

Pursuant to Article 7 of the Kultura Nova Foundation Act (Official Gazette of the Republic of Croatia, No. 90/2011), the Managing Board at its meeting held on February 17, 2012 in Zagreb adopted the following

STATUTE OF KULTURA NOVA FOUNDATION

I. GENERAL PROVISIONS

Article 1

This Statute shall establish the name and the seat of Kultura Nova Foundation (hereinafter referred to as 'the Foundation'), as well as its purpose, bodies, their organization, rights, duties and the manner of reaching decisions, the proceedings of appointing and discharging members of different bodies of the Foundation and their duties and responsibilities, the decision making procedures, general acts of the Foundation and its internal organization, the assets of the Foundation, the manner of acquiring and dealing with the assets, the supervision over the Foundation's activities, public manner of its work, the cessation of the Foundation's work as well as all other issues relevant to meeting the Foundation's purpose.

Article 2

- (1) The Foundation shall be a legal entity founded by Kultura Nova Foundation Act.
- (2) The founder of the Foundation shall be the Republic of Croatia.
- (3) Founder's rights and responsibilities, on behalf of the Republic of Croatia, shall be held by the Government of the Republic of Croatia.
- (4) The Foundation shall acquire its legal entity status upon registering in the Official Register of Foundations.
- (5) The Foundation is registered through the decision by the Ministry of Administration, Class: UP/1-230-01/11-01/53, No: 515-03-02-02/2-11-2 from November 25, 2011, entered in the Official Register of Foundations, Foundations Book 1, Register No. 180.

II. NAME, SEAT, SEAL AND SIGN OF THE FOUNDATION

Article 3

- (1) The name of the Foundation shall be Kultura Nova Foundation.
- (2) The seat of the Foundation shall be in Zagreb.
- (3) The name of the Foundation shall appear on the Foundation's plate, placed at the main entrance into the seat of the Foundation.

(4) The decision on the form and content of the plate shall be decided by the Managing Board.

Article 4

(1) The Foundation shall have a seal. The form and content of the seal shall be decided by the Managing Board.

(2) The seal shall be kept by the Foundation's Director, who is also authorized to use it.

(3) Apart from the Foundation's Director, the right to use the seal of the Foundation shall be granted to the persons authorized by the Foundation's Director to make agreements and conclude certain kinds of contracts as well as undertake other legal actions i.e. conclude independently determined agreements and undertake other independent legal actions in accordance with Article 16, Paragraph 4 of this Statute, as well as to the President and Vice-President of the Managing Board, in accordance with their legal and statutory authorities.

Article 5

(1) The Foundation shall have a sign.

(2) The graphical representation and the description of the sign shall be decided by the Managing Board.

(3) The ways of using the Foundation's sign shall be decided by the Managing Board.

III. PURPOSE OF THE FOUNDATION

Article 6

(1) The purpose of the Foundation is the promotion and development of civil society in the Republic of Croatia in the field of contemporary arts and culture.

(2) In order to realize its purpose, the Foundation shall offer professional and financial support to civil society organizations in culture that:

- support the development of production and organizational capacities of program implementers,
- increase the level of professional activities through informal education and professional training,
- support the establishment intersectoral cooperation,
- work to improve program networking and cooperation on national, regional and international levels,
- promote creativity and cultural activism of the youth,
- support other programs directed at the realization of the Foundation's objectives.

(3) The Foundation shall also implement its own programs in the areas listed in Paragraph 2 of this Article.

III. FOUNDATION BODIES

Article 7

(1) The Foundation's bodies shall be the Managing Board and the Foundation's Director.

(2) Auxiliary bodies of the Foundation shall be committees for the assessment of quality of applications to Foundation's competitions as well as other permanent and/or temporary associate bodies responsible for the activities within the Foundation's area of activities, founded by the decision by the Managing Board i.e. in case of operative activities by the decision by the Foundation's Director.

(3) The manner of work of the Foundation's bodies and auxiliary bodies shall be determined by the Foundation's Rules of Procedure.

Article 8

(1) The members of the Foundation's bodies shall perform their duties conscientiously, in accordance with Kultura Nova Foundation Act, other legal provisions, the Statute and other legal acts of the Foundation.

V. MANAGING BOARD

Article 9

(1) The Foundation shall be governed by the Managing Board consisting of five members.

