

NEWSLETTER NO 44
Of the Association of Corporate Lawyers

WHAT WAS HAPPENING DURING JULY, AUGUST, SEPTEMBER AND OCTOBER 2013?

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1. Celebration of ECLA 30th Anniversary

On 26th September of this year, ECLA Forum was held in the rooms of the impressive palace d'Egmont in Brussels. At the event ECLA celebrated the 30th anniversary of its existence. Forum themes, such as new trends within the corporate lawyer profession, legal privilege, ethics and independency of in-house lawyers attracted more than 200 participants in addition to the European Commission representatives. Marina Kralj Miliša, an ECLA Presidency Member and a Member of the Croatian Corporate Lawyers Association Presidency gave a very well-received presentation talking about trends within the in-house lawyer profession. The discussion developed after it showed once again the complexity of the role of the corporate lawyer who was a lawyer at one hand and a business associate within a company at the other requiring a more precise definition of the role of corporate lawyers and strengthening of their professional independency. The Forum showed that ECLA, having currently 19 member associations from the European Union Member States and representing more than 42,000 members, is a real counterpart for the EU policy makers bound to issues of the interest of company lawyers.



The Autumn ECLA Session was held on the following day including the participation of Croatian representatives as well. The same as during the latest session, ECLA President, Philippe Coen, emphasised again the need of improvement of operation and communication with ECLA member organisations (a new web site, improved engagement of member organisations within ECLA, a new flyer presented by Ms Marina Kralj Miliša). Sergio Marini, a member of the

Presidency, presented the draft wordings of the new Ethics compiled on the basis of Ethic Codes of all ECLA member organisations. After a discussion of representatives of all member organisations, the decision was reached to make a new draft wordings on the basis of given comments and to present it at the following ECLA Session to be held in Estonia. On the same day ECLA signed a Cooperation Agreement with IFA (International Fiscal Association) that has more than 12.500 members.

Prepared by: Martina Pejić, KONČAR – POWER PLANT AND ELECTRIC TRACTION ENGINEERING Inc.

2. We Represent you LEDO d.d. Legal Department

With the aim to know each other better and to improve networking to achieve as good cooperation and informing as possible, we started to present Association members and companies in which they work in 2010.

We invite all the members who are willing to be interviewed to contact us to our e-mail address and to enable us to continue with this nice tradition.

In this Newsletter, we are presenting you the company LEDO Inc. through an interview with Mirjana Pajnić, the Manager of the Corporate Activities Sector.

What is the structure of the Legal Department and how many employees does it have?

In the Company Ledo Inc., the Legal Department is a part of the Corporate Activities Sector or, better said, it is its most important part. In addition to the Legal Department, this Sector also comprises Personnel Affairs, Protection at Work Department, General Affairs and Cooperation with Investors that cooperates intensely with the Financial Sector.

Which status lawyers in your Company enjoy?

Besides me, two lawyers are employed by Ledo Inc. I hold the position of the Director of the Corporate Activities Sector, one colleague is an assistant to the Director of the Sector and the other is the Head of Legal and Personnel Affairs. Generally speaking, I consider that the status of corporate lawyers has been improving every day and that the significance and the contribution of lawyers in every day business operations is recognised. We function on the principles of a team at one hand and each of us deals with certain legal areas as her primary tasks at the other hand.

How do you estimate your relations with other professions in the Company?

As I have already said, the importance and the contribution of corporate lawyers are recognised here and we cooperate intensely with other sectors and professions. We are included in the decision making procedure when strategic and business decisions are being reached, as well as in resolving of various every-day business situations. We, the lawyers, consider such a manner of working to be a benefit for us, since it enables our development in the sense of widening of our knowledge and studying of legal rules, regulations and practices in extremely diverse fields. We also take part in various seminars, workshops or in any in-house training whenever it is possible, to be in line with regulation and legal practice modifications.

Which are the activities you deal with in the Legal Department?

The Legal Department precisely performs all the activities bound to compilation of all commercial contracts and agreements, claim proceedings, due and mature receivable enforcement proceedings, law suit management, pre-bankruptcy settlement proceedings, activities bound to the organisation or reorganisation of the company organisational charter, compilation of all internal documents and rules of procedure, activities bound to market competition, intellectual property, activities including relations with the Employee Council, Supervisory Board, Annual / Extraordinary General Meeting, all the activities bound to the personnel, activities regarding obligations to the Zagreb Stock Exchange and the investment public. Bound to the field of the relations with investors, in the part regarding the communication

of certain financial and business indicators, we cooperate directly with the Financial Sector. As I have already said, the Corporate Activities Sector also comprises Protection at Work Department and General Affairs.

How long have you been in the Company?

I have been in Ledo Inc. since 2001. I started as a trainee when I took a degree at the Faculty.

Why did you choose to work in a company?

