

Translation from Bulgarian

**ARTICLES
OF
THE ASSOCIATION OF RESEARCH-BASED PHARMACEUTICAL MANUFACTURERS IN
BULGARIA**

I. GENERAL PROVISIONS

STRUCTURE

Article 1. The Association of Research-based Pharmaceutical Manufacturers in Bulgaria, hereinafter referred to as "the Association", was founded at Meeting of Incorporation held on 12 June 1996 and 23 September 1996 in Sofia.

STATUTE

Article 2. (1) The Association is a non-profit organisation established to perform activities for private benefits pursuant to the Articles of the Act of Non-profit Legals.

(2) The Association is a legal person other than its members. Its liability is limited by its property.

(3) The members of the Association shall not be liable for its liabilities.

NAME

Article 3. (1) The name of the Association shall be:

**ASSOCIATION OF RESEARCH-BASED PHARMACEUTICAL
MANUFACTURERS IN BULGARIA - ARPharM**

(2) The name of the Association and its seal along with its registered office and address shall be affixed onto all of its documents in the relevant language.

REGISTERED OFFICE AND ADDRESS

Article 4. (1) The registered office of the Association shall be in 1113 Sofia, Izgrev,

AIMS OF THE ASSOCIATION AND WAYS OF ACHIEVEMENT THEREOF

Article 5. (1) The major aim of the Association shall be to contribute to protection and security of human health and human life by co-operation in delivery of quality medical products for disease prophylactics, diagnostics and treatment.

For the purpose of having this aim achieved the Association shall:

1. **Express and popularise the joint interests of its members.**
2. **Protect and work for the good reputation of the pharmaceutical industries;** make their contribution to development of pharmacy known to the public; encourage any co-operation, which is expected to result in improvement of health and welfare of Bulgarian citizens; support the relevant governmental institutions and organisations in this respect.
3. **Maintain and develop activities** related to pharmaceutical and medical research in Bulgaria and aimed at adoption of international standards.
4. **Represent and support its members** in protection of their interests concerning industrial and intellectual property, professional ethics, adherence to the regulations, rules and standards in the manufacture of medical products and contribute to development of contemporary legal and normative basis in Bulgaria.
5. **Work as a self-governing organisation** seeking to provide fair competition among its members and adherence to the ethical principles in promotional activities.
6. **Create an official mechanism of continuous interaction** between the Association and the Bulgarian authorities.
7. **Encourage foreign investments** drawing the attention of relevant authorities to the obstacles and problems impeding development and expected to cause eventual amendments of the substantial legal regulations.
8. **Act as an official communication channel between its members and the public** in all matters related to their activities by using the means of public information for this purpose.
9. **Establish active relations with the national, European and world organisation** of similar aims to provide exchange of information and experience.

MEANS



Article 6 (1) For the purpose of having its aims achieved the Association shall engage in the following activities:

1. **Popularisation and introduction of international standards, criteria and specifications** related to pharmaceutical products, manufacture and distribution thereof.
2. **Maintaining contact with competent authorities**, presenting of conceptions and positions upon execution of draft laws and other normative acts referring to pharmaceutical business.
3. **Development and adaptation of the relevant normative documents**, rules and principles to establish professional relationship, based on ethical standards typical of the pharmaceutical industrial branches.
4. **Providing of relevant assistance and protection** upon violation of the rights and interests of the Association.
5. **Maintaining of a register** of its members.
6. **Organising of meetings, seminars, lectures, qualification courses, etc.**
7. **Participation in international organisations** of similar aims and activities.
8. Oral, written and graphical **spread of** the opinions, conceptions and positions of its members, addressing the professional society and the public; organising publication of periodicals, books and leaflets to contribute to achievement of its aims.
9. **Undertaking** other lawful activities to contribute to achievement of the Association's aims.

(2) The Association may participate in incorporation or activities of other non-for-profit organisation within and outside Bulgaria.

