

Preamble

The founders of the Association express their strong commitment to the sustainable development of responsible tourism, the promotion and support of cultural diversity and regional cooperation in the middle and lower Danube region;

The founders decided to incorporate the organization in the form of an association which will facilitate the goals as stipulated in the Incorporation Act of the Association, as a model of regional cooperation in the field of responsible tourism;

In order to define the organization and the functioning of the Association, the Initial General Assembly, held in Belgrade on February 23, 2010 in accordance with Article 12 of the Law on Associations ("Official Bulletin of the Republic of Serbia" No 51/09, hereinafter referred to as "the Law"), adopted the following

ARTICLES OF ASSOCIATION



Article 1

Business Name and Seat of the Association

1.1 The Association "Danube Competence Centre", hereinafter referred to as: "the Association", is founded as a voluntary and non-profit organization for an indefinite period of time with the aim to achieve goals in the field of tourism and economy.

1.2 Upon its inscription with the Register of Associations of the Serbian Business Register's Agency, the Association acquires the status of a legal entity under Serbian law.

1.3 The full name of the Association is as follows:

ДУНАВСКИ ЦЕНТАР ЗА КОМПЕТЕНЦИЈУ

1.4 The abbreviated name of the Association is as follows:

ДЦЦ

1.5 The English translation of the name of the Association that shall be inscribed with the Register of Associations of the Business Register's Agency is

DANUBE COMPETENCE CENTRE

1.6 The abbreviated name of the Association in English is:

DCC

1.7 The Association shall have its seat in **Belgrade, Cika Ljubina 8/I.**

1.8 The working language of the Association shall be English. Other languages may be used if decided by the General Assembly of the Association.

Article 2

Visual Identity of the Association

2.1 The Association shall have a seal comprising the full name of the Association.

2.2 The Association may have its sign, logo and other symbols.

2.3 The Association's business correspondence and other documents shall contain data on the name of the Association, address, seat, sign and telephone number.

Article 3

The Association's Goals and Ways to Achieve them

3.1 The Association is founded to achieve the following goals:



- i) to contribute to the integration of interests, projects and activities in the field of tourism of the countries of Middle and Lower Danube (hereinafter referred to as “the Danube region”);
- ii) to participate in the development of long-term transnational cooperation in the field of tourism in the Danube region.


3.2 The Association will perform the following activities to achieve the goals stipulated in Article 3.1 herein. These include but are not limited to the following:

- i) Identifying, supporting and bringing together the supported partners for planning and implementation of projects designed to achieve the goals stipulated herein;
- ii) Designing projects which connect and strengthen the Danube Region;
- iii) Supplying know-how for the implementation and execution of projects;
- iv) Increasing the sustainability of projects by strengthening agents in the Danube region and networking them transnationally;
- v) Promoting awareness of the Danube region (Danube conferences, supporting co-operation network of cities and regions, etc.);
- vi) Building advisory and implementation capacities;
- vii) Profiling and networking projects and institutions under the aspect of EU compatibility;
- viii) Providing mutual consultation and brokering support between the various institutions, organizations and ministries;
- ix) Transfer of good practices;
- x) Supporting the application for and integration of third-party funds (EU applications etc.);
- xi) Running training programs on the development of planning and implementation skills of professionals.

3.3 In order to establish public availability of work of Association, the Board of Directors shall maintain a regular flow of information to the members of the Association and publish its work and activities, directly or by internal publications, public notifications or in other adequate manner.

Article 4

The Property and Performance of the Activities of the Association



4.1 The Association may acquire property through membership fees, contributions and gifts (in cash and kind), donations, subsidies, financial contributions from third parties, interest gained from contributions, rental fees, dividends and other sources in accordance with the Law.

4.2 The property and incomes of the Association shall be used exclusively to achieve the goals stipulated in Article 3.1 and no part of the property and incomes shall be directly or indirectly allocated to members of the Association, members of the bodies of the Association, its employees or any person affiliated hereto.

4.3 The provision of Article 4.2. shall not be related to small gifts and compensation of the justified costs occurred in the course of achieving the goals of the Association (travel expenses, accommodation costs, stipulated obligations of the Association and payment of salaries to employees).

