

*Translation from Bulgarian*

*/Affixed round official seal of "Bulgarian anti-thalassemic association", a non-profit organization, town of Varna/*

BY-LAWS

OF A NON-PROFIT ORGANIZATION

"BULGARIAN ANTI-THALASSAEMIC ASSOCIATION"

Accepted on a constituent assembly, held in the town of Varna on June 11, 2004

1. GENERAL CONDITIONS

Statute

Article 1. (1) The association is a legal entity, which exists independently from its members, established in accordance with the regulations of the Law on non-profit legal entities, the by-laws and the decision of the constituent assembly.

(2) The association answers for its liabilities with its property.

(3) The members of the association are not responsible for the liabilities of the association.

(4) Members are responsible for depositing the membership fees due.

Name

Article 2. (1) The name of the association is "BULGARIAN ANTI-THALASSAEMIC ASSOCIATION".

(2) The name of the association along with an indication of the headquarters, postal address, and court, where the association has been registered, and the number of court registration and BULSTAT should be specified in all correspondence of the association.

(3) The name of a branch of this association is formed as an indication "Branch" and the settlement, where the headquarters of the branch is, is added to the name of the

association. An indication of the range of activity carried out can be added to the name of the branch.

#### Headquarters and address of management

Article 3. The headquarters and address of the association is town of Varna, 69 Slivnitsa Blvd.

#### Term

Article 4. A specified term or another condition of dissolution does not restrict the existence of the association.

#### Specification of activity

Article 5. The association carries out an activity with a socially useful benefit, which finds expression in organization of donation campaigns for the achievement of the envisaged goals; organization of conferences and seminars; assistance for organization of professional training of persons without any or with insufficient general and professional education; co-operation with state and municipal bodies as well as with similar organizations in the country and abroad; establishment of scientific centers, which will serve the preventive and therapeutical goals of the union; giving information and notification to the parents of children, who suffer from this disease, about their state.

#### Main goals of the association

Article 6. The main goals of the association are:

- Aid to people who suffer from thalassaemia;
- Assistance for social integration of people with nonequivalent social and financial status;
- Assistance to disabled and other persons in need of care;
- Application of recommendable remedies for effective treatment of thalassaemia;
- Upbringing, public realization, education and professional training of those suffering from thalassaemia;

- Establishment of scientific centers, which will serve the preventive and therapeutical goals of the union as well as establishment of a head office for collection and distribution of information about the thalassaemia;

- Support for the establishment of separate units at the main hospitals, where it is suitable, for rendering care, treatment and mastery of thalassaemia;

- Establishment and maintenance of close contacts with the blood transfusion services around the country and advising the latter about the specific needs of those suffering from thalassaemia;

### **Funds for the achievement of the association's goals**

- Membership due;

- Donations;

- Devises;

- Subsidies or unemployment benefits, granted by public and private organizations in different programs;

- Income from the organization of courses, seminars, schools and cultural events;

## II. Membership

### **Membership rights and obligations**

Article 8. (1) The membership in the association is a voluntary one. The members can be physical and legal entities. The members are differentiated into regular and honorary ones.

(2) Each legal entity, which shares the aims of the association and the means of their achievement, observes its by-laws and pays its membership due regularly, can be a member of the association.

(3) Each adult, who shares the aims of the association and the means of their achievement, observes its by-laws and pays his/her membership due regularly, can be a member of the association.

Article 9. Each member of the association has the following rights:

- To participate in the activity of the association and in the work of the General Assembly;

- To be elected in its managerial bodies;
- To supervise the work of the association and the managerial bodies;
- To be informed about the activity of the association;
- To make use of the association's property and the results from its activity;

Article 10. Each member of the association is obliged:

- To pay his/her membership due every month;

- To observe the by-laws of the association and to work for the achievement of its goals;

- To work for the increase of the association's property and the improvement of its public prestige;

Article 11. The membership rights and obligations are non-transferable and do not pass to other persons in case of death or membership termination. The exercising of membership rights can be granted to another person through the authorization by a power of attorney, bearing a notary certification of the signature.

#### Acquisition of membership

Article 12. The members of the association are accepted by the General Assembly. The applicants submit a written application to the Board of Managers, which examines the application within one month as a rule and puts it forward to the General Assembly. An open vote and ordinary majority carry out the admission of members.

#### Termination of membership

Article 13. (1) The membership is terminated:

- By a unilateral statement addressed to the association;
- By death or placement under complete judicial disability;
- By exclusion;
- By dissolution of the existence of a legal entity - member of the association;
- In case of dropping out.

