



STATUTES

Version according to a resolution in General Assembly meeting on April 25-th, 2023

I. GENERAL PROVISIONS

Art. 1 Status

Bulgarian Association of Electrical Engineering and Electronics is a non-profit association operating to private benefit under the Law on non-profit legal entities.

Art. 2 Name

The name of the association shall be “Българска асоциация на електротехниката и електрониката”, abbreviated "БАСЕЛ", called for short in this statute "Association". The name of the association in English shall be „Bulgarian Association of Electrical Engineering and Electronics”, abbreviated „BASEL”.

Art. 3 Seat and registered office

The Association shall be a legal entity with a seat in the city of Sofia and registered office at Sofia 1000, 16, Sveta Nedelya Sq., 6th Floor, Office 10.

Art. 4 Term of existence

The Association is constituted for an indeterminate period.

Art. 5 Liability

- /1/ The Association shall be liable for its obligations exclusively by its property.
- /2/ The Association is not liable for the obligations of its members.
- /3/ The members of the Association are not liable for the obligations of the Association.

II. OBJECTS, MEANS AND ADDITIONAL BUSINESS ACTIVITY

Art. 6 Objects of the Association

The objects of the Association are:

1. to represent and protect the interests of its members before third parties, including before state, public, trade union and international bodies and organizations as a national representative association of employers from the electrical and electronics industry;
2. to promote the technological and production capacity of its members inside the country and abroad;
3. to assist its members in finding business partners and entering new markets;
4. to support its members to increase their competitiveness and their technological level;
5. to attract foreign investments in the branch and to stimulate the creation of joint ventures, joint manufacturing and other forms of economic cooperation.



Art. 7 Means to realize the objects of the Association

/1/ To realize its objects the Association shall do the following:

1. working out opinions on and proposals for new and amendments to existing laws and regulations;
2. participation in advisory councils, commissions and working groups at state and public bodies;
3. representation and protection of the interests of member employers as a party to collective bargaining agreement;
4. organization of business events, company presentations and company visits;
5. cooperation with partner organizations in Bulgaria and abroad;
6. consulting services in regard to searching for business partners and developing new markets;
7. building links to technical universities and vocational schools;
8. organization of visits and participation in exhibitions and trade fairs;
9. participation in national and international projects and programs and providing information to the members about opportunities for EU funding;
10. working out annual analyzes on the current state and trends of the industry as well as publications and branch information service through the media.

/2/ The Association shall not engage in any party political activities.

/3/ The Association may open branches and establish companies where appropriate for realization of its objects.

Art. 8 Scope of additional business activity of the Association

/1/ To realize its objects the Association shall perform the following activities:

1. Publishing – preparation, publishing and distribution of printed materials;
2. Education – organization of trainings, seminars and other educational activities;
3. Consulting – providing consulting services, research, analysis etc.;
4. Conferences – organization of business forums, presentations etc.;
5. Other business activities that are in compliance with the legal requirements and could be defined as related to the main activity of the Association and help realize its objects.

/2/ The additional business activity shall be performed within the structure of the Association or by establishing or shareholding in a company in compliance with the Law on non-profit legal entities, as the business operations are subject to the terms and conditions determined by the laws governing the respective type of business activity.

/3/ The revenues of the Association from additional business activity can be used only to realize the objects of the Association.

III. MEMBERSHIP

Art. 9 Members

/1/ Members of the Association may be any Bulgarian and foreign legal entities and legally responsible individuals acknowledging the objects of the Association and the provisions of this Statutes.

/2/ Membership in the Association is voluntary.

/3/ The members of the Association are regular and associate.

/4/ Regular members of the Association may be Bulgarian and foreign legal entities directly related to electrical engineering and electronics acknowledging the objectives of the Association and the provisions of this Statutes.

/5/ Associate members of the Association may be Bulgarian and foreign legal entities and legally responsible individuals indirectly related to electrical engineering and electronics or interested in the activities of the Association acknowledging its objects and Statutes.

Art. 10 Admittance of new members

/1/ The legally responsible individuals and legal entities willing to be admitted new members of the Association are required to file a written application to the Management Board. The Management Board shall have the right of requiring additional information on the economic condition, sphere of activity, reputation and other significant circumstances in view of evaluating the membership. For individuals professional curriculum vitae shall be attached to the written application.

