

**STATUTE
OF BUSINESS ASSOCIATION OF PLASTIC INDUSTRY JUPLAS-BELGRADE**

Original version May 2001

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JUPLAS on June 27, 2007

Translation correspond to original version in Serbian language

Belgrade, June 2007

Based on Contract of association in Business Association of Plastic Industry „Juplas“-Belgrade Assembly on its session from June 16, 2007 adopted

S T A T U T E

Of Business Association of Plastic Industry „Juplas“-Belgrade

I GENERAL DECREES

Article 1.

This Statute regulates rights and obligations of enterprises and business organizations which become associated in Business Association of Plastic Industry „Juplas“-Belgrade (in further text Business Association) as well as status, rights and obligations of Business Association toward associated enterprises, in accordance to principles of equality, solidarity, full concord and responsibility.

In Business Association partners become enterprises whose main activities are production and processing of plastics as well as the other ones with other main activities who have divisions in their structures occupied with production and processing of plastics.

Partners in Business Association are also enterprises whose activity is manufacture of equipment and tools for plastics processing, turnover of plastics goods and their manufactured products on domestic and foreign market, development and research institutions and all other enterprises who can find their interest for becoming associated members.

Members of Business Association may become independent handicrafts who are engaged with activities from paragraph 1-3 of this Article if they have more than 15 employees. Independent handicrafts stores with less than 15 employees may become join members without plenipotentiary status of associated members.

II BUSINESS ASSOCIATION AND ITS HEADQUARTERS

Article 2.

Business Association operates under full and shorten names

Full name of Business Association:

Plastic Industry Business Association JUPLAS, Belgrade, Svetog Save 1.

Shorten name: PU JUPLAS-Belgrade

Business Association has its trademark in stylized letters J and P in red and blue colors

Article 3.

Business Association is juristic person with rights, obligations and responsibilities according to Constitution, Law and Contract.

Article 4.

Headquarter of Business Association is in Belgrade, street Svetog Save 1.

Headquarter of Business Association can change its location only by adequate decision of Assembly of Business Association

III TARGETS OF ASSOCIATION AND AFFAIRS OF MUTUAL INTEREST

Article 5.

Main targets for association are undertaking activities for making progress in better information, organization of production and disposal of goods, appearance on foreign market and realization of profit of associated members.

To achieve basic targets „Juplas“ undertakes all activities in this sense, and first of all:

- Follow preparation of laws, regulations and decrees and before their final forms represent interests of members in front of state organs and institutions
- Inform members about passed laws, regulations and decrees which refer to activities of members
- Take measures for change and addition of laws, regulations and decrees which affect members
- Take care about coordination of production programmes of members in order to ensure economical, rational and full usage of operating capacities
- Follow trends in production, export and import and inform members about these facts
- Take measures for uniform and continuous supply of raw materials for members
- Make investigation of domestic market and bring into accord appearance of members in sections of producers for specific products
- Follow trends on foreign markets with basic intention to increase export, organize common exhibitions on fairs, participate in talks during visits of foreign economic delegations and find possibilities for import-export cooperation either for individual members or their groups in order to increase export
- Organize common promotive actions of members (presentations, lectures, exhibitions etc) on domestic and foreign fairs and exhibitions in order to ensure successful presentations of their products
- Organize common work on bringing standards in the field of plastics and their harmonization with international standards
- Take measures for environmental protection but also defend members from unfounded attacks
- Coordinate work with mechanical industry in order to ensure faster development of domestic machinery and molds for plastics processing
- Work on creation the conditions for education and permanent schooling for professional personnel inside members
- Coordinate with foreign associations in the field of plastics and machinery and provide the corresponding information from them
- Procure professional information and supply members with them or instruct members to refer to corresponding institutes, organizations and individual experts for their needs or insure data from foreign associations

IV ACTIVITIES OF BUSINESS ASSOCIATION

Article 6.

Business Association will perform the following work:

91110 Activity of business associations

V MANNER FOR PROVIDING RESOURCES FOR OPERATION OF BUSINESS ASSOCIATION

Article 7.

Resources for work and operation of Business Association are provided by its members, or in other words beneficiaries of services.

Article 8.