(2) In case of membership termination, the property relations between the former member and his/her assignees and the association are settled only after the acceptance of the annual financial statements by the General Assembly. In case of liabilities due by the former member to the association they are deducted from his/her takings from the association. Determination of the amount of the taking is made in accordance with article 49, paragraph 3 of the present by-laws.

(3) The Board of Managers, in case of guilty behavior, which makes the further membership incompatible, takes the decision for exclusion. The appeal against the decision for exclusion is made before the General Assembly of the association.

(4) The dropping - out occurs when there is a systematic non-payment of the membership due and lack of participation in the activity of the association. The dropping - out is established by the Board of Managers on the grounds of documents and by a proper decision, which terminates the membership.

(5) Honorary members are persons, who have been declared to be such by the Board of Managers on the grounds of a decision taken by 3/4 of the members of the board at least. The honorary members do not have the right to vote or to be elected in the managerial bodies of the association, but they have the right to express their opinion at the General Meetings, where they are also allowed to be present. The Board of Managers has the power to declare an honorary Chairman and big benefactors. The honorary members and big benefactors do not pay membership due.

### III. Property

#### Property

Article 14. The property of the association consists of the title and other real rights over fixed and current assets, property payments by members, takings and other rights depending on the acting legislation.

#### Resources of the association

Article 15. (1) All members of the association are obliged to make property payments in the form of membership fee. The membership fee is equal to 5 BGN and

it is paid every month. The deadline for paying the membership fee is the 10<sup>th</sup> day of the month, following the one, for which the membership fee refers to.

(2) By decision of the General Assembly the members of the association can make result-oriented payments for the achievement of a certain goal determined by the by-laws or by a decision of the General Assembly. The General Assembly's decision should define the goal, the amount and the means of collecting the sums. The decision is to be taken by a majority consisting of 1/2 of the members of the association.

(3) The members can give funds in the form of loans or they can rent real estates and individually defined movable property to the association.

(4) The size of the interest connected with the loans or rents under paragraph 3 is defined by the General Assembly.

(5) The association in the face of the Board of Managers can receive grants from physical persons and legal entities and to conclude sponsorship contracts.

(6) If a potential member or a member of the association is financially unstable or he/she cannot pay the admission and/or membership fee, the Board of Managers has the right to vote for elimination of the admission and/or membership fee with an ordinary majority.

#### Economic activity

Article 16 (1) The association can carry out economic activity connected with its main range of activities: assistance to those suffering from thalassaemia using the income for the achievement of the goals defined in the by-laws or in the constituent act.

(2) The economic activity carried out complies with the terms and conditions specified in the Commercial law, Law on accountancy and taxation laws.

(3) The execution and control over the economic activity carried out is assigned to the Board of Managers of the association.

#### Coverage of losses

Article 17. In case of losses according to the annual balance sheet the General Assembly can take a decision for their coverage through additional payments by the

members of the association. A majority consisting of more than 1/2 of all members of the association should take the decision.

#### IV. MANAGEMENT

##### Association's bodies

Article 18. The association's bodies are the General Assembly and the Board of Managers.

##### Members of the General Assembly

Article 19. All members of the association participate in the General Assembly. The members of the association participate in the General Assembly personally or through a representative.

##### Representation

Article 20 (1) The legal entities - members of the association - are represented in the General Assembly by their legal representatives or an explicitly authorized person.

(2) The attorney of a legal entity or a physical person can only be a physical person.

(3) The power of attorney should be issued explicitly for participation in the General Assembly of the association and it can be for a limited or unlimited number of meetings of the assembly.

(4) The attorneys are not allowed to re-authorize third parties with their rights.

(5) The attorneys can represent only one member of the General Assembly.

##### Competency of the General Assembly

Article 21. The General Assembly:

1/ amends and complements the by-laws of the association;

2/ accepts other internal acts;

3/ reorganizes and terminates the activity of the association;

4/ accepts and excludes members;

5/ elects and discharges the members of the Board of Managers and determines their remuneration;

6/ appoints and discharges certified auditors;

- 7/ approves the annual financial statements;
- 8/ appoints the liquidators in case of termination of the activity of the association except in case of insolvency;
- 9/ examines claims against decisions of the Board of Managers concerning termination of membership;
- 10/ takes decisions for the opening and closing of branches;
- 11/ takes decisions for participation in other organizations;
- 12/ approves main directions and programs for the activity of the association;
- 13/ approves the budget of the association;
- 14/ takes decisions concerning the amount of the membership fee due;
- 15/ accepts the report concerning the activity of the Board of Managers;
- 16/ cancels decisions of the Board of Managers, which contravene the law and the by-laws;
- 17/ relieves the members of the Board of Managers of responsibility;

#### Holding a General Meeting

Article 22 (1) The General Meeting is held once a year at least - a regular General Meeting. The first General Meeting can be held 2 months after the establishment of the association at the latest.

