA Institute may be suspended or a member may be excluded only by the CFA Institute.

MANAGEMENT OF THE ASSOCIATION AND ASSOCIATION'S BODIES

Article 11

Association's Bodies

- 11.1. Members of the Association manage the Association at the Assembly and through the elected representatives from the other bodies of the Association.
- 11.2. The bodies of the Organization are:
- (a) The Assembly of the Association,
 - (b) The Steering committee of the Association,
 - (c) The President of the Association,
 - (d) The Vice-President,
 - (e) The Treasurer, and
 - (f) The Secretary.

Article 12

Association's Assembly

- 12.1. Association's Assembly is the principal body of the Association comprised of all the Regular members of the Association.
- 12.2. The Assembly convenes regularly, for elections, and under extraordinary circumstances.
- 12.3. Assembly session.
- (a) Every Association's Assembly session will be held at an appropriate place and time in order to involve as many members as possible.
 - (b) Assembly sessions are convened by the President of the Association. Should he be prevented in any way, the Vice-President acts as his substitute.
 - (c) Extraordinary Assembly sessions are convened by the President of the Association at his own initiative or at request of:
 - (i) the Steering committee of the Association,
 - (ii) one twentieth (1/20) of Regular members of the Association.
 - (d) Written invitation for an Assembly session will:
 - (i) contain the date, time and place of the Assembly, and in case of an extraordinary Assembly session, the daily agenda, which the proposing parties are obligated to provide; and

- (ii) be delivered, mailed, declared or wired, emailed, or communicated in any other way that can be reach every Regular member at an address noted in the member registry of the Association, no less than 10 (ten) and no more than 60 (sixty) days before the Assembly session, unless otherwise determined by law.
- (e) Only the topics listed on the daily agenda may be discussed at extraordinary Assembly sessions.
- (f) In case the President of the Association does not convene an extraordinary Assembly session within 30 (thirty) days from the delivery of the request from Article 12.3.(c), the session will be convened by the proposing parties in accordance with the procedures outlined in Article 12.3.(d).
- (g) Invitation to convene the Assembly may be cancelled in writing, before or after the date of the Assembly, by the Steering committee of the Association or a member of the Association with the right to convene the Assembly.
- (h) In case of mandate expiration for bodies of the Association, the Assembly is convened by one of the persons last authorized for representation of members listed in the Associations Registry of the Republic of Croatia, or by at least three members of the Association who became members before the mandate end.

12.4. *Quorum.* At every Assembly, ten percent (10%) of the regular member body is enough to form a decision making quorum. In case the Assembly cannot meet the quorum, the President may reschedule the Assembly and decide its date and location.

12.5. Voting.

- (a) Every Regular member is entitled to one (1) vote.
- (b) Regular members decide through the majority vote of the members present at the Assembly session, unless otherwise regulated by the Bylaws.

12.6. The decision to terminate the Association is made by a two-third majority of the whole member body.

12.7. Voting at the Assembly sessions is open to the public. The Assembly may in certain cases decide to close voting sessions to the public.

12.8. Assembly sessions are recorded and permanently stored in the archives of the Association.

12.9. The Assembly of the Association:

- (a) adopts the Bylaws of the Association as well as any amending regulations of the Bylaws;
- (b) elects and relieves:
 - a. The President of the Association,
 - b. The Vice-President of the Association,
 - c. The Secretary of the Association, and
 - d. The Treasurer of the Association.
- (c) elects and relieves other members of the Steering committee of the Association;
- (d) elects and relieves the liquidator of the Association;
- (e) decides on cooperation with related organizations, associations, communities, networks as well as any other cooperation activities with other associations;
- (f) adopts the plan of activities and the financial plan for the next calendar year as well as the annual report for the previous calendar year;

- (g) adopts the annual financial report;
- (h) decides on changes to the goals of the Association, on termination of activity, and the distribution of remaining assets of the Association;
- (i) decides on membership status changes;
- (j) decides on member appeals to suspension or expulsion, with regards to decisions made by the Steering committee of the Association;
- (k) decides on any other issues which have not been entrusted by these Bylaws to the competence of another body.