At the moment I accepted the offer to work in Ledo Inc. I also had the opportunity to work for the State Attorney's Office and in another large domestic company active in some other industry branch. I chose Ledo because it represented a very successful company even then and that is now one part of a successful system of Agrokor Concern. I also had a micro motivation and that was working in an ice-cream factory I had adored ever since. Even today I believe that I did not make a mistake, because I have realised myself as a professional lawyer. During my employment here I had also the opportunity to volunteer at the Municipality Court of Zagreb, I have passed the Bar Exam, cooperate with excellent attorneys-at-law regarding individual issues. I feel satisfaction with personally achieved goals, cooperation with colleagues I work with, corporate activities. I have also completed education for Managers for Relationships with Investors recently opening some new and interesting chapters in the part of the market of the capital. Not less important, I have realised myself as a mother of a little girl two years old. I can conclude that I am a very happy person.



Where do you see yourself in the future?

It is proved every day that the future will probably be very challenging from the business point of view, and I believe that I and my team are going to thread our way through these future times with the equal success.

Has the organisation of the Legal Department changed during the last 10 years?

The most intensive changes have been introduced during the last 2 years, since the Personnel Affairs was merged to us from the organisational point of view. We have significant changes even now regarding performance of activities bound to the relationships with investors and corporate management. In that area we cooperate directly and intensely with other sectors regarding updating of certain data interesting to the investment public.

How do you keep pace with legislation modifications and education?

In addition to the Official Gazette of the Republic of Croatia we receive regularly and where we follow all amendments, we do our best to attend various seminars and expert professional trainings and educate ourselves in the sense of professional expertise as much as our business obligations allow us to do. Exchange of experience with colleagues from other companies within the concern is of a great help as well as internally organised workshops and expert meetings.

Are you in touch with foreign law, legislation, arbitration or mediation?

There are certain contacts, sometimes with the aim to consult colleagues about certain foreign law or practice, sometimes due to amicable solving of a potential dispute, we also have some

active cases, and we have recently had a case at the Arbitration Tribunal of Zagreb.

How do you see the position of the lawyer in the Company, do you have any influences to the management?

Managing and control activities are performed by the Company Management. I consider our influence to be also important, because some business decisions and the manner of their implementation and performance are defined after a consultation with lawyers.

Can the position of the lawyer improve and how?

I think that our every-day work and results achieved by the lawyers within the Company that are brought to the employer and that contribute to business results are the best promoters of strengthening and improving of the position of the lawyer.

3. New from ECLA Newsletter: Interview of Jean Cattaruzza on the Independence of Company Lawyers

- Jean Cattaruzza, Head of Legal in ING Belgium SA, former President of IBJ, ECLA Treasurer, was asked by ECLAnews on independence of company lawyers. The topic will be discussed in Panel 3 of ELCA Forum in Brussels.

Why do you think ECLA needs to elaborate on independence?

Unfortunately, we have to notice that certain people, who consider in-house counsels as a possible threat for their own practice, like to focus on our lack of independence by making a mix between our status as employee and our characteristics. Let's also remember that the AKZO arrest used this as an argument, amongst others, to deny to the in-house counsels the legal privilege.

So, are we really independent?

The purpose of the contribution we are working on is to clearly show that an in-house counsel who could not work on an independent way has no added value and that it is the common interest of everyone to benefit from independent in-house counsels. The idea that our managers are likely to put pressure on us to influence the content of our advice is really false. If they want to act without taking into account the legal risks, why should they spend money to pay in-house counsels? And let's be serious, our managers are aware of the complexity of the legal environment, perfectly know that, by ignoring this environment, their company and themselves incur serious civil and criminal liabilities.

What do you hope to give as a key message through this contribution?

Each country has its own legal environment. Every company has won values. But this does not prevent each company lawyer in all those countries and in all those companies to build together a safer business framework through its daily work. So, I would like to evidence that independence is a basic characteristic of all European in-house company lawyers and not a phenomenon existing in several countries but not really present in some others. And this message is very important. I am really convinced that the Company lawyers' independence is a driver towards a full recognition of our professional status all across Europe.

ECLAnews, August, 2013

4. Croatian Public Notary Bar in the World

The Association of Corporate Lawyers cooperate successfully with the Croatian Public Notary Bar in the first line in the field of organisation of the obligatory theoretical part of the expert training during at least 150 classes for the needs of registration and sitting for the Bar Exam of

lawyers employed by trading companies. Therefore it is very interesting for us to monitor the activities of the Croatian Public Notary Bar.