(3) Any receipts of the Association shall only be used in achievement of its aims as aforesaid, and its members shall not be entitled to obtain any profits or dividends.

II. MEMBERSHIP

MEMBERS

Article 7 (1) The Association shall include members of full status and associate members whose rights and duties shall be designated by these Articles. Pharmaceutical manufacturers, who synthesise, formulate and package medical products, shall only be eligible (able to be elected)

members of full status. Each member of full status shall have 1 (one) vote.

(2) Any legal and natural persons (major and of legal capacity), showing actual interest in accomplishment of the Association's aims and willing to participate in its activities shall be entitled to be elected associate members. Associate members shall not be entitled to vote at the General Meeting of the Association. Should the General Meeting not consent to otherwise, associate members may attend sessions of the General Meeting, participate in considerations and put forward discussible problems. Associate members may engage in the Association's activities in the same manner as its members of full status do.

Article 8. (1) New members of the Association shall be elected by the General Meeting.

(2) Candidates for membership shall be rendered the Articles of the Association and other normative documents required by law.

(3) Candidates for membership shall be required to present the Managing Board with written applications to confirm that they are familiar with and approve of the Articles and the other normative documents of the Association and consent to the requirements provided by Article 7. They should also state whether reference in their applications would mean reference to members of full status or associate members.

(4) The application for membership shall be accompanied by power of attorney provided by the management of the manufacturing company to certify that a natural person shall be empowered to represent such manufacturing company in the Association.

(5) The Managing Board shall accept the application and put it forward for approval at the first General Meeting held immediately after serving the application. The Board shall be entitled to require supplementary information under specific points of the Articles. It is advisable submitting of applications to be made at least ten days prior to holding of a session of the General Meeting.

(6) Should any candidate not consent to or approve of all requirements of full status membership, the Managing Board may invite such candidate to become an associate member.

(7) All companies (firms) which have participated in the incorporation of the Association at its Meeting of Incorporation shall be deemed incorporators.

RIGHTS OF THE MEMBERS OF THE ASSOCIATION

Article 9. (1) Members of full status shall be entitled to:



1. Vote at the General Meeting of the Association.
 2. Elect and be elected in the managerial bodies of the Association.
 3. Be informed of the Association's activities and have access to its reports.
 4. Use the services of the Association whether free of charge or according to preferential tariffs.
 5. The other rights shall be provided by the Articles or the resolutions of the General Meeting.
- (2) Associate members shall have the rights under paragraph 1 of Article 9 excluding these under sub-sections 1 and 2.

DUTIES OF THE MEMBERS OF THE ASSOCIATION

Article 10. (1) The members of the Association agree to:

1. Pay membership dues and annual fee as provided by these Articles.
2. Deliver any supplementary payments (contributions) approved by the General Meeting or made by themselves.
3. Keep the Association's good name, popularise its aims and activities, and support the Association in such manner, which they consider most appropriate.
4. Keep their own good reputation in business, observe the law and generally adopted fair business rules.

TERMINATION OF MEMBERSHIP. DISMISSAL OF MEMBERS.

Article 11. (1) Any member shall be entitled to terminate his membership in the Association by resolution of the managerial body of the manufacturing company. Membership termination shall have effect by resolution of the Managing Board pursuant to application forwarded by the termination-seeking member.

(2) Membership in the Association shall also be terminated upon liquidation or other form under which the existence or the activities of the representative in Bulgaria have ceased.

(3) Upon membership termination in accordance with paragraphs 1 and 2 there shall be applied the provisions of paragraph 5, Article 12.

Article 12. (1) Any member of the Association, who has infringed the established rules of these Articles or the resolutions of the General Meeting, may be dismissed from the Association by the vote

of two thirds of the members of the General Meeting.