Article 13

Steering committee of the Association

13.1. Composition and qualifications.

- (a) The Steering committee has a total of 7 (seven) members.
- (b) The President of the Association, Vice-president, Treasurer, and Secretary are members of the Steering committee by duty.
- (c) Only Regular members can serve in the Steering committee.

13.2. Mandate period and elections.

- (a) Members of the Steering committee are elected by Regular member votes at the annual Assembly and for a 2 year mandate.
- (b) No single individual may be a member of the Steering committee for more than four (4) full, two (2) year mandates in a row (eight (8) years in total).

13.3. Steering committee sessions are convened by the:

- (a) The President; or
- (b) The Secretary, at a written request from the majority of the Steering committee's members.

13.4. Invitation to a Steering committee session.

- (a) Regular sessions of the Steering committee will be held with or without notice, at a date, time and place decided by the Steering committee, the President, or the Secretary;
- (b) Written invitation, when required, shall be sent by the Secretary and will:
 - (i) contain the date, time and place of the session;
 - (ii) be delivered by mail or declared in person to every member of the Steering committee at least fifteen (15) days prior to the session, or phoned, wired, faxed, emailed or reliably delivered by other means at least twenty four (24) hours prior to the session.
- (c) Activities discussed or the purpose of the Steering committee's session, are not required to be listed in the invitation or the cancelation notice for the Steering committee session.
- (d) Invitation to a session may be cancelled in writing before or after the date of the session by the Steering committee or the President.
- (e) Any member of the Steering committee present at the session in person or by proxy, will be considered notified of the session in a timely and appropriate manner.

- 13.5. Quorum. At every session, a quorum is established if at least one half of the Steering committee's members are present in person or by proxy.
- 13.6. Every member of the Steering committee is entitled to one (1) vote.
- 13.7. Steering committee of the Association:
- (a) approves the proposed Bylaws, and its amending regulations;
 - (b) approves proposals of other general Articles of the Association;
 - (c) decides on membership enrollment in the Association with accordance to the provisions of the Bylaws;
 - (d) leads disciplinary proceedings and decides disciplinary sanctions;
 - (e) approves the financial plan and outlines the budget;
 - (f) submits a report of Association activities to the Association's Assembly at least once a year, or at the request of the Association's Assembly;
 - (g) decides on the location change for the Association's headquarters;
 - (h) keeps the members and the public informed;
 - (i) approves the persons authorized to represent the Association with regards to activities which require additional expenses beyond those defined by the financial plan and any special provisions by the Steering committee.
 - (j) manages assets of the Association;
 - (k) appoints committees, task forces and other organizational and executive bodies which further the goals of the Association;
 - (l) approves and executes membership fee changes for all Association's members;
 - (m) approves and executes membership fee changes for specific membership categories;
 - (n) elects and dismisses the Executive Director of the Association
 - (o) carries out all other activities authorized by the Assembly of the Association.
- 13.8. In any case of there being an open chair in the Steering committee, the Assembly of the Association will appoint a new member of the Steering committee, who will act as a substitute until the end of the original mandate.

Article 14

Persons authorized for representation

- 14.1. Persons authorized to represent the Association are:
- (i) The President,
 - (ii) The Vice-President,
 - (iii) The Treasurer,
 - (iv) The Secretary, and
 - (v) Executive Director.
- 14.2. Beside the Executive Director, all persons authorized to represent the Association must be Regular members of the Association.
- 14.3. Persons authorized to represent the Association and listed in Article 14.1, beside the Executive Director, are elected and discharged by the annual Assembly through the majority vote of Regular members. The mandate period is two years.

