

MINUTES FROM XIII NALED'S ANNUAL ASSEMBLY

Held on 18/04/2019

Hotel Hyatt Regency, Milentija Popovića 5, Belgrade

Time: from 11:00h to 12:10h

The President of NALED Managing Board Vladimir Novaković addressed the Assembly in a welcome speech, highlighting that the Assembly serves as an occasion to jointly reflect on the achieved results and, in line with the Strategic goals, confirm the reform priorities for 2019/20. He briefly reflected on the results achieved during the previous year, informing the members about changes that occurred in managing bodies. He noted that the Mayor of Pančevo, Saša Pavlov, joined the Managing Board to replace Dušanka Golubović, the Mayor of Sombor. The Executive Board was expanded to include two new members: the Mayor of Bor Aleksandar Milikić and the Director of AOFI Dejan Vukotić, while term has ended for Đoka Janjušević from Gudmark group. Vladislav Cvetković, Director in PWC was appointed the President of Supervisory Board, and a new member of Supervisory Board is Suzana Cvetković from DIS, replacing Marija Gardžić whose term ended upon transferring to another company.

The President of NALED Managing Board concluded that the Assembly session is attended by 132 out of a total of 310 members, thus meeting the requirements for holding the session. He nominates Dragan Penezić, Government Affairs Manager in BAT, as the Assembly Chairman, and opens the discussion.

- There are no members wishing to participate in the discussion. The proposal is placed for voting.
- The Managing Board President determines the quorum and confirms that the Decision on the appointment of Assembly Chairman has been unanimously adopted.

The Assembly Chairman informs members about the proposed Agenda and opens discussion.

PROPOSED AGENDA

1. Adoption of the Agenda and the Minutes from the previous Assembly session
2. Adoption of the annual financial statement and audit report for 2018
3. Adoption of the Decision on non-distributed surplus from 2018
4. Adoption of the Decision on NALED's accession to the National Convention on EU
5. Adoption of the Report on NALED's activities and results for 2018/19
6. Discussion

The Chairman opens Agenda item No 1: Adoption of the proposed Agenda and adoption of the Minutes from the previous NALED Assembly session

The Chairman notes that the Minutes from the previous session will not be read, as it was submitted to all members following the previous session, and it is assumed that they are familiar with its content.

- The Chairman concludes there are no members wishing to participate in the discussion
- Agenda item No.1 is placed for voting

- The Chairman determines that the proposed Agenda and the Minutes from the previous NALED Assembly session have been unanimously adopted.

The Chairman opens Agenda item No 2: Adoption of the annual financial statement and audit report for 2018

- The Assembly Chairman reflects on the organization's good results, highlighting the role of members' responsibility in settling the membership contribution which is set to be paid by 31 March of the current year, in line with the Statute, as a prerequisite for successful planning and implementation of activities. He noted that the current membership fee collection rate was 77%, inviting members, particularly those from the business sector, to regularly settle their liabilities. He then gave word to Ksenija Ristić Kostić, Director of Audit department and a Partner in BDO Serbia, as external auditor who reviewed the financial statements for 2018, to present the details and result of independent audit.
- Ksenija Ristić Kostić highlighted that the previous year was very good for NALED in terms of financial results and project implementation. From audit perspective, it was important to note that NALED is not a company but a membership organization, i.e. an association, which is a specific situation in terms of financial reports, as it is not founded for the purpose of profit. She further stressed that the financial statements' audit was performed in line with the Law on Audit and International standards. She explained that the audit was performed in two steps – testing of internal processes in the association, and testing of certain materially significant balance positions. She expressed a positive opinion regarding the financial statements for 2018, indicating that revenues have been significantly increased, by as much as 33%, which could be expected given the expansion of project activities. She explained that NALED does not own any capital, but a stake generated from surplus of revenues over expenditures, which act as solvency reserves used by NALED for its activities and projects during the periods when donor financial support are waiting to be approved. She concluded that NALED's financial statements objectively and truthfully present NALED's financial position and results for 2018.
- The Chairman opens a discussion about Agenda item No 2
- The Chairman concludes there are no members interested in a discussion
- Agenda item No 2 is placed for voting
- Assembly Chairman determines that the Assembly unanimously adopted the financial statement and audit report for 2018.

The Chairman opens Agenda item No 3: Adoption of the Decision on non-distributed surplus from 2018

Regarding the distribution of surplus, it was proposed that the determined net surplus of revenues over expenditures in 2018, in the amount of 19,417,468.29 RSD should remain undistributed.

- The Chairman opens a discussion about Agenda item No 5
- The Chairman concludes there are no members interested in a discussion
- Agenda item No 3 is placed for voting
- Assembly Chairman determines that the Assembly unanimously adopted the Decision on non-distributed net surplus of revenues over expenditures for 2018.

The Chairman opens Agenda item No 4: Adoption of the Decision on NALED's accession to the National Convention on EU

- The Chairman opens a discussion about Agenda item No 4
- The Chairman concludes there are no members interested in a discussion

- Agenda item No 4 is placed for voting
- Assembly Chairman determines that the Assembly unanimously adopted the Decision on NALED's accession to the National Convention on EU.

The Chairman opens Agenda item No 5: Adoption of the Report on NALED's activities and results and implementation of Strategic plan for 2018/19

The Chairman gives word to Violeta Jovanović, NALED Executive Director, to present the NALED's activities and results for 2018/19, the Report on realization of goals from the Strategic plan, as well as the Action plan for 2019/20.