4.4 For achieving its goals, the Association will perform a commercial activity at an adequate level:

- **the code 74402 -Other services of advertising and public relations** (in accordance with Serbian Law on Classification of Activities, "Official Bulletin of the FRY" No 31/96, 34/96-amendment, 12/98, 59/98 i 74/99)

4.5 The commercial activity stipulated in Article 4.4 shall be inscribed in the relevant register and performed in accordance with regulations which govern the field of the commercial activity.

4.6 The Association is not allowed to perform the commercial activity stipulated in Article 4.4 until the respective activity has been recorded in the relevant register.

Article 5

Membership, Membership Rights, Responsibilities and Membership Fees

5.1 With the intention and commitment to promote and achieve the goals and implement activities, both natural persons and legal entities under private or public law (companies, associations, organizations, institutions) of the Association, may become members. Membership in the Association is voluntary.

5.2 Members that are legal entities are obliged to appoint a natural person who will represent them within the Association and to provide the Association with decision on nomination of such natural person. In case that the legal entity does not submit the respective decision, it is assumed that legal representative of such legal entity represents the legal entity within the Association. In case of change of the appointed natural person/legal representative, the member is obliged to inform the Association immediately on the change.

5.3 There shall be three different types of membership in the Association.

- i) Active Members
- ii) Associated Members
- iii) Patrons

5.4 Active Members

5.4.1 Active Members are natural persons or legal entities which support the goals and participate actively in the activities of Association and pay membership fees.

5.4.2 Active Members have the following rights and responsibilities:

- i) to participate at the General Assembly;
- ii) to vote at the General Assembly;
- iii) to submit motions to the General Assembly;
- iv) to receive the annual report and information regarding the Association;
- v) to actively support the Association in fulfilling its goals and activities;
- vi) to adherence to the present Articles of Association and resolutions of the Association;

- vii) to inform the General Secretary of the Association immediately of any change on personal data.

5.4.3 The membership fees for Active Members are determined annually by the General Assembly.

5.4.4 Each Active Member is authorized to initiate a procedure before the competent court for annulment of a general act of the Association rendered against the Articles of Association or other general acts of the Association, e.g. for annulment of an individual act of the Association rendered against the law, the Articles of Association or any other general act of the Association. The said procedure shall be initiated within 15 (fifteen) days of becoming aware of an act and with 6 (six) months upon an act is rendered, at the latest.

5.4.5 The rights acquired by third persons in good faith shall not be endangered by annulment of the acts referred to in the previous paragraph.

5.5 Associated Members

5.5.1 Associated Members are natural persons and legal entities who support goals and/or participate in the activities of the Association. Associated Member is entitled to submit request for active membership under the terms and conditions stipulated herein.

5.5.2 Associated Members have the following rights and responsibilities:

- i) to participate at the General Assembly – they do not, however, have voting rights;
- ii) to receive information regarding the Association;
- iii) to support the Association in fulfilling its goals and activities;
- iv) to adherence to the present Articles of Association;
- v) to inform the General Secretary of the Association immediately of any change on personal data.

5.6 Patrons

5.6.1 Patrons are legal entities or natural persons providing exceptional financial and/or professional commitment to the Association.

5.6.2 Patrons are entitled:

- i) to appoint a person who acts as a representative for the member and as a contact for the Association;
- ii) to participate at the General Assembly - they do not, however, have voting rights.

Article 6

Membership Application

6.1 Applications for membership in the Association must be submitted in writing to the Board of Directors.

6.2 The application for associated membership shall be accompanied by the statement confirming that the candidate is aware of the contents of the Articles of Association and a written recommendation of one Active Member.


6.3 An Associated Member may apply for active membership within one year upon acquisition of the status of associated membership. The application for active membership shall be accompanied by a statement confirming that the candidate is fully aware of the contents of internal documents of the Association, and a written recommendation from one Active Member.

6.4 The Board of Directors will render the resolution on acceptance of the candidate within four weeks upon submission of the application.

6.5 The General Secretary will inform the member of the acceptance by sending a notification on admission to the member by registered mail.

