

**ARTICLE OF ASSOCIATION  
of the  
BULGARIAN SOCIETY OF CONSTRUCTION LAW**

**I. GENERAL TERMS**

**Status**

**Art. 1.** (1) „**The Bulgarian Society of Construction Law**“, herein referred to as „the Association“ is a non-profit legal person, established as a voluntary association of natural and legal persons with interests in the field of construction law.

(2) The denomination of the Society shall be written in English as follows: „Bulgarian Society of Construction Law”.

(3) The Association shall operate in private benefit.

**Seat of management**

**Art. 2.** The seat of management of the Association shall be in the city of Sofia. The address of management shall be specified by the Managing Board.

**Term**

**Art. 3.** The Association shall be established for an indefinite period.

**II. OBJECTIVES, MEANS AND SCOPE OF ACTIVITY**

**Objectives**

**Art. 4.** Main objectives of the Association:

- Joining the efforts of the Bulgarian legal community for the development of Bulgarian construction law;
- Introduction the Bulgarian legal community with the achievements of construction law in other countries;
- Improving the quality of education and vocational training in the field of construction law;
- Popularization of the activity, legislation and case law in the field of construction law from other Member States of the European Union and the practice of international arbitration;
- Popularization of the international standard conditions of contract in construction law, including the FIDIC Conditions of Contract;
- Popularization of the alternative dispute resolution in the field of construction law and the case law of other states in this area;

- Popularization and implementation of the good practices in regard to the guarantees and insurance, as well as in regard to the latent defects during the warranty periods in the field of construction law;
- Cooperation with foreign organisations in the field of construction law.

#### **Means of achieving the objectives**

**Art. 5.** For achieving its objectives the Association shall use the following means:

- Organizing public hearings, discussions, meetings, seminars and trainings related to the development of construction law;
- Establishing an information website and blog providing an opportunity to exchange information and comments on bills, judicial and arbitration case law in the field of construction law;
- Developing concepts and bills in the field of construction law;
- Cooperation with the organisation in Bulgaria and abroad which have similar scope of activity;
- Performing other activities related to the objectives in Art. 4.

#### **Scope of activity**

**Art. 6.** (1) The Scope of activity of the Association shall be: organizing and performing seminars, conferences, symposiums on construction law, developing and implementing projects related to the popularisation of foreign judicial and arbitration case law on construction law, establishing contacts with organizations in Bulgaria and abroad with a similar scope of activity, as well as any other non-profit and allowed legal activities related to the objectives of the Association.

(2) The Association may perform the following **business activity**: publishing, training and any other business activity related to the objectives of the Association. Revenues from the business activity of the Association shall be used to achieve the objectives specified in the Article of Association.

### **III. MEMBERSHIP. RIGHTS AND OBLIGATIONS OF THE MEMBERS**

#### **Membership**

**Art. 7.** The membership in the Association shall be voluntary and open to all legally capable Bulgarian and foreign natural and legal persons who agree with the Article of Association and complies with the conditions laid down therein.

#### **Acceptance of new members**

**Art. 8.** (1) New members in the Association shall be accepted upon filed written application form on their behalf stating that they accepted the Article of Association. Legal persons shall submit a Certificate of good standing, issued by the relevant court/registration authority, according to the type of the legal person and the applicable law of the state of registration. The requirement under the preceding sentence will not

apply to the commercial companies registered with the Commercial Register at the Registry Agency at the Ministry of Justice of the Republic of Bulgaria.

(2) New members shall be accepted with a resolution of the Managing Board.

(3) The resolution of the Managing Board for the acceptance of a new member shall entered into force after the candidate has paid the due membership fee for the relevant year.

(4) (Revoked with Resolution of the GM from 17/05/2018).

### **Membership termination**

Art. 9. (1) The membership in the Association shall be terminated:

1. upon unilateral statement for termination of the membership;
2. upon expulsion;
3. upon death or in the event of enforcement of full restraint, respectively by dissolution the legal person;
4. upon termination due to failure to pay the membership fee pursuant to Art. 23, para 3 of the Articles of Association or the admission fee (if this one is determined with a Resolution of the Management Board) and systematic failure to participate in the activity of the Association;
5. upon dissolution of the Association.

(2) (Revoked with Resolution of the GM from 17/05/2018).

### **Voluntary termination**

**Art. 10.** (Amended with Resolution of the GM from 17/05/2018). Each member may leave the Association any time by filing a written statement to the Managing Board. The Managing Board declare the membership termination upon unilateral statement for leaving by adopting a Resolution.

### **Expulsion**

**Art. 11.** (1) (Amended with Resolution of the GM from 17/05/2018). Any member may be expelled by the General Meeting upon performing activities incompatible with the objectives of the Association, upon non-performance of the resolutions of the General Meeting and the Managing Board, as well as other significant violations of this Article of Association.

(2) (New, adopted with Resolution of the GM from 17/05/2018). The expulsion shall be done by a Resolution of the Managing Board and the expelled member shall be notified. The Resolution of the Managing Board about the expulsion shall contain on which grounds the member is expelled. The Resolution shall be subject to appeal before the General Meeting.