- 14.4. According to the Article 13.7., Executive Directors are elected and dismissed by the Board of the Directors. The Association may have multiple directors and they are elected for an unlimited period of time.
- 14.5. The President, Vice-President, Treasurer, and Secretary may not serve more than two (2) full, two (2) year mandates (four (4) years in total).
- 14.6. Mandate of persons authorized for representation may be terminated early:
 - (a) at personal request,
 - (b) if he/she is not able to fulfill his/her duties for a period longer than 6 (six) months,
 - (c) by discharge.
- 14.7. Persons authorized for representation may be discharged when in violation of the obligations and responsibilities outlined in Article 16. or Article 9.4. (e)(f)(g)(h)(i)(j) within these Bylaws.
- 14.8. Discharge proceedings may be initiated at request from at least 1/3 of Regular members of the Association, except in the case of Executive Director.
- 14.9. Requests for discharge proceedings are discussed and decided by extraordinary Assembly sessions convened in accordance with the provisions of these Bylaws.
- 14.10. Persons authorized for representation, beside the Executive Director, will be discharged if the quorum of the extraordinary Assembly session ruled so, as prescribed by Article 12.4 of these Bylaws.
- 14.11. In case of premature mandate expiration of President, Vice-President, Treasurer or Secretary, the election proceedings for the appointment of a substitute are held at the extraordinary session of the Assembly for the rest of the mandate.
- 14.12. In case the President, Vice-President, Treasurer or Secretary is discharged, the substitute is elected and appointed for the rest of the original mandate during the same Assembly session.
- 14.13. Persons authorized for representation of the Association won't be held liable for any debts or obligations of the Association.

Article 15

The President, Vice-President, Secretary, and Treasurer of the Association

- 15.1. The President of the Association:
 - (a) is liable for the legality of Association's activities;
 - (b) manages activities of the Association in accordance with the Assembly's decisions;
 - (c) enters into contracts and takes other legal actions on behalf of the Association;
 - (d) depending on the guidelines by the Steering committee and the Assembly:
 - (i) oversees and manages the activities of the Association;
 - (ii) chairs all sessions of the Steering committee and the Assembly of the Association;
 - (iii) by appointment, the President does not have the right to vote, except within any of the bodies of the Association where he/she is a member;
 - (iv) is authorized and responsible to put in motion the orders and decisions made by the Steering committee.
 - (e) manages other activities in accordance with the law, the Bylaws, and any other Articles of the Association.

15.2. The President of the Association is required to submit an annual report of his activities to the Association's Assembly.

15.3. The Vice-President of the Association:

- (a) is responsible for the legality of Association's activities;
- (b) enters into contracts and takes other legal actions on behalf of the Association;
- (c) acts as a substitute for the President of the Association in all cases of absence;
- (d) automatically becomes the President of the Association in case the acting President is unfit for duty, resigns, or in case of decease. The mandate lasts until the Assembly elects a new President in accordance with Article 14.11.;
- (e) manages other activities in accordance with the law, the Bylaws, and any other Articles of the Association.

15.4. The Secretary:

- (a) is responsible for the legality of Association's activities;
- (b) enters into contracts and takes other legal actions on behalf of the Association;
- (c) maintains the member registry;
- (d) oversees storage and saving of all data pertaining to the activities of the Association;
- (e) drafts proposals for amending regulations to the Bylaws and other general articles passed by the Assembly of the Association;
- (f) convenes Assembly sessions, proposes the agenda and informs the members of all sessions, all in accordance with the Bylaws;
- (g) acts in accordance with all the informational requests by the CFA Institute;
- (h) manages record keeping of Assembly and Steering committee sessions;
- (i) delivers the records from regular Assembly sessions to the authorized office of the Associations Registrar;
- (j) manages the Association's archives, which involves the storage and saving of all data relating to the activities of the Association;
- (k) manages the Stamp of the Association and verifies authenticity of proceedings and activities conducted by persons authorized for representation, as well as their signatures and the signatures of other members;
- (l) manages other activities in accordance with the law, the Bylaws, and any other Articles of the Association.