/2/ At its first meeting after receipt of the application for membership, the Management Board shall take a decision on the on the new member admittance. The type of membership of the newly admitted member is determined by the decision of the Management Board for its admission. The decision shall be announced in writing to the person admitted as a member of the Association.

/3/ The decision on new member admittance shall come into force upon signing the minutes of the meeting of the Management Board. Upon entering into force of the decision the newly admitted member shall be entered in the members register.

Art. 11 Register of members

/1/ The new members of the Association as well as the status of payment of the membership fee due under the present Statutes shall be entered and presented in a Register of Members.

/2/ The Register shall be made available to the members for information and shall be updated by the Executive Director at the end of each quarter.

Art. 12 Members' rights

/1/ A regular member may:

1. participate in the activities of the Association and in the General Assembly meetings and exercise his voting rights in decision-making;
2. elect and be elected in the governing bodies of the Association;
3. exercise control over the work of the Association and its governing bodies;
4. receive information on the Association's activity;
5. use the services provided by the Association;
6. participate in the initiatives and events organized by the Association;
7. make proposals for changes in normative acts;
8. discuss and seek protection on issues of its activity;
9. receive assistance from the Association for solving problems within the competence of state and public institutions;
10. use the property of the Association and the results of its activity provided that it has fulfilled its obligations according to the decisions of the General Assembly;
11. support financially the entire activity or certain activities and/or activities of the Association through voluntary financial support/contributions.



/2/ An associate member may:

1. participate in the activities of the Association and in the General Assembly meetings and participate with an advisory vote in decision-making;
2. receive information on the Association's activity;
3. use the services provided by the Association;
4. participate in the initiatives and events organized by the Association;
5. use the property of the Association and the results of its activity provided that it has fulfilled its obligations according to the decisions of the General Assembly;
6. support financially the entire activity or certain activities and/or activities of the Association through voluntary financial support/contributions.

Art. 13 Members' obligations

The members undertake to:

1. work and assist the Association in attaining of its objects;
2. observe the statutes of the Association and implement the decisions of the General Assembly and the Management Board;
3. work for increasing the property of the Association by financially supporting its activities by regular payment of annual membership fee within the terms and in the amount determined by the General Assembly;
4. work for raising the public authority of the Association and not to use in any way the Association for purposes contrary to the statute and the professional ethics;
5. upon request provide the Association with data for statistical purposes;
6. inform the Association about changes in addresses, telephone numbers and contact persons.

Art. 14 Annual membership fee

/1/ The annual membership fee for the relevant calendar year shall be paid within the period of its first quarter.

/2/ Within 10 days as from notifying in writing the new members of the decision taken on their admittance to the Association, they shall be required to pay the annual membership fee in proportion to the remaining months of the year of adoption.

/3/ The Management Board may exceptionally reduce the amount of the annual membership fee due, as well as release members from the obligation to pay membership fees. The decision to reduce the amount and exemption from membership fees shall be taken by a majority of 2/3 of the members of the Management Board present.

Art. 15 Membership termination

/1/ The membership shall be terminated in the following cases:

1. written notice of resignation;
2. winding-up of the legal entity member of the Association;
3. opening a bankruptcy proceedings against a legal entity member of the Association;
4. death, or complete judicial disability of a physical person member of the Association;
5. exclusion of member of the Association;
6. winding-up of the Association.



/2/ In the cases under par. 1, item 2-6 the membership shall be automatically terminated as from the date of the death, the date of the decision of the Management Board or entering into force of the court decision on placement under complete judicial disability, respectively, or the date of filing the circumstances concerning the status of the legal entities. Art. 17 of the Articles of Association shall apply to par. 1, item 1.

/3/ The persons whose membership in the Association has been terminated shall neither have the right to claim full or partial refunding of the membership fee paid for the current calendar year nor claim any property of the Association.

Art. 16 Exclusion from the Association

/1/ Exclusion from the Association shall be admissible in following cases:

1. culpable conduct in breach of the Statutes;
2. conduct incompatible with the membership in the Association;
3. failure of payment of the annual membership fee in due time;
4. willful act against the interests of the Association;
5. violation of the Code of Ethics of the Association;
6. other actions harming the Association's good reputation.

/2/ The decision on exclusion shall be taken by the Managing Board.