(2) The Board of Managers can summon a General Meeting called an extraordinary General Meeting any time.

#### Calling of the General Assembly

Article 23. (1) The Board of Managers summons the General Assembly. The latter can be summoned at the request of 1/3 of the members of the association.

(2) If within one month from the date of submission of the request for calling of a General Meeting the Board of Managers does not extend an invitation summoning a General Meeting, the General Assembly is summoned by the Court of registration of the association on the grounds of a written request submitted by the members concerned or by a person assigned by them.

(3) The calling is made through an invitation promulgated at the State newspaper and it is placed on the announcement screen in the building, where the administration of the association is located.

(4) The invitation consists of an agenda of the questions, proposed for discussion, suggestions for decisions, the date, hour and place of holding the General Meeting and on whose initiative it has been summoned;

(5) The period from the publication of the announcement to the opening of the General Meeting should not be less than 30 days.

#### Right of information

Article 24. The written materials connected with the agenda of the General Meeting should be placed at the members' disposal at the headquarters of the association on the date of promulgation or dispatch of the invitation, summoning a General Meeting, at the latest. These materials are given to the members at their request free of charge.

#### List roll of those present

Article 25 (1) A list roll of the members present or their representatives is composed at the session of the General Assembly. The members and representatives certify their presence by a signature and an identity card. The chairman and secretary of the General Assembly should certify the list roll.

(2) Only the members, who have announced their presence prior to the first vote after the establishment of quorum presence, are included in the list roll under the previous paragraph.

#### Quorum

Article 26. The General Assembly can sit in a session only if more than 1/2 of all members are present. In case of lack of quorum the Board of Managers appoints a new meeting in an hour on the same place and with the same agenda regardless of the number of members.

#### Right to vote

Article 27. All members have the right of one vote.

#### Conflict of interests

Article 28. A member or his/her representative cannot vote in cases of:

1. Bringing of a suit against him/her;
2. Undertaking of activities or refusal to take up activities establishing his/her responsibility before the association;
3. Solution of issues concerning him/her, his wife/her husband or relatives on his/her mother's/father's side - without any restrictions, the lateral branch of his/her family - up to 4<sup>th</sup> degree or by marriage - up to 2<sup>nd</sup> degree incl.

#### Majority

Article 29. (1) The decision of the General Assembly is approved on the grounds of a majority of those present.

(2) The decisions under article 21, p. 1 and p. 3 demand a majority of 2/3 of those present.

#### Decisions

Article 30. (1) The General Assembly cannot take decisions concerning questions, which are not published in the invitation unless all members are present or they have been presented in front of the assembly and no one objects to the discussion of these questions.

(2) The decisions of the General Assembly become valid right away unless their activity is delayed or if according to law they become valid only after promulgation.

#### Minutes

Article 31. (1) For each session of the General Assembly minutes are kept in a special book. The minutes are kept according to the requirements of the law.

(2) The minutes of the General Assembly are signed by the chairman and the secretary of the assembly, and by the tellers. The list roll of the members present and the documentation connected with the summoning of the General Assembly are attached to the minutes.

(3) Each member who has attended the General Meeting has the right to demand and control the precise recording of the decisions in the minutes.

#### Board of Managers

Article 32. (1) The association is managed and represented by a Board of Managers.

(2) The members of the Board of Managers are elected by the General Assembly for the period of 5 years.

(3) The Board of Managers consists of 3 (three) to 7 (seven) members, who are members of the association.

(4) A legal entity - member of the association can also be a member of the Board of Managers as on the sessions of the Board it is represented by its legal representative or by an explicitly authorized physical person.

(5) The first Board of Managers, consisting of 3 members, defined in the constituent record, is authorized for 3 years.

(6) The members of the Board of Managers can be re-elected without restrictions.

(7) The nominations for members of the Board of Managers should be suggested and supported by two full members of the association with the consent of the nominated member and should be submitted in a written form to the Secretary at least 15 days before the annual General Meeting.

(8) Each membership-fee-paying member has the right to vote at the Annual General Meeting. The voting at the Annual General Meeting is a secret one. The Chairman has the casting vote.