(2) Pursuant to Article 5, Paragraph 2 of Kultura Nova Foundation Act, the members of the Managing Board shall be appointed and discharged of their duties by the Government of the Republic of Croatia at the recommendation given by the Minister of Culture. The recommendation to serve as members of the Managing Board shall be made after a public call for nominations open to the representatives of civil society organizations in culture as well as distinguished public persons acquainted with the development of the civil society in the Republic of Croatia. The call for nominations for members of the Foundation's Managing Board shall be open for a period of 15 days and announced by the Foundation's Director. After the expiration of the nomination period the Foundation's Director shall draw a list of candidates and deliver it together with their applications to the Minister of Culture for the purpose of making a recommendation for the members of the Managing Board.

(3) The members of the Managing Board shall serve for the period of four years and may be reelected.

(4) The Government of the Republic of Croatia may relieve a member of the Managing Board of their duties if they do not perform their duties conscientiously, in accordance with the law, other regulations and legal acts of the Foundation, if it is established that they have professional or private interests that are in opposition to the interests of the Foundation, if their

behavior and public appearances damage the Foundation's reputation or if they do not meet the conditions listed in the act or acts regulating the activities of foundations.

Article 10

(1) The Managing Board shall:

- adopt the Statute of the Foundation at the proposal of the Foundation's Director,
- elect and discharge of duty the Foundation's Director,
- adopt the Rules of Procedure governing the work of the Managing Board,
- adopt the rules on conditions and procedure for awarding funds to meet the foundation's purpose,
- pass other general acts, individual acts and business acts in accordance with its authorities,
- pass decisions on the distribution of funds and monitor the spending of allocated funds of the Foundation,
- pass decisions in connection to the implementation of the Foundation's own programs,
- decide on the use of the Foundation's assets,
- pass the Foundation's financial plan and financial report at the suggestion from the Foundation's Director,
- report on the Foundation's work to the Government of the Republic of Croatia and other state bodies in accordance with the law regulating the Foundation's activities, and
- perform other duties in accordance with the law and the Statute of the Foundation.

(2) The Rules of Procedure of the Managing Board closely regulate the work of the Managing Board, its sessions, voting, decision making procedures and other general and individual acts, the exemption of voting in the case of conflict of interest, as well as other facts relevant to the work of the Managing Board.

Article 11

(1) By majority of votes of all members, the members of the Managing Board of Directors shall elect President and Vice-President from among themselves.

(2) The President and members of the Managing Board shall serve without financial compensation for their duties, but shall be entitled to the compensation of necessary expenses, which they incurred in order for these duties to be performed.

Article 12

(1) The President of the Managing Board convokes meetings of the Managing Board at least once every three months.

(2) The President establishes the agenda and presides over the sessions of the Managing Board in accordance with the Foundation's Statute and the Rules of Procedure governing the work of the Managing Board. In case of President's absence, his/her duties are taken over by the Vice-President of the Managing Board.

(3) The session can be held if majority of members of the Managing Board is present, and the decisions are passed by the majority vote of all members of the Managing Board.

(4) In exceptional cases, the majority of votes needed to pass a decision by the Managing Board may be obtained by the President or Vice-President of the Managing Board in writing under the condition that such decision is submitted to the Managing Board at the first next meeting of the Managing Board.

(5) The decisions passed by the Managing Board are made public and published at a notice board at the Foundation's seat, on the Foundation's website or in any other suitable way.

Article 13

(1) A member of the Managing Board or other body of the Foundation may not vote or decide on matters in which himself/herself, his/her spouse, his/her foster parent or foster child, his/her lineal or collateral descendant to the fourth generation, his/her affine to the second generation, has any property or financial interest, as well as on matters dealing with legal entities which they are members of, where he/she is employed, in whose governance he/she participates or in which he/she has property or financial interests.

(2) A member of the Managing Board or other body of the Foundation is obliged to report to the president or deputy president of the body he/she is a member of, on the conflict of interest from Paragraph 1 of this Article, which is known or should be known to him/her. The conflict of interest should be reported at the latest before the voting on the matters from Paragraph 1 of this Article.

Article 14

(1) The procedure of proposing members of the new Managing Board must be started at least one hundred and twenty days before the current mandate of the Board of Directors expires and it is initiated by the Foundation's Director in accordance with Article 5, Paragraph 2 of Kultura Nova Foundation Act and Article 9, Paragraph 2 of this Statute.

(2) In case when the end of the four-year mandate of the Managing Board falls at the time of the dissolution of the Croatian Parliament, the Managing Board shall ask for the extension of the mandate from the Government of the Republic of Croatia until the new Government shall be formed when the procedure of appointing members of the Foundation's Managing Board shall be started for the new four-year period in accordance with Article 5, Paragraph 2 of Kultura Nova Foundation Act and Article 9, Paragraph 2 of this Statute.