Art. 17 Resigning from the Association

/1/ In case of resigning of a member of the Association, he must submit to the Management Board a written notice of resignation.

/2/ The membership shall be deemed terminated immediately after receiving the notice.

/3/ Membership termination, no matter of the reason for, is subject to entering in the Register of members.

Art. 18 Membership dropping out

In case the newly admitted member does not pay the due membership fee within 30 days of receiving the notification of its admission, the Management Board issues a notice of termination of membership with fixing of a 14 days period for payment. In case no payment is received within the 14 days period, the membership is considered terminated, unless there is a reason to extend the term. The Management Board finds with a decision the termination of the membership by dropping out.

IV. BODIES OF THE ASSOCIATION

Art. 19 Bodies of the Association

Bodies of the Association shall be:

1. General Assembly;
2. Management Board;
3. Chairman;
4. Deputy Chairman;
5. Executive Director;
6. Auxiliary bodies of the Association;



7. Audit Commission.

1. General Assembly

Art. 20 General Assembly

/1/ The General Assembly shall be the supreme body of the Association, comprising all members of the Association, including regular and associate members.

/2/ Regular members shall have the right to one vote in the General Assembly. One regular member is entitled to represent no more than three regular members on the basis of a written power of attorney, which is presented to the General Assembly.

/3/ Associate members may attend the meetings of the General Assembly and participate in its work only with the right of advisory vote, without participating in the formation of a quorum, majority or voting.

Art. 21 Powers

The General Assembly shall:

1. amend and supplement the Statutes;
2. approve other internal regulations;
3. determine the number of members of the Management Board, elect and dismiss the members of the Management Board and the Audit Commission, as well as release them from liability;
4. approve the annual report on the activity of the Management Board;
5. approve the annual budget of the Association proposed by the Management Board;
6. resolve for transformation and termination of the Association;
7. approve the report of the Audit Commission;
8. determine the amount and terms for payment of the annual membership fee;
9. take decisions concerning collective bargaining agreement;
10. repeal decisions of the other bodies of the Association, which contravene to the law, the Statutes and the other internal regulations of the Association.

Art. 22 Amendments to the Statutes

The present Statutes may be amended by decision of the General Assembly on proposal by the Management Board or at least 1/4 of the regular members of the Association. The decision on amending the Statutes shall be taken by majority of 2/3 of the present or represented regular members of the Association.

Art. 23 Regular and extraordinary General Assembly

/1/ The regular General Assembly shall be held once a year.

/2/ The extraordinary General Assembly shall be convened at any time by the Management Board or by demand of at least 1/3 of the regular members of the Association.

/3/ The General Assembly shall be chaired by the Chairman or, in case of the Chairman's absence, by the Deputy Chairman. In the event of the Deputy Chairman's absence, the meeting shall be chaired by another member of the Management Board.

/4/ The General Assembly may be held using real-time electronic means of transmission (conference call), ensuring the identification of members and allowing them to participate in the discussion and voting resolutions.



/5/ When the General Assembly is held by conference call, the Management Board provides the necessary measures for identification of the members resp. of the persons representing them as well as security measures for the connection and participation of all members.

Art. 24 Convocation of the General Assembly

/1/ The General Assembly shall be convened by the Management Board at its own initiative or by demand of at least 1/3 of the regular members of the Association. For convening of the General Assembly by demand of at least 1/3 of the regular members they shall submit their request in writing to the Managing Board accompanied by a proposal on the agenda. The Management Board is obliged to send invitations for convening of extraordinary General Assembly meeting within 2 weeks from the date of receipt of the request.

/2/ Both the regular and extraordinary General Assembly shall be convened by written invitation, which shall be announced in the Register of non-profit legal entities kept by the Registry Agency and shall be put on the place for notifications in the building, where the management of the Association is, at least one month before the set day. The invitation can be published on the website of the Association as well. The invitation shall contain the agenda, the date, the time and place of the General Assembly meeting and by which initiative it is convoked.

/3/ In the case the General Assembly shall be held by conference call, the invitation shall contain instructions about its holding through the use of electronic means. In the invitation under par. 2 the access data shall be indicated.

/4/ The written materials relating to the agenda of the General Assembly shall be sent to all members per e-mail or, where appropriate, on the website of the Association at least on month before the meeting.