15.5. The Treasurer:

- (a) is responsible for the legality of Association's activities;
- (b) enters into contracts and takes other legal actions on behalf of the Association;
- (c) is responsible for submitting the annual financial report to the Assembly;
- (d) oversees the inflow and outflow of funds in the Association's account;
- (e) maintains all the financial documentation and reports of the Association;
- (f) drafts the financial plan and financial report proposals, and performs other duties as required by the President and the Steering committee of the Association, in accordance with the articles of the Association;
- (g) manages other activities in accordance with the law, the Bylaws, and any other Articles of the Association.

15.6. The Executive Director:

- (a) is responsible for the legitimacy of the work of the Association;

- (b) shall conduct the affairs of the Association in accordance with the decisions of the Assembly;
- (c) is responsible for submitting the Annual Financial Report to the Assembly;
- (d) submits the minutes from the regular session of the Assembly to the competent office that keeps the Register of associations;
- (e) concludes contracts and undertakes other legal actions on behalf of the Association;
- (f) performs other tasks in accordance with the law, statute and internal acts of the association.

Article 16

Other bodies of the Association

- 16.1. The Association may establish other bodies necessary to achieve the goals of the Association, in accordance with the Bylaws of the Association and the following conditions:
- (a) Every established body will be supervised and controlled by the Steering committee. The Steering committee has the authority to discharge the president and every member of the body.
 - (b) Every established body must adhere to the same procedural rules which apply to the Steering committee of the Association with regards to session notices, quorum, and voting.
- 16.2. The decision to establish or discharge other bodies is made by the Steering committee of the Association. The decision to establish a body will include the structure, goals, rights and obligations of the body and its members, and its mandate length, under the following conditions:
- (a) The President of every established body must be a Regular member of the Association;
 - (b) The President of the established body is appointed by the President of the Association with the approval from the Steering committee;
 - (c) Presidential mandate of the established body is one (1) year, or longer if the Steering committee decides, or until a qualified successor is elected;
 - (d) The President of the established body shall serve no more than three (3) successive mandates, except in cases when qualified successors are absent;
 - (e) The President of each established body proposes other members of the body to the Steering committee, for a one (1) year mandate, or longer if the Steering committee decides, or until qualified successors are elected;
 - (f) All members of the established body shall serve six (6) successive mandates in a row at most (including time spent as president of the body), except in cases when qualified successors are absent;
- 16.3. The established bodies are obligated to submit written reports to the Steering committee at least once every year, detailing their activities since the last report.

Article 17

Merging and organizational forms of the Association

- 17.1. The Association may join similar associations and organizations in Croatia and abroad, and may cooperate with them. The decision on the Association's joining any federation of associations, unions, networks and similar organizations in Croatia and abroad shall be adopted by the Steering committee of the Association.
- 17.2. The Association may establish branches in other places within the territory of the Republic of Croatia. Branches are established to further the goals of the Association as well as to increase operational efficiency. Branches shall not have the status of legal entities. The decision to establish or discharge branches is made by the Assembly at proposal from the Steering committee of the Association.
- 17.3. The internal structure, jurisdiction, and other rights of the branches shall be governed by the Rules of Procedure for branch activities. Rules of Procedure must be in accordance with the Bylaws and passed by the Assembly at the proposal of the Steering committee of the Association.

Assets, acquisition and management of Assets

- 18.1. Association's assets consist of funds that the Association gained from membership fees, voluntary contributions and gifts, funds obtained from economic activities of the Association, financing of Association's programs and projects from the national budget and the budgets of local and regional governments, as well as funds and/or foreign sources, other monetary assets acquired in accordance with the law, and its immovable and movable property, and other property rights.
- 18.2. The Fiscal year of the Association begins on January 1st every year.
- 18.3. The Association uses its assets only for achieving the goals and performing activities defined by the Bylaws, and in full accordance with the Law.
- 18.4. Property is managed only by persons authorized to represent the Association, in accordance with decisions by the Steering committee and the internal articles of the Association.