(2) The General Meeting shall notify a member of the Association subject to dismissal not later than seven days prior to its session providing arguments in favour of the appropriateness of a draft resolution in this matter. The member of the Association subject to dismissal shall be allowed to attend the sessions of the General Meeting and submit oral or written statement but he may not participate in voting concerning his membership. Such cases shall absolutely require secret ballot.

(3) Any dismissed member may, within seven days following dismissal, appeal against such resolution addressing the Managing Board in writing. The Managing Board shall forward such letter to the other members and the membership of the member in question shall be terminated until the next session of the General Meeting, where the resolution on dismissal shall be confirmed or cancelled.

(4) The resolution on dismissal of a member of the Association may be cancelled by the unanimous vote of two thirds of the General Meeting and may be conditional.

(5) Dismissed members shall not be entitled to refund of any membership dues or other fees and contributions made to the Association.

GROUND FOR DISMISSAL OF A MEMBER OF THE ASSOCIATION

Article 13. (1) A member of the Association may be dismissed:

1. In case of notification given by the Managing Board and consequent non-delivery of membership dues, annual fee or other payment, which has been sanctioned by the General Meeting or which the latter has undertaken special commitment to.

2. In case of non-performance of other significant duty adopted by resolution of the General Meeting or undertaken by such member, which has therefore put the good reputation of the Association in danger or caused serious impediments in the operation of the Association or its managerial bodies.

3. In case of actions made in business or in public, which have damaged his good reputation in business or occupation.

4. In case of spreading incorrect and discrediting information about the Association or its bodies, or disclosing of confidential data.

5. In case of using his membership in the Association or its managerial bodies for privileges, which are incompatible with the statute of the Association.

REPRESENTATION

Article 14. (1) The Association's full status member shall by letter from the management of the manufacturing company designate the natural person to represent the member in the Association. The member is preferably being presented in the Association by a high-ranking representative of the Bulgarian commercial branch (bureau, office, service).

(2) Should a multinational pharmaceutical manufacturer have more than one representative in Bulgaria, the principal management of the manufacturer shall determine the one to represent the manufacturer in the Association.

(3) Should a member wish to have its representative in the Association substituted with another one, the management of the manufacturer shall notify the Managing Board of the Association in writing.

(4) Associate members shall be presented in the same way as members of full status, unless being natural persons.

(5) The Association shall for statistical purposes execute a special list of its members entitled to vote.

(6) The Managing Board may approve of the specific requirements regarding the form and contents of motives by which the representative of a member of the Association has been appointed or ruled out. Any motives of appointment or ruling out of a representative shall be served to the Managing Board not later than 24 hours prior to the session of the General Meeting; otherwise such representative shall not be allowed to vote (registration).

REGISTRATION OF MEMBERS

Article 15. (1) The Association shall keep a list of its members to be accessible to any persons interested in. The public shall also have free access to it. The Managing Board shall determine the rules of accessing the register and obtaining the respective certificates by the interested parties.

(2) The members of the Association agree to provide for the purposes of registration the most precise and recent data including names, legal status, registered office, address, size of business, form of representation and other non-confidential information as the Managing Board may determine. The Managing Board may on request be presented with copies of documents related with their national registration.

III. MANAGEMENT

A. JOINT MANAGEMENT

MANAGERIAL BODIES OF THE ASSOCIATION

- Article 16. (1) The Supreme Body of the Association shall be the General Meeting.
(1) The managerial body of the Association shall be the Managing Board.

MANDATE

- Article 17. (1) The mandate for all elective positions in the Association voted for by the General Meeting shall be two years.
(2) The elected person may not be re-elected to the same position within two consequent periods.
(3) Should a person be elected to substitute for a position within the mandate, such person shall be deemed elected until the mandate expiration of the person to be substituted.

CANDIDATES

- Article 18. (1) Full status members of the Association may nominate candidates for the Managing Board and for any other elective positions.
(2) The Managing Board and the other elective positions of the Association shall be elected by the General Meeting by regular majority of the votes - at least half of the present full status members plus one. Should none of the candidates obtain the necessary majority of votes, the first two candidates shall proceed to a second round of voting, where an elected candidate shall be deemed the one of prevailing votes.