6.6 Membership of new Active Members begins upon the first payment of the

annual membership fee. Membership of Associated Members begins upon receipt of the notification on admission to the Associated Member.



6.7 Membership fees for forthcoming period must be paid upon receipt of the membership fees billing statement by the end of April of each calendar year, at the latest.

6.8 The Board of Directors addresses the written invitation to a Patron to join the Association. The Patron provides the Board of Directors with the written notification on the acceptance of the invitation from which moment his membership status begins.

Article 7

Termination of Membership

7.1 Membership is terminated by resignation, expulsion, death of the natural person and loss of legal status of a legal entity.

7.2 A member's resignation from the Association takes effect at the end of any given fiscal year if written notification of such resignation is received by the Board of Directors, at least 3 months prior to the end of that fiscal year.

7.3 If, despite three written reminders, the annual membership fees are not paid, the Board of Directors shall render the decision on expulsion.

7.4 Additionally, a member can be expelled by the Board of Directors due to severe breach of the Articles of Association, criminal act committed or when bankruptcy or liquidation proceeding is initiated against the member, upon a written request by an Active Member or General Secretary to the Board of Directors.

7.5 The Board of Directors shall determine the existence of the grounds for expulsion and accordingly, submit the invitation to the member to provide Board of Directors with the relevant statement. The Board of Directors shall render the decision upon the request for expulsion within thirty days upon receipt of the

member's statement. Decision on the expulsion of the member shall be delivered to the respective member within 15 days upon rendering the decision on the expulsion.

7.6 Neither voluntary resignation nor expulsion from the Association shall absolve the member from the obligation to pay past due membership fees, nor shall they be construed to imply claims against reimbursement of membership fees already paid.

Article 8

Bodies of the Association

8.1 The Association has the following bodies:

- a. General Assembly;
- b. Board of Directors;
- c. President of the Association;
- d. General Secretary.

8.2 Except for the General Secretary, all persons being members in the bodies of the Association do not receive any consideration for their membership in these bodies. Expenses that arise in the course of performing their duties can be reimbursed by the Association on the instruction of the Board of Directors.

Article 9

General Assembly

9.1 The General Assembly consists of all Active Members of the Association.

9.2 Each Active Member has one vote at the General Assembly.

9.3 An ordinary session of the General Assembly is held once per year. The Board of Directors issues invitations accompanied by an agenda and the drafts of the proposed decisions to be rendered and information on the date and place where the session is to be held at least six weeks prior to the date of the ordinary session.

9.4 An extraordinary session of the General Assembly shall be convened if a respective request, including an agenda and the drafts of the proposed decisions to be rendered, is submitted in writing to the Boards of Directors by one-third of the Active Members. Additionally, an extraordinary session of the General Assembly may be convened by the Chairman of the Board of Directors.

9.5 The written invitation for an extraordinary session of the General Assembly accompanied by agenda, the drafts of the proposed decisions to be rendered and information on place and date where the session is to be held, shall be sent by the Board of Directors within thirty days upon receipt of the written request.

9.6 The General Assembly shall not discuss issues that are not contained in the agenda, unless the persons authorized to submit the request for convening the session and the body authorized to convene the session submit request for its amendment seven days prior to the day when the session is to be held. The persons authorized to submit the request for convening the session and the body authorized to convene the session are authorized to submit a request for amendment of the agenda at the session. The President of the Association shall adopt the request for amendment of the agenda at the session if it is supported by two-thirds of the Active Members present.

9.7 The General Assembly shall be chaired by the President of the Association or a person nominated by the President of the Association.

9.8 The quorum for the General Assembly to be held is a half of the number of total Active Members, except in cases stipulated in 9.10 when the requested quorum is two-thirds of the number of total Active Members.

9.9 Unless decided otherwise by the General Assembly, all decisions, with the exception of decisions set out in Article 9.10, will be taken publicly by raising hands and all decisions shall be made by way of the simple majority of Active Members present at the General Assembly. If an equal number of votes are cast for and against, the vote of the Chairman of the General Assembly shall prevail.