Since it is the first Newsletter after the Republic of Croatia became a member state of the European Union, we have to notice and to congratulate our colleagues for entering into the Council of Notariats of the European Union (CNUE). Let us explain, the Croatian Public Notary Bar became the 22nd Member of the Council of Notariats of the European Union (CNUE) on the day when the Republic of Croatia became a member state of the European Union. The Council organised a celebration and a party in its venue in Brussels on 26th September, 2013, before the General Meeting Session, in the honour of the new member. All national Notariat of European Union representatives were invited, as well as Mr Mate Škrabalo, the Croatian Ambassador in the European Union, Ms Paraskevi Michou, the director of the General Direction of the Legislation of the European Commission and Mr Ivan Crnčec, assistant to the Minister of Justice of the Republic of Croatia. Ms Lucija Popov, the president of the Croatian Public Notary Bar thanked to the representatives of the Council of Notariats of the European Union (CNUE) for their support as well as the Ministry of Justice that supported them and helped from the operational and expert point of view on their way to the full membership in the CNUE. Our representatives were present in Brussels due to the celebration of the 30th anniversary of ECLA and had the opportunity to celebrate that event as well.



Representatives of the Croatian Public Notary Bar participated actively in the 27th Congress of the International Union of Notaries (UINL) that was held in Lima, Peru from 9th to 11th October, 2013. The Congress elected Daniel Sédar Senghor, a Public Notary from Dakar, nominated for the public notary in 1986, to be the president of the International Union of Notaries (UINL). He is the first representative of Africa at the head of this organisation existing since 1948. It gathers 86 member Notariats of the Latin type.

International experiences of the Croatian Public Notary Chamber are precious for all professional organisations of lawyers to which we also belong.

Prepared by: Gordana Štanfel, LLB, Končar – Electrical Industry, Inc.

5. XXVIII Traditional Conference – Novelties of the Croatian Legislation and Legal Practice, Opatija 2013

The Croatian Association for Civil Law Sciences and Practice organised the XXVIII Conference “Novelties of the Croatian Legislation and Legal Practice” in cooperation with the executive organisers, Organiser Ltd. Zagreb and the magazine “Law in Economy” held in Opatija from 24th to 25th October, 2013.

The main characteristics of this year autumnal Opatija was a high attendance rate even at the lectures holding during the late afternoon hours.

The only lady among lecturers of this year was Ms Nina Betetto, the Vice President of the Supreme Court of the Republic of Slovenia lecturing the actual topic “A Revision of the Institute of the Process Law to be Implemented when the Republic of Croatia Becomes a European Union Member State – a View of a Practitioner”. In her lecture she warned about difficulties faced by Slovenian judges when implementing the European process civil law as well as about the issues Croatian judges should paid attention to. In her lecture she also listed regulations representing the source of the European process civil law that were useful to have listed all together.

Damir Kontrec, a judge of the Supreme Court of the Republic of Croatia, talked about the novelty of the Land Registry Law of 2013 with a special view of legal instruments for protection of erroneous and illegal registrations in the Land Registry. The objection and the appeal are regular legal remedies in land registry proceedings according to the new arrangement. An objection is allowed against any first instance decision and the court that has made the decision decides about the objection. The appeal is still a devolution legal remedy to be decided by the second instance court. In his lecture, Kontrec talked about the High Land Registry Court as an appeal court and the need of introduction of such a court regarding the number of appeals in land registry proceedings.

Academician Jakša Barbić, a *professor emeritus* of the University of Zagreb, talked about the responsibility of members for liabilities of the corporation. In his presentation he gave several examples of the legal personality break and linked it to the actual situation in the Republic of Croatia.

Đuro Sessa, a judge of the Supreme Court of the Republic of Croatia talked about the new arrangement of the main hearing and the appeal procedure pursuant the novelty of the Civil Procedure Act of 2013. He especially emphasised that the Civil Procedure Act had 24 amendments by the moment and that he believed that the moment came for a new civil procedure act.

Jadranko Jug, a judge of the Supreme Court of the Republic of Croatia talked about still actual topic of transformation of the property right. Ante Perkušić, a judge of the Supreme Court of the Republic of Croatia and an extraordinary professor of the Law and Maritime Faculty of the University of Split, presented a study under the title “The Widest Limits of the Owner’s Legal Possession of Real Estates According to the Special Real Legal Arrangements and Warranties of Ownership Rights”. Ivica Crnić talked about the mass media as a power without any real supervision and about the responsibility of publishers of the mass media for damage money indemnification. Vlado Skorup, a judge of the Municipality Court of Rijeka presented his study with the topic “Challenging of Legal Actions of the Debtor Pursuant Obligatory Relationship Law and Bankruptcy Law, while Darko Milković, a judge of the Supreme Court of the Republic of Croatia talked about the novelty of the Labour Act of 2013 and collective termination of employment contracts in the light of implementation of the European Law.

Papers of all the lecturers as well as numerous reports of this year (exactly 36) were published in the Yearbook No 20 given to each Conference participant as a working material.

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In Zagreb, October, 2013