VACANCIES

- Article 19. (1) Should a Managing Board member or any other elected person resign his office or should his office remain vacant due to illness, change of residence or otherwise, the next General Meeting shall hold election aimed at filling such vacancy.

B. GENERAL MEETING

PARTICIPANTS AT THE GENERAL MEETING

Article 20. (1) The General Meeting shall comprise all full status members of the Association. The General Meeting shall hold its regular sessions at least two times a year.

(2) Associate members may attend sessions of the General Meeting and participate in discussions as well as make motions and forward questions.

(3) The Managing Board may, due to considerable reasons, designate a certain session of the General Meeting to be held without being attended by associate members.

(4) The Chairman of the Association shall attend all sessions of the General Meeting (GM). In case of not being able to be present, the Vice Chairman shall act as Chairman.

CONVENTION OF THE GENERAL MEETING

Article 21. (1) The General Meeting shall be convened by a resolution of the Managing Board or upon request of at least 1/3 of its members. Should, in the later case, the Managing Board fail to send written invitation to convene the General Meeting within a month, it shall be convened by the court located in the area of the Association's registered address upon written request from the interested members or a person entitled by them.

(2) The General Meeting shall be convened by a written invitation sent personally to any member or its representative in Bulgaria, by an e-mail at least a month prior to the date of session.

(3) The invitation of the General Meeting shall include the date, time and place of session as well as suggested agenda and must be sent at least two weeks before the date of the meeting.

(4) In case written materials have been executed for the members, they shall be sent by an e-mail to all members not later than 10 days prior to commencement of the session.

(5) Failing to serve an invitation or materials to any members or the fact that some members have not received the invitation shall not impede passing of resolutions. Such cases shall be subject to providing a relevant explanation.

COMPETENCIES OF THE GENERAL MEETING

Article 22. (1) The General Meeting shall have the right to:

1. Introduce amendments of the Articles and resolve on transformation or termination of the Association.
2. Approve of new members and resolve on dismissal of members.
3. Approve of the budget and annual statement upon budget as well as estimate the liability of the Managing Board.
4. Approve of the annual statement of the activities of the Association.
5. Elect and dismiss members of the Managing Board and elect the Comptroller.
6. Elect the Chairman and the Vice Chairman of the Association.
7. Establish, upon motion of the Managing Board, the major directions, long- and short-term plans, programs and specific tasks of the Association.
8. Pass resolutions and authorise the Managing Board with respect to all activities of the Association.
9. To revoke decisions of the other bodies of the Association, which contradict the law, the Statute or other internal acts, regulating the activity of the Association;
10. Pass resolutions on all other matters put forth by its members.

(2) The resolutions under sub-sections 1, 2 and 3 shall be consented to by a majority of 2/3 of the presented members, while resolutions under the other sub-sections require a simple majority. Decisions cannot be made on questions not included in the agenda.

(3) The rights under sub-article 1, sub-sections 1, 3, 4, 5, 6 and 9 cannot be granted to the other bodies of the Association.

(4) The resolutions of the General Meeting are binding on the rest of the bodies of the Association.

(5) The resolutions of the General Meeting are object of a legal control regarding their accordance to the law and the Articles of the Association.

(6) The resolutions of the managing bodies of the Association, which are in antinomy of the law, the Articles of the Association or previous resolution of the General Meeting, can be litigated in front of the General Meeting by request from the concerned members of the Association or their representative within a month after coming to know but not later than an year after the date of the resolution.

(7) The arguments under sub-article 5 can be litigated in front of the Court of the registration by any of the members of the Association or their representative or by the Public Prosecutor within a month after coming to know but not later than an year after the date of the resolution.

ANNUAL CONVENTION OF THE GENERAL MEETING

Article 23. (1) The annual convention of the General Meeting shall be made annually in March or April at place suggested by the Managing Board.