### **Members drop-out**

**Art. 11a.** (1) (New, adopted with Resolution of the GM from 17/05/2018). Any member could drop out because of failure to pay the membership fee pursuant to Art. 23, para 3 of the Articles of Association or the admission fee and systematic failure to participate in the activity of the Association. These circumstances shall be established by a Resolution of the Managing Board on the ground of report by the Chairman of the Association.

(2) The report of the Chairman under the previous para contains information about the failure of payment the membership fee in the term, ascertained in Art. 23, para 3 of the Articles of Association or the admission fee and systematic failure to participate in the activity of the Association.

(3) The Resolution of the Managing Board shall not be subject to appeal.

### **Rights and obligations of the Members**

**Art. 12.** (1) Each member of the Association shall have the following rights:

1. to participate in the General Meeting;
2. to participate in all initiatives, organised by the Association;
3. to put to discussion issues related to the activity of the Association;
4. to vote and to be elected in the governing bodies of the Association;
5. to use the facilities and the funds of the Association in accordance with its objectives and the resolutions of its governing bodies.

(2) Each member of the Association shall be obligated:

1. to regularly pay the membership fees;
2. to work according his professional qualification and interests in order to achieve the objectives of the Association;
3. to assist raising the prestige of the Association in Bulgaria and abroad;
4. to comply with the provisions of the Article of Association and the resolutions of the General Meeting and the Managing Board;
5. not to perform activities on behalf of the Association without an explicit resolutions or authorisation of the General Meeting, the Managing Board or the Chairman of the Managing Board.

### **Property relations upon termination of membership**

**Art. 13.** (1) (Amended with Resolution of the GM from 17/05/2018). In case of membership termination the membership fees and admission fees which are already paid, shall not be a subject to recovery.

(2) (Revoked with Resolution of the GM from 17/05/2018).

## IV. MANAGEMENT

### Governing bodies

**Art. 14.** (1) The governing bodies of the Association are: the General Meeting and the Managing Board.

### General Meeting of the Members

**Art. 15.** The General Meeting shall be the supreme body of the Association and shall comprise by all members.

### Convocation of the General Meeting

**Art. 16.** (1) The General Meeting shall be convened at least once a year.

(2) The General Meeting shall be convened by the Managing Board on his own initiative or at the initiative of one third of members of the Association. If in the last case the Managing Board does not convene a General Meeting within two weeks term, the General Meeting shall be convened by the relevant court according to the registered seat of management upon a written request of the interested members or a person authorized by them.

(3) The General Meeting shall be convened with a written invitation delivered to each member of the Association on the specified by the latter email address not less than 15 (fifteen) days prior the scheduled day. The invitation shall include the agenda, date, time, location and on whose initiative the General Meeting has been convened.

### Quorum

**Art. 17.** (1) (Amended with Resolution of the GM from17/05/2018). The General Meeting shall be legitimate if attended by more than half of the total number of members. The legal persons – members of the Association shall be represented by their legal representatives or proxies with a written power of attorney.

(2) (Amended with Resolution of the GM from17/05/2018). In the event of lack of quorum the meeting shall be postponed by one hour and shall be held at the same place and with the same agenda and shall be deemed legitimate regardless of the number of attending members.

(3) (Amended with Resolution of the GM from17/05/2018). The General Meeting shall be headed by the Chairman of the Managing Board and in his absence – by other member of the Managing Board, chosen by the General Meeting.

### Competence

**Art. 18.** (1) (Amended with Resolution of the GM from17/05/2018) The General Meeting shall:

1. amend and supplement the Article of Association;
2. elect and dismiss members of the Managing Board;
3. revoke resolutions of the Managing Board contradicting the law, the Article of Association or other internal acts regulating the activity of the Association;
4. approve the budget of the Association;
5. specify the amount and the payment period of the membership fees for each year, as well as the payment and amount of the property contributions;
6. take resolution for transforming or winding-up the Association;
7. adopt the Managing Board's report for the activity of the Association.

(2) (Amended with Resolution of the GM from 17/05/2018) Each member of the General Meeting shall be entitled to one vote. The membership of the members who have not paid their membership fee for the relevant year, shall be terminated because of dropping-out on the grounds of Art. 11a from the Articles of Association. This shall be determined by a Minutes from a Meeting of the Managing Board, held after the expiration of the term specified for importing the membership fee and before the General Meeting.

(3) The General Meeting shall take resolutions with ordinary majority, as resolutions for amendments and supplements to the Article of Association, transformation or winding-up of the Association shall be taken by majority of 2/3 of the attendees on the General Meeting.

(4) The resolutions of the governing bodies of the Association taken contrary to the law, the Article of Association or preceding resolution of the General Meeting, may be challenged before the General Meeting by request of concerned member of the Association or by a body of the Association, submitted within one month following the coming of knowledge of such resolution, but not later than one year after the date when such resolution has been taken.