9.10 Decisions regarding amendments to the Articles of Association, termination of the Association or election of members of the Board of Directors require a qualified majority of Active Members present at the General Assembly – two thirds of Active Members present at the General Assembly. Voting shall be by way of ballot.

9.11 An Active Member who cannot personally participate at the General Assembly may issue the authorization to the representative, to represent her/him/it during the General Assembly. The representative will legitimize him/herself at the beginning of the General Assembly by presenting the original written authorization to the Chairman of the General Assembly.

Article 10

Duties of the General Assembly

10.1 The General Assembly is the highest decision-making body of the Association and is generally in charge of all duties, unless the present Articles of Association have assigned specific duties to another body of the Association. In case it is impossible to make a decision on any matter raised by any other body of the Association, the General Assembly is authorized to make a valid decision on the matter raised.

10.2 The responsibilities and duties of the General Assembly include in particular the following:

- i) Electing the members of the Board of Directors from the Active Members and the first General Secretary;
- ii) Dismissal of members of the Board of Directors;
- iii) Accepting and approving the annual reports and financial statements of the Association;
- iv) Appointment of the external auditor, accepting and approving the report of the external auditor;
- v) Deciding about amendments or changes to the Articles of Association except in cases stipulated in Article 11.10 of the Articles of Association;
- vi) Voting on agenda items including making proposals and rendering decisions;
- vii) Determination of the Membership Fees;

- viii) Approving the budget of the Association;
- ix) Appointment of the President of the Association;
- x) Voting on all decisions with respect to status changes of the Association, termination of the Association and allocation of assets of the Association;
- xi) Decision on other issues in accordance with the Articles of Association and the Law.

10.3 With respect to the financial statements and the annual reports, the drafts of financial statements and the annual report have to be presented in written form to the General Assembly for decision-making by the Board of Directors. The General Assembly will appoint the external auditor to be commissioned with auditing the financial statements and the annual report.

Article 11

The Board of Directors

11.1 The Board of Directors consists of a minimum of three and a maximum of fifteen persons. Members of the Board of Directors shall be proposed by an Active Member of the Association. Members of the Board of Directors are elected by the General Assembly for a three-year term, except for the first members of the Board of Directors which mandate is until December 31st 2010. Re-election is permitted. Members of the Board of Directors remain in office after the expiration of their term until a successor is appointed.

11.2 Membership on the Board of Directors shall be voluntary, and no consideration shall be paid. Members of the Board of Directors shall comply with any bylaws and guidelines of the Association on conflict of interest.

11.3 The Board of Directors has the power to take all measures it deems necessary and appropriate in order to achieve the goals of the Association.

11.4 The Board of Directors has the following duties:

- i) To determine the general policies and to govern the affairs of the Association;
- ii) To implement the decisions taken by the General Assembly;

- iii) To convene the sessions of General Assembly and define the agenda for the sessions of the General Assembly;
- iv) To propose the annual budget, annual reports, financial statements of the Association and auditor reports;
- v) To decide on the admission and expulsion of members,
- vi) To keep the membership informed throughout the year on important developments regarding the Association and, when the Board of Directors deems it advisable, to seek the input of the members on major policy issues affecting the Association;
- vii) To secure financial resources necessary in order for the Association to participate in any area, regional, national or international meeting that might benefit the Association;
- viii) To supervise and control all properties, including all funds, and other assets of the Association;
- ix) To ensure the publicity of the work of the Association;
- x) To appoint the General Secretary of the Association;
- xi) To render the Rulebook on its work;
- xii) To decide about all matters pertaining to the Association, unless a decision of the General Assembly is required.

11.5 The quorum for the sessions of the Board of Director to be held is one half of the members of the Board of Directors. The Board of Directors renders decisions by a majority of present members. In case of equal votes, the vote of the Chairman of the Board shall prevail.

11.6 The Board of Directors shall hold four ordinary sessions per year. Extraordinary sessions are convened when deemed necessary.

11.7 Sessions of the Board of Directors may be held by use of a conference call or any other audio or visual communication equipment, enabling all the members of the Board of Directors to communicate with each other. The members of the Board of the Directors participating in such a manner at the session shall be considered as present members.

