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Pursuant to Article 6.2, Paragraph 5 of the By-Laws of the Slovenian Chamber of Commerce, at their correspondence session held on December 8th, 2015, the members of the Direct Selling Association adopted the following

## **RULES ON THE ORGANISATION AND WORK OF THE DIRECT SELLING ASSOCIATION**

### **I. INTRODUCTORY PROVISIONS**

#### Article 1

The Rules on the organisation and work of the Direct Selling Association (hereinafter: the Rules) regulate the organisation and work of the Direct Selling Association (hereinafter: the Association) within the Slovenian Chamber of Commerce.

#### Article 2

The Association operates under the following name:

**Slovenian Chamber of Commerce  
Direct Selling Association.**

Its registered office shall be in Ljubljana.

When co-operating with international partners and organisations, the Association shall use the following name:

**Slovenian Chamber of Commerce  
Direct Selling Association.**

#### Article 3

The Association shall use the stamp of the Slovenian Chamber of Commerce.

### **II. GOALS AND INTERESTS**

#### Article 4

The members have founded the Association with the following goals:

- Join economic operators engaged in direct selling as a modern method of marketing, characterised by personal contact with the customer and direct offer and sale of goods to consumers, particularly at their homes;
- Promote direct selling and implement other activities to support the development of this method of marketing in Slovenia;
- Present to the public the standpoints of the members of the Association in matters related to direct selling;
- Shape a public image of direct selling with the aim of selling to end users quality and safe products under fair conditions and provisions;
- Increase consumer confidence in direct selling;
- Improve safety and protection of consumers;
- Form opinions, standpoints and proposals of membership and enforce them, through the Slovenian Chamber of Commerce, with state authorities in the formation of economic system and economic policy;
- Facilitate association and inclusion in international organisations in the area of direct selling, with the aim of improving the flow of information, knowledge and professional experience;
- Facilitate the flow of professional and business information among the members in line with their common interests;
- Organise co-operation with other domestic organisations and associations in accordance with membership interests;
- Protect the reputation of the direct selling business policy;
- Safeguard and represent the interests of the members of the Direct Selling Association.

#### Article 5

The Association will achieve its goals by:

- Introducing, distributing and complying with the European direct selling Code of Conduct;
- Researching and providing technical and scientific information;
- Organising group and individual exchange of experience between its members, putting out initiatives for conference, symposiums, seminars and lectures, and organising them;
- Spreading the knowledge about direct selling in public and explaining methods, goals, economic significance and advantages for consumers;
- Representing interests of its members and presenting their positions in front of state bodies and other institutions, including economic organisations;
- Collecting, processing and forwarding information important to the members of the Association;
- Advising members about the problems related to direct selling and informing of further development;
- Establishing contacts with other interested economic associations and institutions and discussing expert issues related to direct selling in the interest of accelerating economic co-operation;
- Informing the public, offices, state authorities and parliamentary bodies and other associations on the significance of direct selling and impact on the preservation of interests of direct selling and consumer protection;
- Establishing connections with international direct selling associations and professional associations from other countries.

#### Article 6

The work of the Association and its bodies shall be public and the Association shall inform its members through invitations, notices, minutes and available media within the Slovenian Chamber of Commerce.

### III. MEMBERSHIP

#### Article 7

Membership in the Association is voluntary. Members of the Association can become economic operators which registered direct selling in their activity portfolio.

The Association shall have:

- regular members; and
- associated members.

The candidates for membership must submit the following:

1. Written application for membership in the Association;
2. Copy from the court register (firm, activity, company reg. no., director);
3. Statement on activity sub-group (goods group);
4. Total number of full-time employees as at the day of filing the membership application;
5. Number of direct sellers and agents in direct selling;
6. Name of representative in the association;
7. Date of introduction of direct selling;
8. Copy of purchase agreement used in direct selling (door-to-door selling);
9. Evidence of paid membership fee.

The application shall be deemed complete if all attachments specified in Paragraph 3 hereunder and the statements stipulated by Article 8 of the Rules have been enclosed.

The President of the Association shall check the completeness of the application. The President of the Association shall submit the application of a candidate that meets the prescribed criteria to the Board of Members which shall decide on the admission of the candidate by a 2/3 majority of votes of those present at the Board meeting.

### **Regular members of the Association**

To be admitted as regular member, a candidate for membership must meet the following conditions:

- Mandatory membership in the Slovenian Chamber of Commerce;
- Direct selling must be part of its operations;
- Direct selling (selling door-to-door) must be in accordance with the applicable legislation and in line with the European direct selling Code of Conduct.