Manners and amounts of funds for work of Business Association, provided by members and other users of services, are established by Assembly of Business Association based on plans of operational and financial costs latest until end of current year for next year.

Article 9.

Members of Business Association invest part of their resources to insure necessary funds for operation of Business Association. Resources invested by members remain property of Business Association for the whole period of its existence.

Article 10.

Extent of funds invested by members amounts to 1500,00 dinars per each of them and is the same for all members. Based on financial plans the extent of these funds can be increased in the next year.

Article 11.

Newly named members of Business Association invest part of their resources as other members of Business Association.

Article 12.

If during the year appears need for increase of resources Assembly may bring decision about increase of these funds, based on previously made financial analysis.

Article 13.

Members of Business Association have obligation to bear expenses for operational work of Business Association according to yearly preliminary estimate, i.e. financial plan and final settlement. During the year members pay compensation (member's contribution) according to yearly plans of total costs.

Compensation consists of two parts:

-Fixed part (25% of total costs delivered by total number of members)

-Variable part in extent to 75% which are distributed on associated members who produce or process plastics and producers of equipment for plastics processing, according to extent of realized income in this production in previous year and by scale established by Assembly of Business Association which determines maximum amount of contribution.

Joined members from Article 1. of this Statute pay yearly contributions according to the decision of Assembly in advance for one year.

Article 14.

Until the acceptance of final settlements from members resources for work of Business Association are provided by members, taking into account obligations from last quarter of previous year increased by percentage of inflation in that quarter.

The established contributions according to Article 13. is paid each month or quarterly, on the beginning of each month or quarter and successively brought into accord with retail prices in previous quarter.

Deadline for paying the members contributions is 15 days. After that period interest is charged as penalty for tardness.

At inflation higher than 5% annually invoices are prepared and sent to members each month and are brought into accord with changes of retail prices in previous month. Depending on extent of inflation reconciliation may be done for more months especially for period when it is not calculated.

Article 15.

Members will provide additional resources for work of Business Association if it is necessary for normal operation and realization of programme.

Additional resources from previous paragraph are provided according to established criteria from Article 13. of this Statute and Assembly make decision about that based on detailed financial analysis.

VII MANNERS OF ACTING OF BUSINESS ASSOCIATION IN LEGAL COMMERCE

Article 16.

Business Association acts in legal commerce in its name and in the name of members.

For obligations taken over in legal commerce Business Association is responsible with its entire property and members with principle of solidarity up to the extent of invested resources.

Business Association may act in legal commerce in the names of its members and for its account and also with their permission whereby for such obligations members took full responsibility

Members of Business Association are not responsible for obligations made by Business Association.

VIII RIGHTS AND OBLIGATIONS OF BUSINESS ASSOCIATION MEMBERS

Article 17.

Rights and obligations of Business Association members are the same for all members.

Joint members accomplish their rights according to decisions of Assembly and participate in work of Assembly without rights to vote over its representatives.

Article 18.

Rights of associated enterprises are:

1. To participate in work of Business Association over its representatives
2. To participate in managing of Business Association
3. To use services of Business Association
4. To participate in making decisions for adoption of new members
5. To choose and to be chosen in organs of Business Association
6. To participate in making decisions for all questions in spheres of activity of Business Association

7. To propose measures for suitable performance of tasks and to give contributions for solving problems which are of interest for all members
8. To resine form Business Association
9. To decide about cessation of existance and work of Business Association
10. To use other rights as well which originate from Law and work of Business Association

Article 19.

Obligations of each member of Business Association are:

1. To carry out completely all obligations originated from this Statute, especially concerning concluded Contract, agreements inside Business Association and decisions made by Business Associations organs.
2. To cooperate on realization of achieved aims and tasks of Business Association
3. To offer data and information on time necessary for realization of tasks of Business Assopciation
4. To fulfill its financial obligations on time towards Business Association
5. To keep a business secret.

Article 20.

Member of Business Association who does not perform the obligations from Contract and this Statute, does not follow the decisions of Assembly and its organs and violate the work of Business Association may face with following measures:

- oral warning
- written warning
- breaking of a Contract
- payment of obligations by court procedure

Decision about items 1-3 is made by Executive Board and about point 4. by Director of Business Association.