VI. FOUNDATION'S DIRECTOR

Article 15

(1) The Foundation's Director shall be appointed and discharged by the Managing Board by majority vote of all of its members. The decision on appointing the Foundation's Director shall be made after a public call for nominations.

(2) The Foundation's Director shall serve for a period of four years and may be reelected to the position.

(3) The President of the Board of Directors signs a contract with the Foundation's Director in accordance with the previous decision by the Managing Board.

Article 16

(1) The Foundation's Director shall:

- represent and act on behalf of the Foundation,
- manage business and professional activities at the Foundation and be responsible for the Foundation's business and professional activities,
- implement the decisions passed by the Managing Board,
- oversee the Foundation's business and other affairs in accordance with the decisions passed by the Managing Board,
- be responsible for the legality of Foundation's business and affairs,
- propose the financial plan and final financial report of the Foundation to the Managing Board,
- submit reports on Foundation's work to the Managing Board twice a year and on demand,
- perform actions necessary for hiring part-time associates,
- ensure the openness of the Foundation's work to public, and
- perform all other duties in accordance with the law, other regulations and the Foundation's Statute.

(2) The Foundation's Director cannot be appointed from among the members of the Managing Board.

(3) The Foundation's Director shall have the right to participate in the work of the Managing Board without the right to vote. He/she shall have the right to propose items that need to be included in the meeting agenda of the Managing Board for a particular session.

(4) The Foundation's Director may issue a proxy statement to another person allowing that person to conduct certain kinds of legal business and undertaking certain legal actions on behalf and for the account of the Foundation within their authority.

(5) As an exception to the provision made in Paragraph 3 of this Article, the Managing Board can decide to exclude the Foundation's Director from the work of the Managing Board when convening on issues related to his/her status in the Foundation.

Article 17

(1) The Foundation's Director may be discharged of his/her duties before the expiration of his/her term if he/she does not perform his/her duties conscientiously, in accordance with the Act, Statute and other general acts of the Foundation, if he/she does not participate in the preparation of the Managing Board meetings, does not participate in them, if it is established that he/she has personal or business interests that are in opposition to the Foundation's interests, if his/her behavior and public appearances damage the reputation of the Foundation, or does not meet one or more of legal conditions regulating activities of foundations.

(2) The Foundation's Director may be discharged of his/her duty by the decision passed by the Managing Board with majority of votes of all members.

Article 18

(1) The Foundation's Director may conclude a legal business on behalf and for the account of the Foundation whose value exceeds 70,000.00 HRK only with a prior written consent by the Managing Board.

(2) As an exception to the provision made in Paragraph 1 of this Article, in the case when the Managing Board cannot convene on short notice and the circumstances call for its urgent meeting, a written approval to conclude a legal business of this kind can be given by the President of the Managing Board or, in case of his absence, the Vice-President.

(3) At its first subsequent meeting, the Managing Board should make a statement on the decision made by the President or Vice-President of the Managing Board from Paragraph 2 of this Article.

Article 19

(1) The Managing Board may establish organizational units.

(2) The work of the organizational units shall be coordinated by the Foundation's Director. The scope of activities of the Foundation's organizational units shall be determined by the Managing Board while their organization and work shall be regulated by special Rules of Procedure.

(3) The Foundation's Director concludes employment contracts based on Paragraph 2 of this Article and in accordance with the prior decision by the Managing Board.

VII. BASIC ASSETS OF THE FOUNDATION

Article 20

(1) Basic assets of the Foundation is the amount of 100,000.00 HRK allocated from the state budget of the Republic of Croatia that was transferred to the Foundation's account by a central body of the state administration responsible for culture.

(2) In order to realize the Foundation's basic purpose, the Managing Board shall decide on the increase of the Foundation's basic assets based on the monitoring and analysis of the Foundation's financial activities. No less than once a year, the Managing Board shall report on the state and the form of basic assets to the state authorities from Article 31, Paragraph 3 of the Act on Foundations and Funds.

(3) The Foundation may utilize its basic assets as well as assets allocated to its use in order to gain profit that shall be used for the implementation of programs and basic purpose of the Foundation.