### Article 8

The members of the Association must:

- Comply with the Rules on the organisation and work of the Direct Selling Association;
- Comply with the Direct Selling Code of Conduct;
- Actively support the goals of the Association and participate in the achievement of the set goals;
- Appropriately represent the Association.

Upon admission to the Association, a candidate must sign a statement on acceptance of the Rules on the organisation and work of the Direct Selling Association and the European Direct Selling Code of Conduct. The admission fee is the membership fee for the first year of membership in the Association.

### Article 9

### **Regular members of the Association**

Regular members of the Association shall have the right to:

- Use the name and logo of the Association;
- Vote and be elected to bodies of the Association;
- Vote at the meeting of the Association Board;

- Adopt programme and financial decisions of the Association;
- Decide on the amendments to these Rules;
- Decide on the reorganisation and dissolution of the Association.

Regular members of the Association shall have the obligation to:

- Meet the duties stipulated by these Rules and the resolutions adopted by the bodies of the Association;
- Participate in the work of the Association;
- Regularly pay the membership fee;
- Provide data to the Association to facilitate its work.

#### Article 10

### **Associated members / Service providers of the Association**

Associated members are legal companies who are the members of the Chamber of Commerce and direct selling is not the part of their business within the registered businesses but they offer services which support and encourage the work of regular members of the DSA.

The candidates for membership must submit the following:

1. Written application for membership in the Association;
2. Copy from the court register (firm, activity, company reg. no., director);
3. Name of representative in the association;
4. Evidence of paid membership fee.

The President of the Association shall check the completeness of the application. The President of the Association shall submit the application of a candidate that meets the prescribed criteria to the Board of Members which shall decide on the admission of the candidate by a 2/3 majority of votes of those present at the Board meeting.

Associated members of the Association shall have the right to:

- Use the name and logo of the Association;
- Take part at the meetings of the Association.

Associated members of the Association shall have the obligation to:

- Support the work of the regular members,
- Offer the regular members their services under better conditions,
- Regularly pay the membership fee.

#### Article 11

The membership in the Association shall be terminated in the following cases:

- Upon the request of the member – voluntary exit;
- Upon exclusion;
- Failure to meet the conditions of Articles 7 and 8 of these Rules;
- Failure to pay membership fee to the Association or the Chamber even after having been reminded;
- Dissolution of the Association.

#### Article 12

A member that no longer wishes to participate in the work of the Association shall inform the Association of its voluntary exit in writing. Membership shall be terminated at the end of the calendar year in which the Association received a written notice of the member's exit.

#### Article 13

A member that has severely violated the Rules or the resolutions adopted by the bodies of the Association, the European Direct Selling Code of Conduct or whose actions have damaged the work or reputation of the Association in relation to state authorities or the public can be excluded from the Association.

A resolution on the exclusion of a member shall be adopted if 2/3 of the members present at the meeting of the Association Board vote in favour of it. The date of the termination of membership shall be determined in the resolution.

#### Article 14

Membership in the Association shall be automatically terminated on the day a member failed to comply with the provisions from Articles 7, 8 and 10 hereof. In such case, the Board of Members shall adopt a declaratory resolution at its next meeting.

#### Article 15

Following the termination of membership in the Association, the member shall have no right to file any claims in relation to the Association's assets or refund of the membership fee for the current calendar year.

#### Article 16

The Association shall have:

- a Board of Members,
- a President and Deputy President of the Association.

#### **Board of Members**

#### Article 17

Board of Members of the Association is the highest body of the Association. It shall be composed of the representatives of all members of the Association.

#### Article 18

The Board of Members shall have the following competences:

- Adopt resolutions on the foundation and dissolution of the Association;
- Elect a President and Deputy President of the Association;
- Elect a Secretary General;
- Decide on admission of new members;
- Decide on exclusion of members;
- Adopt the Rules and their amendments;
- Discuss and adopt the report on the work of the Association and the annual action plan;
- Adopt the budget of the Association's expenses;
- Determine the membership fee for the Association for each calendar year;
- Decide on the membership of the Association in international and other organisations;
- Organise and perform current activities of the Association;
- Prepare positions and resolutions on topical issues.

#### Article 19

The Board of Members of the Association shall meet at least once a year. It shall be conducted by the President of the Association or the Deputy President, if the former is absent.