Article 21.

Conceivable disputes from business relations among associated enterprises as well as between enterprises and Business Association will be solved first of all by mutual agreement and if it is not possible by arbitration.

The composition of arbitration determines Executive Board taking care that adequate experts are represented for matter of dispute.

If the dispute can not be solved by arbitration discrict economic court is competent in such case.

IX BUSINESS ASSOCIATIONS GOVERNING AND OTHER ORGANS

Article 22.

Business Association is governed by members over their representatives

Article 23.

Organs for governing of Business Association are:

- Assembly of Business Association
- Executive Board of Business Association
- Director of Business Association

Control organ is

- Control Board

Article 24.

The highest organ for governing Business Association is Assembly of Business association(in further text Assembly)

Assembly consists of representatives of enterprises who adopted and signed Contract.

In operational work of Assembly participate also joint members without right to vote.

These representatives are chosen by Council of the handicrafts companies so that up to 10 members there are 1 representative, for 10-20 of them 2 and so on.

In case that chosen representatives can not be present on the session of Assembly they can be replaced by other one with permission for this session.

Assembly is constituted by election of President and Vice-President who are elected for four years.

Article 25.

Assembly works in plenary sessions.

For valid work of Assembly the presence of more than half of representatives, from total number of members, is needed, whereby these members who are in period required for giving notice are not included if they are not present.

Decisions brought by Assembly are valid if two thirds of present representatives vote for them.

As an exception in present representatives on the session may be included those members who gave their written permission on proposed decisions.

For making conclusions, recommendations and directives the majority of present representatives is needed

Article 26

Assembly sessions are convened when it is needed but at least two times annually, in first quarter due to adoption of final account and in fourth quarter due to adoption of financial plan.

Sessions of Assembly are convened by President, i.e. Executive Board in coordination with President, as well as on the request of one third of members of Business Association.

Procedures of convocation, work and bringing decisions are established by operating procedure about work of Assembly.

Article 27.

Decisions of Assembly are obligated also for those members of Business Association who were not present when decisions were brought.

Work of Assembly is reflected in bringing decisions, conclusions, recommendations and directives.

Article 28.

Assembly determines about those questions-business affairs of common interest which refer to business policy and basic questions of governing of Business Association, and particularly:

1. Adopt operational programme for Business Association
2. Adopt plan of work and financial plan for Business Association
3. Adopt final account and report about work and managing affairs in Business Association
4. Adopt Statute of Business Association
5. Determine about acceptance of new members and cessation of members in Business Association in second stage

6. Choose and revoke members of Business Association for Executive Board and Control Board
7. Bring operating procedure about its work and other documents of Business Association
8. Consider and determine about taking measures against members of Business Association
9. Propose changes and additions to founding acts of Business Association
10. Consider and determine about other essential questions which originate from targets and common interest of members
11. Bring decisions about purchasing of real estate
12. Determine and approve the organization of service department of Business Association
13. Bring decisions about cessation and existence of Business Association
14. Form permanent and periodical councils and commissions for individual questions and determine its spheres of activities
15. Appoint and release Director of Business Association

Article 29.

Executive Board takes measures about the decisions of Assembly and realizes business affairs of common interest

Members of Executive Board are chosen by Assembly taking into account that members from all existing sections are represented.

Assembly may change number of members of Executive Board in accordance with increase of members.

Member of Executive Board means enterprise, member of Business Association, which is represented by its chosen person

President and Vice-President of Assembly can not be members of Executive Board.

Representative of Executive Board may be changed by other person who brings written permission for this session.

Article 30.

Executive Board counts to 15 members

Mandate of Executive Board members is four years, but Assembly may release them before the time has expired unless they do not obey to Assembly decisions, decrees of this Statute and Law as well as if they are in period required for giving notice.

Executive Board choose President and Vice-President among members according to the established procedure.

Article 31.

Work of Executive Board takes place on its sessions

Executive Board works in accordance with operating procedure

Executive Board is responsible to Assembly and is obligated to submit a report for its work on each session of Assembly

For legal work of Executive Board the presence of more than half of the representatives from total number of members is needed

Decisions are brought by majority of two thirds of present persons

As an exception in present persons may be counted the representatives who gave written permission on the proposed decisions.