Article 19

Professional conduct

- 19.1. The Association adopts the code and the standards of the CFA institute as a constituent part of these Bylaws and all Regular and Affiliate members must act in accordance with their provisions.
- 19.2. Members of the Association in all matters of interest and importance to the Association must act honorably, honestly, conscientiously, responsibly and impartially abiding to their own credibility and the credibility of the Association.
- 19.3. In performing the activities of the Association members should not put their private interest above the interests of the Association.
- 19.4. Every person may address the Association or the President in writing, with regards to Code and standards violations by any member. The Association shall pass these complaints to the professional conduct program at the CFA Institute. Complainant may request that the complaint remains sealed until received by the CFA Institute.

Article 20

Termination of the Association and asset management in case of termination of the Association

20.1. The Association is terminated by the following:

- (a) the decision by the Association's Assembly to terminate the Association,
- (b) the decision by the Association's Assembly to merge with another association, affiliate with another association, or through a division of the Association into separate entities,
- (c) other instances in accordance with the Law.

20.2. The Decision by the Association's Assembly in the preceding paragraph shall be taken by a three fourths (3/4) majority vote of all members of the Assembly.

20.3. Association liquidator:

- (a) is appointed by the Assembly of the Association;
- (b) shall represent the Association in the liquidation procedure: he/she shall initiate the liquidation procedure and register his/her name in the Register of Associations as the person authorized to represent the Association until the liquidation procedure is closed and the Association erased from the Register of Associations.
- (c) may be a natural or a legal person, noted as liquidator in the Register of Associations. The liquidator does not have to be a member of the Association.

20.4. Procedure in the event of termination of the Association:

- (a) The liquidator shall represent the Association in the liquidation procedure: he/she shall initiate the liquidation procedure and register his/her name in the Register of Associations as the person authorized to represent the Association until the liquidation procedure is closed and the Association erased from the Register of Associations.
- (b) no member has the right to distribute or divide the assets or earnings of the Association.
- (c) in the case of its termination, after the creditors' claims have been settled and the cost of liquidation, judicial and other procedures covered, the Association's assets shall be given to an organization, institution or foundation whose goals stipulated in their Bylaws are the same or similar. based on the decision of the Association's Assembly.
- (d) in the event that for any reason the Assembly of the association cannot convene and decide on the above paragraph, the remaining assets are acquired by the City of Zagreb.

Article 21

Dispute and conflict of interest resolution within the Association

21.1. If there is a dispute between members of the Association which negatively affects or prevents Association's activities and cannot be resolved through the procedures outlined in these Bylaws, the members of the Association are obligated to attempt a peaceful reconciliation. If a peaceful agreement is not achieved, the dispute will be settled by the court of law.

21.2. In the event that the private interest of a member of the Association is contrary to the interests of the Association, or when such private interests interfere or may affect the

impartiality of the member while performing Association's activities, such member is obligated to notify the Steering committee without delay, and if possible, to cease any such activities.

- 21.3. In case of doubt about a possible conflict of interest, any member of the Association may request the opinion of the Steering committee. In case the Steering committee establishes that a conflict of interest exists, the President of the Association is obligated to discharge that member in order to protect the interests of the Association.

Article 22

Transitional and final provisions

- 22.1. The Bylaws are the fundamental act of the Association and all other internal acts must be in accordance with the provisions of the Bylaws.
- 22.2. The Steering committee of the Association shall consider comments and suggestions received from the members, adopt its position and finalize the proposal of the By amendments to the Bylaws and amendments of any other acts.
- 22.3. Draft amendments to the Bylaws must be supported by at least two members of the Steering committee and submitted to the Secretary at least 7 (seven) days before the next Steering committee session. The secretary shall pass on the proposed amendment to all of the members of the Steering committee at least 3 days before the session.
- 22.4. All internal issues of the Association and its bodies, and all other issues that are not regulated herein but require detailed elaboration, shall be regulated by the general acts adopted and interpreted by the Steering committee.
- 22.5. This Statute shall enter into force upon its adoption.