11.8 The Board of Directors may render decisions without holding a session, if all

the members of the Board of Directors have given their written approval to respective decisions that are subject to decision making process.

11.9 Should a member of the Board of Directors resign while in office, the Board of Directors shall appoint a provisional member of the Board of Directors until the General Assembly renders the decision on election of the new member of the Board of Directors.

11.10 If amendments to the Articles of Association are necessary due to reasons stipulated in article 5.4.4, these Amendments may be undertaken by the Board of Directors. The General Assembly has to be informed of such amendments on its next session.

11.11 The Board of Directors appoints the Chairman of the Board of Directors for the period of 2 (two) years.

11.12 The Chairman of the Board of Director manages the sessions of the Board of Directors, signs the minutes of the sessions of the Board of Directors and is obliged to participate at the session of the General Assembly.

Article 12

The President of the Association

12.1 The President of the Association chairs the sessions of the General Assembly.

12.2 The President of the Association is elected by the General Assembly for four years and may be reelected only for one additional mandate.

12.3 The President of the Association may be entrusted with the responsibility to represent the Association before the business community, public authorities, politicians and national and international associations from time to time as determined by the Board of Directors.

Article 13

General Secretary

13.1 The General Secretary of the Association is the person authorized for representation of the Association appointed by the Board of the Directors.

13.2 The General Secretary is the executive body of the Association responsible for managing the activities of the Association. The General Secretary may be delegated or commissioned, by the Board of Directors, to perform activities within the competence of the Board of Directors.

13.3 To ensure efficient work of the Association, the General Secretary may, after consultations with the Board of Directors, appoint chairs and members of the committees and expert panels of the Association.

13.4 The General Secretary, or the person appointed by the General Secretary, shall be responsible for the funds of the Association and shall secure the deposit of the same in the name of the Association in a bank designated by the Board of Directors.

13.5 The General Secretary, or a person appointed by the General Secretary, shall inform the Board of Directors at each ordinary session on the current condition of the activities performed, including proposals designed to promote the goals of the Association. The General Secretary, or the person appointed, shall ensure that all obligations of Association are fulfilled in due time, that financial books of the Association are kept in accordance with the relevant regulations and shall present the auditors' statement to the Board of Directors.

13.6 The General Secretary shall organize and update the register of members of the Association.

Article 14



Committees and Panels

In the course of performing activities of the Association and achieving goals stipulated in article 3, the General Secretary may establish committees and expert panels and prepare respective documents defining their role, rights and obligations.

Article 15

Termination of the Association

15.1 The Association shall be terminated in the following cases:

- i) if the number of members of the Association drops below the number required for the incorporation of the Association;
- ii) if the competent body renders the resolution on termination;
- iii) if status change which results in termination of the Association has been executed;
- iv) if it is determined by the competent authority that the Association does not perform its activities for the purpose of achieving the goals of Association, e.g. is not organized in line with the Articles of Association, or if double period of time has elapsed from the period specified in the Articles of Association for the General Assembly session and the session has not been held;
- v) if the Association is forbidden to work;
- vi) in the case of bankruptcy.

15.2 The Association loses the capacity of a legal entity upon rendering the resolution on deletion from the competent register.

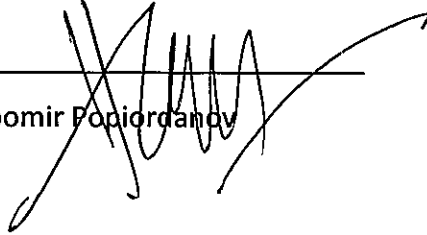
15.3 In cases prescribed by Article 15.1. i, ii, iv and v, the liquidation of the Association shall be executed in accordance with the Law.

15.4 In case of termination of the Association, the receiver of the property shall be a domestic organization achieving the similar goals as Association.

This Articles of Association shall enter into force on the day of the rendering of the resolution on the inscription of the Association in the relevant register.

The President of the Initial General Assembly

Mr. Lubomir Popiordanov



АГЕНЦИЈА ЗА
ПРИВРЕДНЕ РЕГИСТРЕ

19-04-2010

БЕОГРАД