

**Extract from the Draft Company Law, version as to February 2004,
Republic of Macedonia
Unofficial translation**

Section Three - ECONOMIC INTEREST GROUP

Article 547 - Definition

- (1) Two or more natural or legal persons may establish, among themselves, an economic interest group for a limited **or unlimited** period of time in order to facilitate and promote the performance of the **trading** activities which **constitute the subject** of their operations, as well as to increase or improve the results thereof.
- (2) **The persons referred to in the paragraph (1) of this article may act as associative members in a corresponding Economic Interest Group established abroad.**
- (3) An economic interest group may not become a member of another economic interest group.

Article 548 - Activities

The subject of operation of the economic interest group may only be related to the **trading** activities carried out by the members and may only be for support to those activities.

Article 549 - Terms and Conditions for Founding

- (1) **The objective of an economic interest group shall not be generation of profit for the economic interest group. The profit generated as a result of its operation shall be considered as profit of the members of the economic interest group and shall be distributed among them in accordance with the conditions of the founding agreement. If there is no such provision, the profit shall be distributed among the members equally.**
- (2) Rights of the members of economic interest group shall not be presented **in form of** securities.
- (3) Provision of the founding agreement or resolution contrary to paragraphs (1) and (2) of this Article shall be considered null and void.

Article 550 - Status of a Legal Entity

The economic interest group shall acquire the status of a legal person as of the day of its entry into the Commercial Register.

Article 551 - Responsibilities of the Members

- (1) Members of an economic interest group shall be liable for the liabilities of the economic interest group with their entire property. Unless otherwise agreed with a third party – the contractor, the members shall be jointly and severally liable.

- (2) A creditor of the group may request settlement of the claim from the members the economic interest group, **provided** that he has not managed to collect the claim from the group itself.

Article 552 - Content of the Founding Agreement

- (1) An economic interest group shall be founded on a basis of an agreement for founding an economic interest group (hereinafter: “Economic Group Agreement”).
- (2) The Economic Group Agreement shall **sets forth** the organizational structure of the economic interest group. The Economic Group Agreement shall be prepared in writing and published in the manner prescribed for publication of a company agreement.
- (3) The Economic Group Agreement shall contain the following provisions, in particular:
- 1) the title of the economic interest group including, at the beginning or at the end, the words “*Stopanska interesna zaednica*” (economic interest group), unless these words are otherwise included in the title of the group;
 - 2) the name, business name or the title, the legal form, registered office, and the registration number, if available, from the Commercial Register for each member of the economic interest group;
 - 3) the duration of the economic interest group;
 - 4) the scope/subject of operations of the economic interest group;
 - 5) the registered office(headquarters) of the economic interest group;
 - 6) the manner of decision-making;
 - 7) **managing bodies and their authorities**
 - 8) regulates in details the joining, separation and exclusion from the economic interest group;
 - 9) the control of the operation of the economic interest group;
- (4) All amendments to the Economic Group Agreement shall be made and published under the same terms and conditions as required for the Agreement itself.

Article 553 - Members and Their Admission

- (1) Members of an economic interest group may be persons carrying out any of the activities determined in the Article 1 of this Law. Persons engaged in freelance activities, but not having a status of a trader, may also become members of an economic interest group.
- (2) An economic interest group may admit new members during the period of its existence. The resolution for admission of a new member shall be reached unanimously by the Economic Interest Group Meeting.
- (3) The new member shall be liable for the liabilities of the economic interest group, including those arising from the operations conducted prior to his admission in the economic interest group. New member(s) may be released from the liability of the economic interest group for obligations that arose prior their admission only with the resolution on their admission in the economic interest group.