Art. 25 Quorum

/1/ The General Assembly may take decisions when more than half of all regular members are present or represented.

/2/ A member of the Association who has registered through the access data for participation in the General Assembly, held through a conference call, is considered present or represented.

/3/ When holding a General Assembly through physical presence, a member of the Association shall be considered present if there is a real-time conference or other similar connection between such a member and the other members of the Association, provided that such connection guarantees the identification of the respective member and allows him/her to participate in the discussions and the voting of resolutions.

/4/ Based on a Power of attorney in writing, the voting right of a regular member may be exercised by another person – another member of the Association, Executive Director or a person external to the Association. Such Powers of attorney shall be submitted to the Executive Director before the beginning of the General Assembly meeting at the latest. A member is entitled to represent no more than 3 (three) other members at any session of the General Assembly under a written power of attorney. The attorney-in-fact is not entitled to re-authorize other persons with its powers.

/5/ In case the General Assembly is not attended by the necessary number of regular members, the meeting shall be adjourned to an hour later, at the same venue and with the same agenda, and the session so adjourned shall be valid and regardless of the number of regular members present or represented.

/6/ A list of the members who participated in the General Assembly, signed by each person, shall be attached to the minutes of the meeting, and in cases of holding a General Assembly or participation of members of the Association in a meeting with a physical presence through conference call, instead of a list may be attached written confirmations (declarations) from the members participating in the General Assembly, unless the law allows another possibility to certify the presence.

Art. 26 Taking of decisions



/1/ Each regular member shall have the right to one vote in the General Assembly.

/2/ The General Assembly shall take its decisions by open voting by ordinary majority (50%+1) of the regular member votes cast – present or represented.

/3/ The General Assembly may decide for the voting to be secret. The decision for secret voting shall be taken by ordinary majority (50%+1) of the regular member votes cast – present or represented.

/4/ Decisions on amendment and supplement of the Statutes as well as on transformation and termination of the Association shall be taken by majority of 2/3 of the regular members – present or represented.

/5/ Decisions related to the collective bargaining agreement shall be taken by majority of 2/3 of all regular members in absentia voting within 14 days. Non-participation in the voting by a regular member shall be considered as tacit consent.

/6/ The General Assembly shall be empowered to decide only on the matters listed in the agenda for the respective meeting, as set out in the invitation sent to the members. Proposals on including of any other issues in the agenda may only be considered by the General Assembly if all members are present and they agree to it.

Art. 27 Minutes

/1/ Minutes shall be kept of each General Assembly meeting containing the following data:

1. venue and date of the General Assembly meeting resp. instructions for its implementation by electronic means;
2. members' attendance;
3. agenda;
4. summary of the discussions held;
5. decisions;

/2/ The Minutes shall be signed by the Chairman and by the Secretary of the General Assembly meeting.

2. Management Board

Art. 28 Composition

/1/ The Management Board shall consist of legal entities - regular members of the Association, who exercise their rights through individuals - their legal representatives or expressly authorized persons.

/2/ The Management Board comprises at least 3 (three) persons – regular members of the Association. The General Assembly fixes the specific number of members, which has to be an odd number.

/3/ The Management Board elects the Chairman and the Deputy Chairman from among its members. The Chairman may be re-elected for only one more term.

/4/ The members of the Management Board perform their activities voluntarily and on social basis.

Art. 29 Election

/1/ The members of the Management Board shall be elected by the General Assembly for a three-year period.

/2/ The election of a new Management Board shall take place at the first regular General Assembly meeting after expiry of the mandate of the former Management Board. In the period between the end of the mandate and the day of holding the General Assembly the former Management Board shall continue

functioning in accordance with the present Statutes. The members of the Management Board may be re-elected for an unlimited number of mandates.

/3/ Nominations for election of members of the Management Board, when provided for in the agenda, may be submitted to the Executive Director in writing by each regular member of the Association and by the Management Board within two weeks before the General Assembly.

Art. 30 Pro-term cancellation of the mandate of a member of the Managing Board

In case a member of the Management Board resigns from the Management Board prior to expiry of his mandate due to inability to perform his/her duties for objective reasons, the Management Board, respecting the criteria under art. 28, par. 2 may co-opt a member of the Management Board to complete its composition till the next regular General Assembly.