For bringing conclusions, proposals and directives the simple majority of present representatives is needed

Article 32.

Executive Board of the Assembly of Business Association carry out the following affairs:

1. Consider and prepare questions and proposals for normal operation of Assembly
2. Take care that business affairs transmitted from members to Business Association are done on time and in accordance with interests of members
3. Take measures for improvement and advancement of work aiming in better achievement of tasks of Business Association
4. Take measures for conservation, legal use and rational utilization of property of Business Association, make decisions about writing off a small inventory and unpayable demand
5. Consider and adopt periodic accounts and give proposals to Assembly for adoption of final settlement
6. Determine about purchasing of basic resources of Business Association except about real estate
7. Follow the work of sections
8. Bring operating procedure about its work
9. Form permanent and periodical commissions as its advisory bodies
10. Prepare and adopt drafts of agreements of interests for associated members
11. Determine about acceptance of new members in Business Association and cessation of membership in the first stage
12. Determine about all other affairs which are given to its jurisdiction from Assembly
13. Submit a report to Assembly about its work
14. Bring conclusions, recommendations and directives
15. Appoint and release employees from service department of Business Association

Article 33.

Executive Board has following permanent committees:

1. Committee for technical-technological questions
2. Committee for marketing and prices
3. Committee for export and import

Members of above mentioned committees are appointed by Executive Board from members experts and Executive Board determines their number and composition

Committees choose presidents among them.

For its work and completion of entrusted tasks on time they are responsible to Executive Board.

Article 34.

During solution of individual complex questions, which may appear in connection to work of Business Association, Executive Board may form temporary commissions with definite task. When entrusted task is finished these commissions cease to exist

X DIRECTOR OF BUSINESS ASSOCIATION

Article 35.

Business Association is managed by Director.

Article 36.

Assembly nominates or choose by open competition Director of Business Association. Mandate of Director lasts four years.

Article 37.

Director of Business Association is chosen by Assembly based on the proposal of competition commission. Competition is carried out upon Law and this Statute.

If Assembly does not accept the proposal of competition commission new competition is announced and acting director is nominated on this position.

Article 38.

For Director of Business Association may be appointed a person who, besides proposed conditions by Law, satisfy the following conditions:

1. To possess university level qualification
2. To have experience of minimum five years in economy
3. To propose the corresponding programme of work of Business Association

Article 39.

Assembly of Business Association may release Director of Business Association and announce open competition to fill the position of Director before expiration of his mandate if Assembly conclude that he has not accomplished successfully the required mission or did not carry out the aims established in Contract or Statute or on his own request.

Article 40.

Tasks of Director of Business Association are to:

- Organize and coordinate work on realization of targets and annual operational plans of Business Association
- Ensure application of legal regulations, agreements and general documents of Business Association
- Represent Business Association
- Take care about execution of decisions, conclusions and solutions made by Assembly and Executive Board
- Submit business and financial reports
- Insure preparation of materials for work of Assembly and its managing organs
- Propose, together with service department, extent of compensation, which is provided by members of Business Association, for employees in service department for their work
- Carry out all other affairs committed by Law and other regulations as well as by corresponding decisions, conclusions and solutions of managing organs of Business Association
- Suggest nomination and release of employees in service department
- Bring decisions about purchasing of basic resources up to value of 20.000 dinars
- Issue travel orders inside the country
- Bring decisions for domestic travel orders
- Bring decisions for foreign travel orders in agreement with president of Executive Board and make reports about this activity to Executive Board
- Form the following councils:
 1. Council of directors of enterprises in public properties
 2. Council of owners-directors of private, mix enterprises and handicraft companies with more than 50 employees(all members)
 3. Council of owners of handicrafts stores(all join members)

Article 41.

Service department of Business Association does not represent a juristic body
Number of employees, organization and manner of work of service department, rights, duties and responsibilities of employees are determined by Assembly of Business Association based upon the propositions of Director of Business Association.
Director of Business Association manages the work of service department
Persons employed in service department accomplish their rights and obligations over Assembly of employed workers, in accordance with collective agreement

XI ADMISSION TO BUSINESS ASSOCIATION

Article 42.