Article 33. (1) The members of the Board of Managers or the physical persons, representing legal entities - members of the Board, must:

1. Possess proper professional qualification and experience;
2. Never been convicted to imprisonment for committing a premeditated criminal offence;

#### Rights and obligations of the Board of Managers

Article 34. (1) The members of the Board of Managers have equal rights and obligations regardless of the internal allocation of functions between the members and the decisions by which the right of management is assigned to the executive members.

(2) The members of the Board of Managers are obliged to perform their duties in favor of the association and to keep the association's secrets even after they are no longer members of the Board.

(3) The Board of Managers approves rules for its working and elects a Chairman and Deputy - Chairmen from its members.

(4) The Board of Managers meets on regular sessions at least once in three months so as to discuss the state and development of the association.

(5) Each member of the Board can ask the Chairman to summon a meeting for the discussion of certain issues.

(6) The Board of Managers ensures the management and protection of the association's property.

(7) The Board of Managers approves the organizational and managerial structure, the rules of appointment and discharge of personnel, the labor remuneration and other internal rules of the association.

(8) The Board of Managers takes decisions for acquisition, expropriation and burdening of real estates and establishment of real rights over them as well as their renting for the period over one year.

(9) The Board of Managers defines the order and organizes the execution of the association's activity.

(10) The Board of Managers prepares and puts forward a report on the association's activities at the General Assembly.

(11) The Board of Managers prepares and puts forward a draft budget at the General Assembly.

(12) The Board of Managers ensures the execution of the General Assembly's decisions.

(13) The Board of Managers discusses and solves all other issues apart from those, which are of the General Assembly's competence.

#### Quorum and majority

Article 32. (1) Decisions can be taken only if half of the members of the Board of Managers are present, personally or represented by another member of the board. No one of those present can represent more than one who is absent.

(2) The decisions are taken with an ordinary majority except for in the cases under article 34, paragraph 8-9 of the by-laws, which are taken with an absolute majority.

(3) The Board of Managers can take decisions also by non-attendance if all members are notified in written form for this way of voting and no one opposes it. A person with whom there is a bilateral telephone or other type of connection, guaranteeing his/her identification and allowing his/her participation in the discussion and decision making, is also considered to be present. This member's voting is certified in the minutes by the chairman of the session.

(4) Apart from the circumstances specified explicitly in these by-laws, the Board of Managers takes a unanimous decision concerning the following:

1. Considerable change in the association's activity;
2. Essential organizational changes;
3. Long-term co-operation of crucial significance for the association or termination of such co-operation;
4. Taking a decision for making a proposal before the General Assembly for the establishment of a branch.

Article 36. In accordance with the Law on Accountancy the Board of Managers is obliged to prepare the accounting information for the association's activities observing the principles of openness, authenticity and timeliness.

Responsibility of the members of the Board of Managers:

Article 37. (1) The members of the Board of Managers bear joint liability for their actions, which prejudice the association's interests and give guarantee for their management.

(2) Each member of the Board can be relieved of responsibility if it is found out that he/she is not to blame for the resulting damages.

General Manager

Article 38. (1) The Board of Managers assigns the management of the association to one or more of its members – general manager. The general manager can be discharged at any time. He/she is obliged to report immediately on occurring circumstances, which are of crucial significance for the association, to the Board of Managers.

(2) The general manager is authorized to carry out all actions and transactions, which are connected with the activity of the association, to represent it and to authorize other persons for the execution of certain actions. The general manager has no right to expropriate and burden real estates of the association unless he/she is authorized explicitly by the Board of Managers to do so.

(3) The general manager:

1. Organizes the execution of the Board of Managers' decisions;
2. Organizes the activity of the association; carries out its operative management; ensures the management and protection of its property;
3. Concludes contracts of employment with the association's employees except for these who are appointed by the Board of Managers;
4. Represents the association and carries out the functions, which has been assigned to him/her by the Board of Managers;
5. Reports immediately to the Board of Managers on crucial circumstances concerning the association's activity;
6. The chairman of the Board of Managers concludes on behalf of the association a contract with the general manager, where the specific rights and obligations, labor remuneration, severance pay in case of pre-term discharge from the executive functions, social security and other terms and conditions are negotiated.

Article 39. The general manager receives an annual remuneration. This remuneration is specified in the contract concluded with him/her.

## V. ANNUAL FINANCIAL STATEMENTS

### Annual financial statements

Article 40. Every year at the end of February at the latest the Board of Managers prepares the annual financial statements and a report on the association's

activity for the past year and submits them to certified auditors in the stipulated by the law cases.

#### Contents of the report on the activity

Article 41. The report describes the activity carried out and the state of the association and explains the annual financial statements.