The Board of Members shall be convened by the President of the Association upon own initiative or upon the request of at least 1/3 of the members.

The Board of Members shall have quorum if more than one half of members are present.

Each member of the Association shall have one vote. A resolution shall be adopted if more than one half of the members present vote in favour of it, unless otherwise stipulated by these Rules. Board voting shall be public. Minutes shall be kept of the work of the Board Members and shall be signed by the chair. In exceptional cases, the Board may convene a correspondence meeting.

## **President and Deputy President**

### Article 20

The Association shall have a President and a Deputy President.

The President and Deputy President of the Association shall be elected by the Board of Members.

President and Deputy President shall be elected for a term of office of two years, with unlimited possibility of re-election.

### Article 21

The President of the Association shall have the following competences:

- Representing and presenting the Association;
- Convene and conduct the meetings of the Board of Members;
- Co-ordinate and represent the common interests of all members of the Association;
- Implement the resolutions of the Board of Members;
- Collect, process and equally distribute among members all information related to the activity of the Association;
- Monitor legislation and other legal sources concerning the activity of the Association;
- Conclude legal transactions in the framework of approved funding, in line with the orientations;
- Sign the implementing acts in line with the granted authorities;
- Prepare material for the meetings of the Board of Members;
- Take care that membership fee (contribution) is duly paid by members;
- Assume responsibility for the professional and financial operations of the Association;
- Inform the members of the work of the Association.

If absent, the President of the Association shall be substituted by the Deputy President.

### Article 22

The administrative, technical and coordination tasks shall perform the Secretary General of the Association. If the Association doesn't have the Secretary General, the administrative, technical and coordination tasks for the Association shall perform the Chamber of Commerce.

## **IV. ASSETS AND SOURCES OF FUNDING**

### Article 23

The special membership fee paid by the members of the Association shall be used for financing the Association's activities which are not the usual services provided by the Slovenian Chamber of Commerce and are thus not included in its annual action plan and budget, in particular:

- leaflets and special publications,
- professional trips,
- specialised services and other activities of the Association,
- membership in international organisations,
- representation of the Association in other organisations,
- work of the Secretary General.

#### Article 24

The Association shall have the following sources of funding:

- membership fee,
- contributions for specific activities,
- sponsorship,
- other sources.

The annual action plan and cost budget or the amount of membership fee shall be adopted by the Board of Members of the Association.

#### Article 25

The members of the Association undertake to regularly pay the membership fee for the membership in the Association. Changed membership fee shall apply as of the month following the adoption of the resolution by the bodies of the Association.

If a member of the Association, in spite of being reminded, fails to regularly pay the membership fee or its share of costs for individual agreed activities, its membership shall be terminated.

#### Article 26

The Slovenian Chamber of Commerce shall in the context of its activities provide adequate rooms for the occasional meetings of the Association, administrative and technical assistance and accounting services for the Association's appropriated funds.

#### Article 27

Specialised services which are not part of regular advisory services provided by the Slovenian Chamber of Commerce or not included in the budget of the Chamber shall be organised by the Association itself, in accordance with the adopted action plan. Individual members of the Association will be obliged to provide equal or proportional shares of funding for the implementation of specific activities of the Association not included in the action plan and budget of the Association but associated with material costs. Members shall confirm their participation in individual specific activity in writing.

All financial transactions for the needs of the Association shall be processed by the accounting service of the Slovenian Chamber of Commerce, limited to the amount of separately collected funds and subject to the approval of the President of the Association. Financial operations of the Association must be in line with the Rules on Financial Operations of the Slovenian Chamber of Commerce.

### **V. TRANSITIONAL AND FINAL PROVISIONS**

#### Article 28

Any disputes arising between the members of the Association and disputes arising from these Rules shall be resolved by the Management Board of the Slovenian Chamber of Commerce. The decisions of the Management Board shall be final.

#### Article 29

These Rules shall apply as of the day they are adopted by the Board of Members and shall enter into force on the day they are approved by the Management Board of the Slovenian Chamber of Commerce.

With the date when the new Rules come into effect expire the Rules on the organization and work of the Direct Selling Association which were adopted on February 29<sup>th</sup>, 2012.

Ljubljana, \_\_8.12.2015\_\_\_\_\_

Matjaž Marinšek  
Deputy President of the Association

The Management Board of the Slovenian Chamber of Commerce approved these Rules on December 17<sup>th</sup>, 2015.