(2) The annual convention of the General Meeting shall:

1. Consider and estimate the annual statement of the Managing Board.
2. Consider and approve the annual financial statement.
3. Appoint auditors and determine their remuneration.
4. Elect the managing bodies of the Association.
5. Choose any other matters put forth by members.

QUORUM

Article 24. (1) The General Meeting shall be competent to pass resolutions if convened as a regular one and attended by not less than a half of the members of full status.

(2) The General Meeting shall be deemed legally constituted if attended by at least half of all members or delegates. Should the required number not be present the meeting shall be adjourned for an hour later following the same agenda and shall be deemed legally constituted, notwithstanding the number of presented members and delegates.

VOTING RIGHT

Article 25. (1) Any member of full status shall be entitled to one vote.

(2) A person can represent up to three General Meeting members with a letter of attorney. Re-empowerment is not admitted.

(3) The voting right may not be exercised if the full status member has not arranged his accounts with the Association. The Chairman shall see to observing of this rule assisted by the Comptroller, providing report of unsettled accounts prior to each session of the General Meeting.



(4) In case of an equality of votes the Chairman shall be entitled to a casting vote.

ELECTION OF A CHAIRMAN OF THE GENERAL MEETING

Article 26. (1) The Chairman of the Association, in the absence of the Chairman, the Vice-Chairman is the Chairman of the General Meeting, responsible for organising of its activities and seeing to holding of sessions in accordance with the relevant rules.

(2) The Chairman shall appoint one or two members of the Managing Board Vice-Chairmen of the session; they assist him in the established management of the session.

(3) The Chairman shall appoint a secretary to keep the minutes of the session.

C. MANAGING BOARD

MEMBERS OF THE MANAGING BOARD

Article 27. (1) The Managing Board shall include the Chairman of the Association, the Vice Chairman and one to five members.

The Executive Director of the Association, who is not a member of the Managing Board shall obligatory participate in the work of the Managing Board

(2) The Chairman of the Association is a member and a Chairman of the Managing Board and the Vice-Chairman is a member and a Vice-Chairman of the Managing Board.

Article 28. (1) The Managing Board shall hold a regular session at least one time monthly. The Comptroller shall be invited to participate the seasons of the Managing Board with a consulting vote.

(2) The Chairman of the Association is convening the sessions of the Managing Board. The Chairman shall convene a session by request of 1/3 of its members. If the Chairman does not convene a session of the Managing Board within a week, the session can be convened by any of the concerned members of the Managing Board. The Chairman of the Association may convene extraordinary session of the Managing Board on his initiative or on the initiative of any member of the Managing Board, the Comptroller or the Secretary - Treasurer.

(3) Should the time and place of holding the next session of the Managing Board not be fixed at the preceding session, the Managing Board shall be convened by an invitation delivered in the form of letter, telegram, telex or fax to each member at least seven days prior to the session. In

extraordinary cases the Managing Board may be convened by telephone.

(4) Sessions of the Managing Board shall be deemed legally constituted if all members have been regularly invited and not less than a half of them are present. A person shall be considered present if a bilateral telephone or another type of connection proving his/her identification is maintained, allowing his/her participation in the discussions and arriving to decisions.

(5) In cases of urgency, the Managing Board can pass a decision without holding a meeting if the minutes concerning the decision have been signed without reservations and objections against it by all of the members of the Managing Board.

COMPETENCIES OF THE MANAGING BOARD

Article 29. (1) In accordance with the Articles of the Association and the resolutions of the General Meeting, the Managing Board shall manage the day-to-day affairs of the Association, authorise persons entitled to signatory power and act on behalf of the Association.

