

Based on Article 7, Paragraphs 1 and 3, and Article 17, Paragraph 2, Item 21 of the Statute of association National Alliance for Local Economic Development, adopted on 13/04/2016, within its session held on 21/04/2017, the Managing Board adopts

## **CRITERIA FOR NALED MEMBERSHIP**

### **Article 1**

The introduction of criteria aims to ensure that NALED's membership includes socially responsible organizations which operate in accordance with the law and high ethical principles.

The criteria act as an integral part of the Rules on membership conditions adopted by the Managing Board.

### **Article 2**

The criteria pertain, taking into account their applicability, to all organizations registered in Serbian Business Registers Agency (SBRA) or other public registries, which include businesses, entrepreneurs, public enterprises, local governments, civil society organizations, independent institutions and other legal entities.

### **Article 3**

Analyzing the fulfillment of criteria will be conducted by the NALED Executive Office with the support of the Ethics Committee for each new member in the process of joining the Alliance.

Analysis of criteria fulfillment is not conducted for existing members, except in specific cases when there are indications that a member no longer complies with the criteria – in such cases, the Executive Office asks for a written clarification from the member, and prepares a report for Managing Board deliberation with the support of the Ethics Committee.

### **Article 4**

The criteria are verified based on the publicly available registries and databases of the Serbian Business Registers Agency, National Bank of Serbia, Tax Administration and other publicly available sources, based on documentation provided by the organization and NALED's internal data.

If certain criteria are not applicable in specific cases, they shall not be subject to evaluation.

### **Article 5**

The criteria include the following requirements:

1. Organization should be operating for at least two years prior to application for membership
2. The organization should not have unpaid tax or salary liabilities
3. The organization should not have blocked accounts
4. An independent audit (if conducted) should show that organization's financial statements are presented in a correct manner and free from material misstatements
5. The organization must not be included in the Registry of temporary restrictions of entities' rights, nor prohibited from performing activities in the previous 5 years, and their authorized

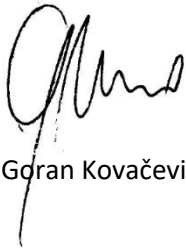
representatives shouldn't be validly convicted in the previous 5 years, as individuals or members of an organized crime group, of economic crimes, labor-related crimes, environmental crimes, crimes against human health or crimes related to abuse of power

6. The organization should operate in line with corporate social responsibility principles
7. The organization should not adversely affect the business environment on the local or national level
8. The organization should have a predominantly positive or neutral public reputation
9. The organization should accept and honor NALED's Code of Ethics
10. The organization should honor its responsibilities towards NALED and pays the annual membership fee

#### **Article 6**

These Criteria are applied starting from the date of adoption of the Rules on membership conditions and the date of being published on NALED website.

President of NALED Managing Board



Goran Kovačević