### **Managing Board**

**Art. 19.** (1) The Managing Board shall comprise from three to seven persons, elected by the General Meeting of the Association. Legal persons - members of the Association, may also nominate for members of the Managing Board persons who are not members of the Association.

(2) The members of the Managing Board shall be elected by the members of the General Meeting for a term of five years. Until election of a new Managing Board and its registration with the relevant court, the old Managing Board shall continue to perform its activities.

(3) The meeting of the Managing Board shall be convened by its Chairman and in his absence – by other member of the Managing Board with an invitation addressed to the members in writing or by telephone, not later than three days prior to the meeting. The

Chairman shall be obligated to convene a meeting of the Managing Board upon a written request by 1/3 of its members. If the Chairman fails to convene a meeting within one week, such meeting may be convened by any concerned member of the Managing Board.

(4) The meeting of the Managing Board shall be legitimate if all members are regularly invited and attended by more than half of the members. Member with whom a bilateral telephone or other connection exists, guaranteeing his identification and allowing his participation in the discussion and the decision-taking process shall be deemed attending. The Managing Board shall be entitled to take unattended resolutions – upon signature, if the protocol of the taken resolution is signed without any remarks and objections of all its members.

(5) (Amended with Resolution of the GM from 17/05/2018) The Resolutions of the Managing Board shall be taken by ordinary majority of the attending members. The Resolutions under Art. 20 para 1 **item 2, 3, 4, 7 and 13** of the Article of Association shall be taken by the majority of 2/3 of all the members. The Resolutions under Art. 20 para 1 **item 6, 8, 9 and 14** of the Article of Association shall be taken unanimously.

(6) The Managing Board shall adopt Rules for its procedures.

### **Competence of the Managing Board**

**Art. 20.** (Amended with Resolution of the GM from 17/05/2018) (1) The Managing Board shall:

1. adopt the main directions and the schedule about the activity of the Association;
2. determine and manage the activity of the Association pursuant to the Article of Association, the resolutions of the General Meeting and the current legislation;
3. accept and expel new members of the Association;
4. choose and dismiss a Chairman of the Managing Board;
5. prepare the draft budget and reports on the activity of the Association and submit them to the General Meeting;
6. set forth the procedure and organize the activity of the Association;
7. determine the address of management of the Association;
8. appoint a liquidator of the Association;
9. dispose with the property of the Association in compliance with the requirements of the Article of Association;
10. take resolutions for establishing dedicated funds;
11. adopt decisions about opening and closing of branches;
12. adopt decision about participation in other organisations, so as to determine a member of the Managing Board who shall represent the Association;
13. perform its the duties assigned with the Article of Association, as well as all other duties necessary for the implementation of the activity of the Association, which are not included explicitly in the competence of the General Meeting.

14. authorize members of the Managing Board and determine the scope of their representative power in order to represent the Association in the absence of the Chairman or for any other specified actions.

(2) (Amended with Resolution of the GM from 17/05/2018) The Managing Board shall dispose the funds of the Association by a Resolution of the Managing Board. The members of the Managing Board shall be jointly liable for the occurred damages in case the latter are as a result of its unlawful or contradicting the Article of Association actions or absence of such actions.

(3) (Amended with Resolution of the GM from 17/05/2018) The Chairman of the Managing Board shall represent the Association before third parties.

(4) (Amended with Resolution of the GM from 17/05/2018) Assistive governing bodies may be created by a resolution of the Managing Board.

## V. PROPERTY

### Property

**Art. 21.** The property of the Association shall be formed by real rights, funds, receivables, contractual rights, intellectual property rights and others.

### Formation of the property

**Art. 22.** The property of the Association shall be formed by:

1. the membership fees and the property contributions (if due);
2. target funding, including international programs;
3. donations and testimonies;
4. revenues from the business activity of the entities, in which the Association owns shares, as well as revenues from its own activities, carried out in accordance with the regulation of the Non-profit Legal Persons Act;
5. subsidies from the municipal or state budget;
6. others.

### Membership fee

**Art. 23.** (1) The membership fee is annual and its amount shall be determined by the General Meeting for each year.

(2) When a member is accepted after the beginning of the calendar year the membership fee shall be paid in full amount and upon termination of the membership prior the end of the year – the paid sum shall not be refunded.



(3) (Amended with Resolution of the GM from 17/05/2018). The membership fee shall be paid for the whole present year via bank transfer until March 30<sup>th</sup>. As an exception the Managing Board may reschedule the payment of the membership fee for a relevant member, who has temporary financial difficulties.

## **VI. DISSOLUTION OF THE ASSOCIATION AND CONSEQUENCES**

**Art. 24.** The Association shall be dissolved by a resolution of the General Meeting or by a resolution of a court or in the specified by the Non-profit Legal Persons Act cases.

**Art. 25.** The property remaining after the satisfaction of creditors shall be distributed as determined by the General Meeting.

The present Article of Association contains all amendments pursuant to the Resolution of the General Meeting, held on 17/05/2018 and it is certified by the Chairman of the Managing Board.