Art. 31 Powers

/1/ The Management Board shall respect the goals of the Association and assist in attaining thereof. It shall adopt the main guidelines for the Association's activity. The Management Board shall act in pursuance of the decisions of the General Assembly.

/2/ The Management Board shall:

1. determine the way and organize the performance of the activity of the Association;
2. elect from among its members a Chairman and a Deputy Chairman and determine the representative power of its members;
3. elect and appoint the Executive Director and determine his/her salary;
4. dispose of the Association's property in compliance with the requirements of the Statutes;
5. make proposal for the amount of membership fee and submit it for approval to the General Assembly;
6. decide on the reduction or exemption from the obligation to pay membership fees;
7. decide on additional property contributions and determine their amount;
8. approve of the annual closing of the calendar year, which shall be presented by the Executive Director;
9. approve the draft budget of the Association proposed by the Executive Director and submit it for approval to the General Assembly;
10. take decisions on opening or closing of branches and representations of the Association;
11. take decisions on admittance or exclusion of regular and associate members of the Association as well on dropping out of members;
12. take decisions on the Association's incorporation and shareholding in other organizations, non-profit legal entities or companies;
13. form specialized committees if necessary;
14. determine the Association's address;
15. submit a performance report of the Association to the General Assembly;
16. approve Code of ethics, Rules on the activities of the Management Board and other internal rules on the activity of the Association;
17. perform a liquidation procedure with regard to the Association;
18. perform other obligations provided for in the Statutes.



/3/ The Managing Board decides on any issues not falling within the competencies of the General Assembly according to the present Statutes.

Art. 32 Meetings

/1/ The meetings of the Management Board shall be held at least four times a year.

/2/ The meetings of the Management Board shall be chaired by the Chairman or, in case of the Chairman's absence, by the Deputy Chairman. In the event of the Deputy Chairman's absence, the meeting shall be chaired by another member of the Management Board.

/3/ The meetings of the Management Board may be held using real-time electronic means of transmission (conference call), ensuring the identification of members and allowing them to participate in the discussion and decision-making.

Art. 33 Convocation of the Management Board

/1/ The meetings of the Management Board shall be convened by the Chairman. The invitations to the meeting shall be sent in writing per e-mail to each member of the Management Board ten days before the date of the meeting at the latest and shall indicate the agenda, the date, time and venue of the meeting resp. instructions about its holding through the use of electronic means. In the case the Management Board meeting shall be held by conference call, the invitation shall contain the access data. In special cases the invitation may be given at a shorter notice. Each member of the Management Board shall have the right of proposing any issues for discussion without limitation. Following the election of the Management Board its first meeting shall be held immediately after the General Assembly.

/2/ Any additional meetings of the Management Board may be convened by the Chairman at the written request of 1/3 of the members of the Management Board. If the Chairman does not convene a meeting of the Management Board within 1 week, it may be convened by any of the interested members of the Management Board.

Art. 34 Quorum

/1/ The Management Board may only take decisions if more than half of its members are present.

/2/ A member of the Management Board who has registered through the access data for participation in a meeting of the Management Board held through a conference call is considered to be present or presented.

/3/ When holding a Management Board meeting through physical presence, a member of the Association shall be considered present if there is a real-time conference or other similar connection between such a member and the other members of the Association, provided that such connection guarantees the identification of the respective member and allows him/her to participate in the discussions and decision-making. The Chairman of the meeting shall certify any voting under the foregoing sentence in the minutes.

/4/ Regardless of the manner of holding the meeting - by physical presence or conference call, a member of the Board may authorize another member of the Board or the Executive Director of the Association to represent him for a specific meeting on the basis of a written power of attorney. This authorization could be done per e-mail. A member of the Management Board and the Executive Director are entitled to represent no more than 1 (one) other member of the Management Board. The attorney-in-fact is not entitled to re-authorize other persons with its powers.

Art. 35 Taking decisions

/1/ The Management Board takes decisions by open voting by ordinary majority (50%+1) of the votes of the present members. The decisions on admittance or exclusion of regular and associate members as well as on reduction or exemption from the obligation to pay membership fees shall be taken by open voting by majority of 2/3 of the present members of the Management Board. The decisions under art. 31, par. 2, items 1, 4 and 17 shall be taken by open voting by ordinary majority (50%+1) of all members of the Managing Board.