VIII. FINANCING, FINANCIAL OPERATIONS AND SUPERVISION OF THE FOUNDATION'S WORK

Article 21

- (1) The Foundation shall have an independent HRK account.
- (2) The foreign currency assets of the Foundation shall be deposited in a foreign currency account open in a commercial bank.

Article 22

- (1) The Foundation shall be financed from the portion of profits made on games of chance and promotional award games in accordance with the Law on Conducting Games of Chance and the Regulation on the Criteria of Selecting Beneficiaries and Modes of Distributing the Portion of the Profits Made on Games of Chance as well as from its basic assets, income made from basic assets, donations and other incomes in accordance with the law.
- (2) Upon decision of the Managing Board the incomes shall be distributed for Foundation's purposes in accordance with Article 3 of Kultura Nova Foundation Act.
- (3) For the purpose of instituting efficient forms of financing and self-financing, the Foundation may organize activities and programs, related to its basic purpose, through which it shall acquire incomes in accordance with the propositions regulating activities and financial operations of non-profit organizations. These include: organization of seminars, workshops and conferences by leasing facilities, publishing, allowing the use of programs owned by the Foundation to other organizations, innovative forms of public fundraising activities with the purpose of acquiring funds for the implementation of Foundation's programs (independently and/or in cooperation with other legal entities) and other activities and operations whose incomes shall be used to finance programs and activities of the Foundation.

Article 23

- (1) The Foundation shall keep financial and other related business records and compose financial reports in accordance with the protocols regulating accounting activities of non-profit organizations.
- (2) The Foundation's fiscal year shall start on January 1 and end on December 31 of the same year.
- (3) The Managing Board shall be required to submit financial reports for the current fiscal year within 60 days from the expiration of reporting period.
- (4) The managing Board shall be required to submit to the Government of the Republic of Croatia program and financial reports within 90 days from the expiration of the reporting period.

(5) Supervision of the financial business of the Foundation shall be done by the authorized state administration bodies.

Article 24

(1) Concluding legal transactions in which the Foundation's property is alienated, decreased or encumbered shall be permitted only with a prior consent from the ministry responsible for culture and, following that, consent from the responsible body of state administration.

(2) The Foundation's Director cannot conclude legal transactions, related to the acquisition or alienation or any other ways of using the Foundation's property, whose value exceeds the amount defined by the managing Board in accordance with Article 18, Paragraph 1 of this Statute.

(3) The Foundation's Director shall have the autonomy to decide on current legal operations (overhead and similar expenditures on a monthly basis).

IX. LIABILITY OF THE FOUNDATION

Article 25

(1) The Foundation shall be liable for its business affairs with all of its assets.

(2) The work of the Foundation shall be public. Through means of public information or other appropriate channels the Foundation informs the public about its work in a truthful and timely fashion.

X. BENEFICIARIES OF MEANS FROM THE FOUNDATION

Article 26

The basic beneficiaries of the means of the Foundation are civil society organizations in the Republic of Croatia active in the field of contemporary arts and culture in accordance with Article 3 of Kultura Nova Foundation Act and Article 6 of this Statute.

XI. TERMINATION OF THE FOUNDATION

Article 27

(1) The Managing Board shall decide on the termination of the work of the Foundation insofar as at the end of the financial year the assets of the Foundation are less than the amount of the basic assets determined in Article 13 of Kultura Nova Foundation Act and the circumstances of the case lead to the unequivocal conclusion that the Foundation will not be able to attain the amount of the basic assets established in the Act within a reasonable time.

(2) If the work of the Foundation is terminated, the Government of the Republic of Croatia shall decide on the use of the remaining assets at the proposal of the Foundation's Managing Board.

XII. FINAL PROVISIONS

Article 28

(1) General acts of the Foundation listed in the Article 7, Paragraph 1, Items 3 and 4 of Kultura Nova Foundation Act and other general provisions must be in accordance with Kultura Nova Foundation Act and this Statute.

(2) Within 90 days from the date the Foundation's Statute has entered into force, the Managing Board shall pass the Rules of Procedure regulating the work of the Managing Board and the Rules on Conditions and Procedure of Awarding Funds for Meeting the Foundation's Purpose.

(3) The interpretation of the provisions of the Statute and other general acts of the Foundation shall be given by the Board of Directors.

(4) Matters not regulated by this Statute or Kultura Nova Foundation Act shall be subject to provisions of the Act on Foundations and Funds.

(5) This Statute shall enter into force on the day of its passing and it is applicable upon approval from the Ministry of State Administration.

Zagreb, February 17, 2012

Emina Višnić (m.p.)
President of the Managing Board