(2) The Managing Board shall:

1. Represent the Association as well as define the degree of the representative powers to its individual members;
2. Organize adherence to the Articles of Association and the decisions of the General Meeting;
3. Manage the assets of the Association observing the requirements of the Articles of Association;
4. Manage the bank accounts of the Association;
5. Draw up the draft annual budget of the Association and report to the General Meeting about the implementation of the budget;
6. Define the order and organize fulfillment of activities of the Association and be responsible for that;
7. Prepare projects and submit the annual report concerning the Association's performance;
8. Approve of the system of reporting and accounting concerning the rules of activities and all financial issues;
9. Shall pass decisions for nomination and removal from office of the Executive Director, for staff appointment and shall organize servicing in conformity with the decisions of the General Meeting; [?]

10. Approve the operating activities of the Chairman of the Association.
11. Resolve on the membership of the Association in the national and foreign non-profit organizations within the major directions designated by the General Meeting;
12. Consider the report of the Comptroller;
13. Approve of the tariffs of the Association's services and publications;
14. Resolve on exclusion of members;
15. Settle other issues in accordance with the provisions of the Articles.

(3) The resolutions of the Managing Board shall be consented to by simple majority, excluding decisions on par. 2, points 3 and 6 and art. 48 par. 2. These resolutions shall be passed with the majority of all members.

D. CHAIRMAN, VICE-CHAIRMAN, EXECUTIVE DIRECTOR, SECRETARY, TREASURER

Article 30. (1) The Chairman shall be responsible for the ultimate management of the Association's activities. He shall organise the activities of the organisation and perform the functions, specified by the Articles or assigned to him by the General Meeting. The Chairman shall represent the organisation before the national and foreign organisations and institutions.

(2) The Chairman shall be authorised to sign all documents of the Association, including contracts, transactions, and financial documents together with the Treasurer or other persons authorised by the Managing Board.

(3) The Chairman of the Association shall:

1. Organise the implementation of the resolutions of the General Meeting and the Managing Board.
2. Organise and manage the activities of the Managing Board.
3. Be responsible for the employment contracts or contracts of services ordered by the Association.
4. Represent the Association within and outside the country.
5. Resolve on the necessary expenses for the activities of the Association in accordance with the budget, plans and programs approved by the General Meeting and the Managing Board.
6. Settle any matters assigned to him by the General Meeting and the Managing Board.

VICE- CHAIRMAN



Article 31. (1) The Vice-Chairman shall, in the absence of the Chairman, exercise the authorities (perform the powers) of the latter.

EXECUTIVE DIRECTOR

Article 32./1/ The Executive Director shall be responsible for the operative management of the activities of the Association. He/She shall organize the activities of the organization and perform the functions specified in the Articles of the Association or assigned to him/her by the Managing Board.

/2/ The Executive Director is entitled to sign documents of the Association including contracts, transactions and financial documents and the Managing Board in that respect has passed a decision.

/3/ The Executive Director is entitled to operate with the bank accounts and to sign payment documents of the Association together with the Chairman of the Association.

/4/ The Executive Director of the Association:

1. Shall organize the implementation of the decisions approved by the Managing Board.
2. Shall be responsible for the employment or service contracts required by the Association.
3. Shall resolve any issue assigned by the Managing Board.

SECRETARY-TREASURER

Article 33. (1) The Secretary-Treasurer shall be appointed by decision of the MB and shall be responsible for the routine management and control of the property, financial operations and accountancy of the Association. The Secretary-Treasurer shall draw up the draft budget of the Association and put it forth for approval of the Managing Board.

(2) The Secretary-Treasurer shall be authorised to operate the bank accounts of the Association and sign drafts together with the Chairman of the Association.

(3) The Secretary-Treasurer shall quarterly provide the Managing Board with statements of the financial position of the Association.

Article 34. The Secretary-Treasurer shall be responsible for the organisation of the routine activities of the Association, including employees' performance, accountancy, documentation and administrative actions.

E. COMPTROLLERS

Article 35. (1) The General Meeting shall elect comptrollers.