/2/ The Management Board may take decisions without actual attendance provided that all members of the Managing Board sign the minutes of the decisions taken without reservations or objections.

/3/ The Executive Director or a representative appointed by the Management Board shall keep minutes of the meetings of the Management Board. The minutes shall be signed by the Chairman of the meeting and by the person who held the minutes and after that be made available to the members of the Managing Board.

Art. 36 Representation

/1/ The Association shall be represented before any third persons in the country and abroad by the Chairman of the Management Board.

/2/ The Managing Board may nominate another member or members from among its composition or the Executive Director to represent the Association individually or otherwise.

3. Chairman. Deputy Chairman

Art. 37 Functions

/1/ The Management Board shall elect a Chairman and Deputy Chairman from among its members for the duration of its three-years mandate. The Chairman may be re-elected for only one more term.

/2/ The Chairman shall:

1. organize the activity of the Management Board;
2. manage and direct the activity of the Association;
3. assist to realization of the objects of the Association;
4. conclude an employment contract or a management contract with the Executive Director elected by the Management Board;
5. represent the Association before any third persons in the country and abroad;
6. conclude contracts on behalf of the Association;
7. performs other actions arising from its powers determined by the Statutes.

/3/ In case the Chairman is unable to perform his functions he shall be replaced by the Deputy Chairman but for a period not longer than the time to the next General Assembly.

/4/ The persons appointed under par. 1 shall continue in office until election of their substitutes.

Art. 38 Honorary Chairman

/1/ The General Assembly may elect a Honorary Chairman by majority of 2/3 of the regular members present or represented. Only a person who has been Chairman of the Association can be elected Honorary Chairman.

/2/ The title of "Honorary Chairman" shall have moral value only. The Honorary Chairman shall not have the powers of Chairman within the meaning of the present Statutes and needs not be a member of the Management Board.

4. Executive Director

Art. 39 Election

The Executive Director shall be elected and appointed by the Management Board.



Art. 40 Powers

/1/ The Executive Director shall perform all current actions relating to the operational management of the Association within the scope of the present Statutes and shall exercise control on respecting the main guidelines on the Association's activity adopted by the Management Board. In particular, the Executive Director shall be in charge of preparing the budget and of the current control on fulfillment thereof as well as of the decisions relating to the Association's staff.

/2/ The Executive Director shall:

1. organize the implementation of the decisions of the Management Board;
2. organize the activity of the Association, realize the operational management, ensure the management and protection of the Association's property;
3. dispose of the funds for the maintenance of the Association within the approved budget;
4. conclude contracts /appoint and dismiss/ with employees of the Association in accordance with the staff approved by the Management Board;
5. participate in the meetings of the Management Board with an advisory vote;
6. participate in the meetings of the General Assembly and the specialized committees;
7. represent the Association before any third persons in the country and abroad upon explicit authorization by the Management Board and according to a power of attorney signed by the Chairman of the Management Board in the required form.

/3/ After explicit written permission from the Management Board, the Executive Director may authorize other employees of the Association or third persons for performance of individual tasks.

5. Auxiliary bodies of the Association

Art. 41 Specialized committees

/1/ The Management Board may form specialized committees comprising regular and associate members of the Association for performance of specific tasks. The regular members of the specialized committees have the right to one vote, and associate members – only to an advisory vote.

/2/ The meetings of the specialized committees shall be chaired by a chairman of the appropriate committee appointed by the Management Board.

/3/ The chairman of each specialized committee reports on the work of the respective committee to the Management Board.

Art. 42 Regional representatives

Regional representatives of the Association on the territory of Bulgaria may be appointed by decision of the Management Board. The regional representatives perform their activities voluntarily and on social basis.

6. Audit Commission

Art. 43 Composition

/1/ The Audit Commission shall consist of three legal entities - regular members of the Association, who exercise their rights through individuals - their legal representatives or expressly authorized persons.

/2/ The Audit Commission elects a chairman from among its members who organizes and manages the activities of the Audit Commission. The chairman may be re-elected for only one more term.

/3/ The Audit Commission takes decisions by ordinary majority (50%+1) of the votes.

/4/ The members of the Audit Commission perform their activities voluntarily and on social basis.