Article 554 - Withdrawal and Exclusion of Members

- (1) A member of an economic interest group may retract from the group in accordance with the conditions set forth in the Economic Group Agreement and provided that he has fulfilled the liabilities stipulated in the Agreement or in the meeting's documents. If the Economic Group Agreement does not prescribe conditions for **withdrawal** from the economic interest group, the retraction shall be made on the basis of a **separate** agreement.
- (2) A member of an economic interest group may be excluded on the basis of reasons determined in the Economic Group Agreement, but in any case if he severely fails to fulfill his obligations or if he causes or brings about a severe disruption in the operation of the economic interest group or if there is a serious threat which may lead to disruption in the operations. Upon request by the other members of the economic interest group, the court in a non-contentious procedure shall reach a decision for exclusion.

Article 555 - Meeting of Members of the Economic Interest Group

- (1) Members of an economic interest group shall decide upon common matters at the Meeting of the members of the Economic Interest Group.
- (2) The Members Meeting may be held by means of sessions or virtually via Internet, voting may be executed via electronic mail or in written form, via fax or phone. The manner for convening of the meeting, operation, decision making, recording of the resolutions made at the Members Meeting shall be defined by the Economic Interest Group Agreement.
- (3) The Meeting shall be authorized to reach all resolutions, including the resolution on its early dismissal or continuation, under the terms and conditions set forth in the Economic Group Agreement.
- (4) The Economic Group Agreement may envisage for all or some of the resolutions to be reached by a quorum and majority of votes **prescribed** therein. If the Agreement does not **prescribe** the quorum and the voting majority, the resolutions shall be reached unanimously.
- (5) The Economic Group Agreement may provide for certain members to be also given more votes, provided that a member may not hold the majority of votes. If the Economic Interest Group Agreement does not contain any such provision, each member shall be represented by one vote only.
- (6) **The Meeting of the Members shall be convened upon a request of at least 10% of the total number of members of the Economic Interest Group.**

Article 556 - Management of the Economic Interest Group

- (1) An economic interest group shall be managed by one or more managers, appointed in the manner and under the terms and conditions set forth in the Economic Group Agreement.
- (2) Unless otherwise determined by the Economic Group Agreement, the Meeting shall organize the management of the economic interest group and shall appoint the manager, define his powers and the terms and conditions for his dismissal.

Article 557 - Representation of the Economic Interest Group

- (1) The economic interest group shall be represented in its relations with third parties by its manager determined in the Economic Group Agreement.
- (2) The manager referred to in paragraph (1) of this Article may assume rights and liabilities in the legal affairs within the scope of operation of the economic interest group.
- (3) The economic interest group shall be liable, without limitations, for the obligations assumed by its manager in relations with third parties.

Article 558 - Supervision over the Operations

- (1) Members of the economic interest group shall supervise the operation of the economic interest group in a manner and under the terms and conditions set forth in the Economic Group Agreement.
- (2) Each member has right to get information related to operation of the economic interest group from the managing body and to review the business records and documents.

Article 559 - Termination of an Economic Interest Group

An economic interest group shall be terminated upon:

- 1) expiration of the time period for which it has been established;
- 2) accomplishment or cessation of its subject of operation;
- 3) resolution reached by its members, under the terms and conditions set forth in the Economic Group Agreement; or
- 4) court decision.

Article 560 - Winding-up

- (1) Termination of an economic interest group shall result in its winding-up. The legal status of the economic interest group shall be maintained for the purposes of the winding-up .
- (2) The winding-up shall be carried out under the terms and in a manner set forth in the Economic Interest Group Agreement.
- (3) If the Economic Interest Group Agreement referred to in paragraph (2) of this Article does not contain such provisions, the Meeting of the members of the economic interest group shall **appoint** a liquidator. If the Meeting could not have **appointed** the liquidator, the court shall appoint the liquidator instead.
- (4) Following the settlement of debts, the excess of assets shall be divided among the members, under the terms and conditions set forth in the Economic Interest Group Agreement.
- (5) If the Economic Interest Group Agreement referred to in paragraph (2) of this Article does not contain provisions regarding the manner of winding-up, the division shall be executed in equal parts.