(2) Comptrollers shall:

1. Control the implementation of the resolutions of the General Meeting and the Managing Board of the Association.

2. Control the rational use of the financial resources and property of the Association. They also control the accountancy of the Association.

3. Control and express statement on the draft budget and the annual financial statement.

(1) In respect of their activities Comptrollers shall be empowered to make audits of the documents and assets of the Association and demand any written documents from officers, if necessary.

IV. MINUTES OF SESSIONS

Article 36. (1) In the sessions of the General Meeting and the Managing Board, there shall be kept minutes to reflect statements, positions and motions of the members, outcome of voting and resolutions approved by the relevant managerial body. The minutes shall be signed by the Chairman and the person to execute the minutes.

(2) The minutes shall be placed in a special file and kept at least five years, unless otherwise has been provided by law. The minutes may be invalidated only if explicitly allowed by the General Meeting.

(3) Full status members of the Association shall have free access to the books of the Association. They may demand copies or separate parts of the minutes.

V. FUNDING

PAYMENTS OF THE ASSOCIATION

Article 37. Members of the Association shall pay fee for the Association and annual membership fee. Supplementary payments in favour of the Association may be made only if approved by the General Meeting or based on a voluntary initiative.

FEE FOR THE ASSOCIATION. (UNION CONTRIBUTION)



Article 38. (1) Founder members (incorporating members) shall pay a union contribution throughout three months since holding of the Meeting of Incorporation. New members shall pay a union contribution within three months from the General Meeting's session, at which their membership has been approved.

MEMBERSHIP DUES

Article 39. (1) The members of the Association shall pay membership dues to be paid until 30 April of the year they have become currently payable for.

(2) New members shall pay membership dues for the year they have joined the Association appropriately from the date of being elected members until the end of the year.

GRANTS AND WILLS

Article 40. (1) All Bulgarian and foreign natural and legal persons may provide grants or wills in favour of the Association. Grants and wills may be made provided that they will be used in a specific way in accordance with the aims of the Association.

(2) When grantor wishes to incorporate award, fellowship, specialised fund, special research program, etc., he may require his name to be used in the denomination of the relevant award, fellowship or fund.

(3) Grant or will may include money, movable or non-movable property, works of art and other valuables. Grantors and grants shall be entered in a special book.

(4) Grants and wills and the provisions contained therein shall be accepted by the Managing Board.

ACCOUNTANCY

Article 41. (1) The accounting system of the Association is in compliance with law. The Managing Board shall be responsible for provision of appropriate accountancy and execution of documentation including:

1. All amounts of money received as receipts or spent as expenses of the Association.
2. All purchases or sales made by the Association.
3. Assets (property) and liabilities of the Association.

(2) The accounting documents shall be kept in a proper place determined by the Managing Board and shall be accessible for inspection by the members of the Managing Board and the Comptroller.

(3) The Managing Board shall determine in what terms persons other than members of the Managing Board and the Comptroller shall have access to the accounting books.

FINANCIAL AND ACCOUNTING ACTIVITIES

Article 42. (1) In the annual conference (session) of the General Meeting the Managing Board shall present the annual financial statement including the annual balance sheet and profit and loss account.

(2) The financial statements of the Managing Board and the Comptroller (Auditor) shall be provided in accordance with the legal provisions (requirements) and the ones of the General Meeting.

(3) Copies of all documents mentioned (listed) under this Article shall be delivered to the members of the Association not later than 14 days prior to convention of the General Meeting.

SPECIAL FUNDS

Article 43. (1) The amounts of money in the special funds shall be accounted separately in accordance with the rules determined by the will of persons granting such amounts or by the General Meeting.

REMUNERATION OF THE EMPLOYEES OF THE ASSOCIATION

Article 44. (1) The employees of the Association shall receive remuneration for their performance according to conditions determined by the Managing Board.