- NALED Executive Director Violeta Jovanović highlighted that the previous year was very successful, with NALED fulfilling 75% of its defined goals, and a large number of activities already partially realized, meaning that the Action plan would be reviewed during the year to set new priorities. She particularly noted the organization's results from three aspects – community, dialogue and reforms. She reminded that NALED is a special community, bringing together all three sectors, people from various settings who engage in dialogue and align their positions. She said that NALED involves 310 members, nearly of half of them being very actively engaged in the organization, as members of managing bodies or theme alliances.
- She indicated that the previous year involved the establishment of a club, i.e. a category of NALED honorary members, involving the academia, renowned faculties from Belgrade, Novi Sad and Niš and the research center Petnica. This came as a result of NALED's efforts to bring together businesses and scientific institutions, to foster closer cooperation on joint initiatives, while also supporting NALED's research capacities together with the Scientific Council formed in 2018.
- She stressed that community leads to a dialogue, a public private dialogue, noting that partnership with the state had been further strengthened during 2018, with NALED being active in 40 working groups for drafting key regulations.
- The key reform that marked 2018 from NALED's perspective, in terms of business environment, is the real estate registration reform, the establishment of eCounter as the first major step in total digitalization of the Cadaster. The reforms initiated during the previous year, that are yet to be finalized in the year ahead, include the seasonal labor in agriculture, inspection oversight, the elimination of seals, tax exemption of start-ups.
- She stated that NALED also conducts special initiatives to support the community, such as the earlier launched initiative „100 women“ and the project „Strong Youngsters“, while this year also included two new initiatives – one for generating donations for a parents' home for the parents of children cancer patients under the auspices of Mastercard and in cooperation with NURDOR, and the other titled the Art of Serbia, aiming to promote the renowned painters from five cities and municipalities in Serbia. She concluded by reflecting on NALED's major long-term goals that take more time to realize – the first, to find a new office space for NALED which would become the home of public private dialogue, and the second, to make Regional Network a multilateral organization.
- The Chairman opens a discussion about Agenda item No 5
- The Chairman concludes there are no members interested in a discussion
- Agenda item No 5 is placed for voting
- The Assembly Chairman determines that the Assembly unanimously adopted the Report on NALED activities.

The Chairman opens Agenda item No 6: Discussion

The Chairman reads some of the questions submitted beforehand in electronic form:

- How can members in the category of Parliamentarians launch new initiatives within NALED;
 - Why NALED deals with initiatives of public interest instead of focusing on the interest of its members;
 - Can NALED help with the promotion of local governments and make a connection with donors, potential sponsors of local manifestations etc;
 - How can members jointly apply for cross-border cooperation or other types of project together with NALED.
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- On behalf of the Executive Office, Jelena Bojović addressed the Assembly, noting that NALED receives a large number of initiatives from its members, in various forms. One of the most formal mechanism is the Grey Book, but she also noted that, along with the Assembly session, all members may also submit any proposal regarding the improvement of regulations or other topics relevant for business environment, during November and December for the next year. For an individual initiative to turn into organization's regular activity, there must be a consensus regarding the specific and overall interests of its members. Individual proposals that are supported by at least 30% members become broad initiatives advocated by NALED.

The Chairman then reads initiatives submitted beforehand in electronic form:

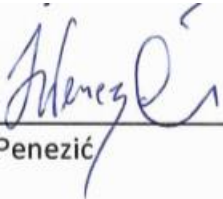
- Proposal for unifying the model for local utility fees in terms of their amount and form, and the establishing of a comprehensive registry of utility fees;
 - Proposal for establishing an Environment Protection Alliance and stronger engagement in environment protection topics, and their inclusion into NALED's strategic priorities;
 - Proposal for an initiative for abolishing mandatory membership in Serbian Chamber of Commerce, or for changing the criteria for determining the membership fee;
 - Proposal for aligning the local government Statutes with the Constitution, regarding the citizens' right to petition.
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- Goran Davidović from GeoArt d.o.o. raised a topic - the Chairman gives word to Goran Davidović, who explained the issue with aligning the local Statutes with the Constitution in terms of citizens' right to petition. He stressed that the Law on amendments to the Law on Local Government, Article 41, now colliding with Article 56 of the Constitution. He indicated the City of Pirot as a best practice example, with an adequate Statute.
 - The Mayor of Pirot Vladan Vasić raised word, indicating that all local governments need to submit their Statute for approval to the Ministry before it can be adopted. He further highlighted the problem of low salaries, i.e. low coefficients for sport institutions. He proposed an initiative for changing the Decree on coefficients for the calculation of salaries for public servants from 2002, asking that the coefficient for the area of sports should be aligned with that for culture.
 - Dragan Ranisavljević from Gomex raised word, proposing an initiative that NALED should try to influence the alignment of methods used by local governments in determining local fees. The local fees should be indicated on a public website, to be available to all businesses and avoid issues with different records or interest fees.
 - The Chairman gives word to Jelena Bojović:
 - Jelena Bojović said that NALED used to have a Calculator of local costs until two years ago, noting that the Strategic plan stipulates the development of an up-to-date calculator of local businesses expenses, dealing mostly with local fees and charges, which is the goal of Gomex initiative. She added that NALED plans to launch an initiative for determining a model of decision regarding local fees and charges, which is related to the Law on Local Government Finance and the Law on Fees for Use of Public Goods. She also announced plans for organizing a joint meeting to discuss the current models and differences that occur.

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- The Chairman concludes there are no members interested for further discussion and closes the discussion. He invites members for a break and refreshment before the ceremonial Assembly session at 12.30h.

The Assembly Chairman concludes that NALED Assembly session has been concluded.

Chairman of the Assembly



Dragan Penezić

Minute keeper



Jovana Pantelić