#### Appointment of certified auditors

Article 42. (1) In the cases when the law demands a compulsory independent audit to be carried out, the certified auditors are chosen by the General Assembly.

(2) If the General Assembly has not chosen a certified auditor till the end of the calendar year, the Board of Managers appoints one.

#### Acceptance of the annual financial statements

Article 44. The annual financial statements, the report on the activity and the report prepared by the certified auditor are accepted by the Board of Managers and after that they are put forward for discussion at the summoned for this purpose regular General Meeting.

#### Compulsory accounting information

Article 45. In accordance with the Law on accountancy regulations the association will prepare accounting information observing the principles of openness, authenticity and timeliness.

#### Dividends

Article 46. The association does not allocate profit.

#### Books of the association

Article 47. (1) A record is kept for the sessions of the General Assembly and the Board of Managers where all discussions, suggestions and applications made and decisions taken are reflected. The records are certified by the signatures of the Chairman of the respective body and by the record-keeper and they are bound in special books. The chairman of the respective body keeps the books. The members of the association and the members of the Board of Managers are allowed to get acquainted with the contents of the record books and to receive copies or excerpts from them.

(2) The association keeps a book of its members, which contain their names and addresses, national identification numbers, profession and title, as well as the name, headquarters, address of administration, firm case according to court registration and BULSTAT of the members, which are legal entities.

## VI. DISSOLUTION AND LIQUIDATION

### Reasons for dissolution

Article 48. The association ceases activity:

1. By decision of the General Assembly;
2. If it is declared bankrupt;
3. By decision of the District Court by domicile in the cases stipulated in the Law on non-profit legal entities.

## VII. LIQUIDATION

Article 49. (1) Liquidation is carried out if the association ceases its activity except in the cases of transformation of the association.

(2) The Board of Managers of the association carries out the liquidation. It executes the actions connected with the association's liquidation, stipulated in the Commercial law, cashing of its property and remedy of the creditors of the association.

(3) The property which remains after the indemnification of the creditors is allocated observing the following rules: by decision of the court the remaining property is transferred to another non-profit organization - legal entity, working for the achievement of the same or close non-profit goal.

(4) The persons, who have acquired property under the previous paragraph, bear responsibility for the liabilities of the association up to the amount of the acquired property.

## VIII. TRANSITIONAL AND CLOSING REGULATIONS

Article 50. Changes in the present by-laws can be made through the channels stipulated in it and in the Law on non-profit legal entities.

Article 51. Regarding the interpretation or application of the regulations in the present by-laws the general Bulgarian civil legislation and the Law on non-profit legal entities is to be applied.

The present by-laws have been accepted unanimously by all who attended the constituent meeting of a non-profit association named: "BULGARIAN ANTI-THALASSAEMIC ASSOCIATION held on May 17, 2004, in the town of Varna and in order to certify this they have placed their signatures hereby.

Founder - members:

Signatures:

1. Stefka Tsvetanova Klaeva /signature/
2. Zdravko Stefanov Popov /signature/
3. Fila Manolova Popova /signature/
4. Aneliya Vladimirova Todorova /signature/
5. Dobrinka Hristova Slavova /signature/
6. Dragomir Dimitrov Tomalevski /signature/
7. Radostina Stankova Georgieva /signature/
8. Elisaveta Dimitrova Petrova /signature/
9. Dilyan Ivanov Ivanov /signature/
10. Nedyalka Hristova Platnarova /signature/
11. Stanka Dimova Ivanova /signature/
12. Shenasi Mahmud Emin /signature/
13. Emil Krastev Georgiev /signature/
14. Vanya Ivanova Bahneva /signature/
15. Dobromir Georgiev Drumev /signature/
16. Stefan Zdravkov Popov /signature/
17. Mariya Ivanova Angelova /signature/
18. Stoyanka Kostadinova Batsova /signature/
19. Valentina Krasteva Georgieva /signature/
20. Stoyanka Georgieva Ayrakova /signature/
21. Aleksandar Vladimirov Stefanov /signature/
22. Tanya Gosheva Bedzheva /signature/

23. Milena Zafirova Karabova /signature/  
24. Daniela Lyubomirova Hristova /signature/  
25. Atanas Nikolov Nedelchev /signature/  
26. Mariana Koseva Pancheva /signature/

*I, the undersigned Diana Dimova Dimitrova, hereby certify that the above instrument is a true and complete translation into English language of the attached official document – By-laws, originally composed in Bulgarian language. The translation consists of eighteen pages.*

*Translator:*

*National Identification Number: 7707141098*

*/Diana Dimova Dimitrova/*