PAYMENT OF THE MEMBERS OF THE ASSOCIATION

Article 45. (1) A member of the Association or of any elective position shall not obtain remuneration to the exception of the following:

1. Interest of a credit co-ordinated with the Association.
2. Payment for a service or product ordered by the Association on reasonable terms.



TRANSFORMATION

Article 46. (1) The Association can be transformed into another form of a non-profit legal person; it can merge, divide and split.

TERMINATION AND LIQUIDATION OF THE ASSOCIATION

Article 47. (1) The Association shall be terminated:

1. with expiration of the term for which it has been incorporated, if the Articles of Association determine such a period;
 2. by resolution of the General Meeting ;
 3. by decision of the district court located in the area of its registered address when:
 - a) it has not been incorporated legally
 - b) performs activity contradicting the provisions of Law or is contrary to the social arrangements or good morals;
 - c) declared to be insolvent;
- (2) The decision of the Court mentioned in par. 1, points 1 and 3 shall be enacted with claim lodged by any interested person or public prosecutor.
- (3) The Court can give suitable time limits for elimination of the grounds for termination and its consequences.
- (4) In the cases of par. 2, the termination shall be officially registered and the Court shall appoint a liquidator.

Article 48. (1) When terminating the Association, liquidation shall be performed.

(2) Liquidation shall be executed by the managerial body or by any person appointed by it.

(3) If a liquidator has not been appointed in compliance with par. 2 and as in the case mentioned in art. 47, par. 1, p.2, the liquidator shall be appointed by the district court located in the area of the Association's registered address.

(4) Regarding insolvency, and bankruptcy respectively, the order of liquidation and liquidator's powers shall be applied in conformity with the stipulations of the Commercial Law.

PROPERTY AFTER LIQUIDATION

Article 49. (1) The distribution of the assets that have remained after settlement of relationships with creditors shall be resolved by the General Meeting of the Association, unless the Law otherwise requires. Provided that the decision has not been passed prior to liquidation, the liquidator shall take it.

(2) If persons as per par.1 do not exist or if they are not identifiable, the assets shall pass to the Municipality where the Association has been registered. The Municipality shall be obliged to use the assets for activities closest to the aims of the terminated organization.

(3) The assets mentioned in the previous paragraphs can not be distributed, sold or in any other way transferred to a liquidator appointed outside the group of the persons indicated in par. 2 for the exception of the remuneration owed to them.

(4) The persons that have obtained assets as a result from the liquidation executed as per par. 1-3, shall be responsible for the liabilities of the terminated organization to the amount of what have been obtained by them.

REMOVAL OF THE ASSOCIATION FROM THE REGISTRY

Article 50. The liquidator shall be liable to remove the Association from the registry of the District Court subsequent to distribution of assets.

VI. OTHER PROVISIONS

Article 51. The Managing Board should take any proposal for addition to the Articles of Association or to the incorporation protocol into consideration and after that submit it along with its recommendations at the annual or extraordinary General Meeting of the association.

Article 52. The Association is incorporated for an indefinite period of time.

Article 53. (1) Notwithstanding the provisions of these Articles, failure to serve a message or a document to a member of the Association, the Managing Board or other person shall not be deemed an infringement if the address of such person has not been known to the Association as he has not

duly notified it (of his address).

Article 54. (1) Should in all circumstances any rules and procedures related with the activities of the Association not be clearly defined by the Articles of the Association, the Managing Board may create temporary rules and submit such issue to be considered and approved by the General Meeting in the next session thereof.

(2) Any other unsettled issues shall be governed by the Act of Non-profit Legals and the Regulations approved by the General Meeting of the Association. .

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AMENDMENTS OF THE ARTICLES

Article 55 (1) Any motion of amendment of these Articles shall be timely considered along with the relevant recommendations to the next General Meeting. Materials referring to such amendment shall be forwarded do the members of the Association not later than 14 days prior to the session of the General Meeting.

The Articles of the Association herein were approved at the General Meeting of the Association held on October 30, 2008.