All enterprises who carry out the same or related affairs and sign a Contract, i.e. fill the application form may admit to Business Association.

Article 43.

Enterprises who wish to admit to Business Association submit written request to executive Board of Business Association and attach the excerpt from court register and final account about their business results (final settlement and periodical reports).

Article 44.

After reception of documentation Executive Board check legality and economic behavior of applicant over corresponding organs, organizations and all members
Executive Board bring decision about acceptance or rejection of request.
In case of negative decision applicant has a right to complain to Assembly of Business Association.
Decision of Assembly is final.

Article 45.

Rights and obligations of members of Business Association start from date of signature of Contract, i.e. application form for new members. With the signed application form new members give their agreement on decrees of Contract and Statute of Business Association.

Article 46.

Business Association is member of general Association of Serbian Chemical Industry according to Law of associations and societies of Serbian Chamber of Commerce,

XII CESSATION OF MEMBERSHIP IN BUSINESS ASSOCIATION

Article 47.

Membership in Business Association cease with:

1. Resignation from Business Association
2. Cessation of existence of member
3. Cessation of work of Business Association
4. Breaking of Contract with associated enterprise who does not perform in longer period its duties established by this Statute and Contract

Article 48.

Each member may resign from Business Association by written notice.

Member of Business Association may resign its membership but within period of one year, counting from date of delivery of written decision of associated enterprise to Business Association. During duration of period for giving notice associated enterprise is obliged to perform all obligations from this Statute and has all rights but only in case if performs its duties.

Article 49.

Member of Business Association who resigned is also obliged in all respects which may occur during its membership in Business Association in the period of duration of giving notice.

Member of Business Association who does not sign changes and additions of Contract, which are in accordance with Law, is considered as resigned member with period required for giving notice mentioned in this Statute.

Term „cessation of existence of member“ (Article 47, paragraph 1 point 2) means liquidation of member counting from date of beginning of bankruptcy proceeding, notice of withdrawal of business activities and significant destruction caused by higher force.

In case of starting of bankruptcy proceeding member is not obliged to pay contribution to Business Association counting from date of beginning of bankruptcy but keeps all rights and other obligations predicted by Statute of Business Association. By coming out of insolvency the obligation for payment of contribution is restored.

In case that member is divided into two or more parts, i.e. juridical subjects, they both (or more of them) have solidarity obligation to pay proportional part of contribution one year. By signing the application form for continuation of membership to Business Association newly created member pays contribution according to the established scale of contribution and releases of paying contribution upon solidarity.

In case of merging of two or more enterprises the newly created juridical subject, i.e. enterprise has obligation for payment of contribution for earlier members in period of one year or if new member sign application form for admission to Business Association the contribution is paid upon established scale which is valid for all other members.

Article 50.

Business Association may cease with work when all associated members decide that Business Association should cease to exist or when circumstances appear according to Law.

Based on decision of Business Association members about cessation of work of Business Association Assembly of Business Association and director will perform liquidation of Business Association. In period which can not be shorter than three months all obligations of Business Association should be performed as well as the settlement of all demands and concerning the employees from service department an attempt should be made to ensure the continuation of their work at associated members or in other juridical subjects if possible.

XIII FINAL AND TRANSITIONAL DECREES

Article 51.

All chosen members of Administration Committee, Presidents and Vice-Presidents of Administration Committee, Assembly, Councils and Sections as well as Director of Business Association continue to do their jobs until the expiration of their mandate for which they are chosen.

Article 52.

Employees in Business Community Juplas continue to do their jobs as employees of Business Association Juplas.

All documents and acts of Business Community from the sphere of working relations, distribution, common consumption, protection at work, internal organization, accountancy, documentations etc. are valid until the new ones are brought.

Article 53.

Property as well as all rights and obligations of previous Business Community pass on Business Association Juplas.

Article 54.

Everything what is not regulated with this Statute and concerns of achievement of common interest and targets of associated enterprises will be regulated by appropriate decisions and manners of Assembly and Executive Board.

Article 55.

Statute goes into effect when it is adopted by Assembly.

Belgrade, 27.06.2007.

President of Assembly of
Business Association Juplas

Božidar Kokora

Translation correspond to original version in Serbian language