Art. 44 Election

/1/ The members of the Audit Commission shall be elected by the General Assembly for a three-year period and may be re-elected for an unlimited number of mandates.

/2/ The election of a new Audit Commission shall take place at the first regular General Assembly meeting after expiry of the mandate of the former Audit Commission. In the period between the end of the mandate and the day of holding the General Assembly the former Audit Commission shall continue functioning in accordance with the present Statutes.

/3/ In case a member of the Audit Commission resigns from the Audit Commission prior to expiry of his mandate due to inability to perform his/her duties for objective reasons, the Audit Commission, respecting the criteria under art. 43, par. 1 may co-opt a member of the Audit Commission to complete its composition till the next regular General Assembly.

/4/ Members of the Management Board may not be elected as members of the Audit Commission.

Art. 45 Powers

/1/ The Audit Commission shall:

1. check out the accounting books, the accounting documents and the annual closing of the Association;
2. give a conclusion on the annual financial report of the Association and reports on its activities to the General Assembly.

/2/ The Audit Commission shall verify the cash position and the balances on the bank accounts of the Association each year by 31 January by means of a statement signed by its members. A written report shall be made of the audit of the annual closing. The results of the audit shall be announced and explained to the members of the Association at a regular General Assembly.

V. ASSOCIATION'S PROPERTY

Art. 46 Formation and use

/1/ The Association's property shall be formed by:

1. annual membership fees;
2. additional property contributions from members of the Association, for which the Management Board has decided;
3. revenues from services provided by the Association and from participation in projects;
4. income from interest, from real estates owned by the Association, from shareholding, from publications etc.;
5. voluntary contributions, donations, sponsorship, testaments as well as any other sources allowed by the law.

/2/ The Association's property may comprise titles of ownership and other real rights on real or movable estate, intellectual property rights, bonds and receivables from third persons.



/3/ The Management Board shall dispose of the Association's property. To the extent the Association receives targeted financial aid, it may only be used for the purposes it has been provided for.

/4/ The Association's property shall only be used for the purpose set out under the present Statutes. The Association shall allocate no profits.

/5/ The members shall not receive dividend or any other material benefits out of the Association's property. According to the Bulgarian legislation, the members of the Association shall have no rights over the Association's property.

/6/ By decision of the Management Board, the members of the Association may make targeted contributions to achieve a goal determined by the statute or by decision of the Management Board. In its decision, the Management Board shall determine the purpose, amount and manner of collecting the contributions.

/7/ The accounting books of the Association shall be kept in BGN.

VI. TERMINATION OF THE ASSOCIATION

Art. 47 Reasons and termination procedure

/1/ The Association may be terminated by decision of an extraordinary General Assembly convened specifically for the purpose.

/2/ The proposal on termination of the Association may be made by the Management Board or at least 1/3 of the regular members. The proposal on termination of the Association shall be made in writing to the Management Board.

/3/ Where a proposal on termination of the Association is made, the Management Board undertakes to convene an extraordinary General Assembly within a month. The invitation to the extraordinary General Assembly shall expressly state the purpose of the General Assembly. The extraordinary General Assembly may take decisions if more than a half of all regular members are present or presented.

/4/ The decision on termination of the Association may only be taken by majority of 2/3 of the regular members present and represented.

/5/ The Association may be terminated by a decision of the district court at the seat of the Association in the cases determined by the Law on non-profit legal entities.

VII. LIQUIDATION

Art. 48 Liquidation

/1/ Upon termination of the Association, liquidation shall take place except in the case when the Association is transformed.

/2/ The liquidation of the Association shall be performed by the Management Board or a receiver appointed by the Management Board.

/3/ The financial funds for performing the liquidation and in particular, the amount of receiver's consideration, shall be fixed by the Management Board.

/4/ The provisions of the Bulgarian legislation shall apply to the overall liquidation procedure, in particular to the receiver's powers.

/5/ The distribution of the property remaining after satisfaction of the creditors is decided by the General Assembly by a majority of 2/3 of the votes of the present and presented regular members.



VIII. CLOSING PROVISIONS

Art. 49 Competent court

All and any disputes arising out of the membership relations or in connection with the activity and legal status of the Association's bodies shall be settled by the competent court in Sofia.

Unofficial translation of the authentic Bulgarian text.