

STATUTE of the non-profit organization
Bulgarian Executive Search Association (BESA)

General positions

Article 1. (1) This statute regularizes the structure and the activity of BESA to operate as a non-profit organization, called in this statute "the association", if the name is not written down in full.

(2) The association is a corporate body with separate legal personability different from that of its founders and members. The association originates with its entry in the register of juridical non-profit organizations, led by the Sofia City Court.

(3) The association holds all rights and obligations which are not related to the natural qualities of individuals and may have their own property.

(4) All actions of the founders took on the behalf of the association to the date of its entry into the court, arise rights and obligations for the individuals who have committed them and pass by law on it since the moment of its establishment.

(5) The association is established sine die.

Name

Article 2. (1) The full name of the association is a non-profit organization "Bulgarian Executive Search Association".

(2) The name of the association can be written abbreviated (BESA).

(3) The name is written in Bulgarian. The same can be written in a foreign language too "Bulgarian Executive Search Association" (BESA).

Residence and address

Article 3. (1) The residence and the address of the association is 92-94 Tsar Asen str., fl.2, Sofia.

Activity

Article 4. (1) The association describes itself as an organization that operates for private benefit, in favor of the executive search consultants in Bulgaria and freely determines its goals.

(2) Activity restrictions and tools for achieving the objectives can be determined only by law.

(3) To achieve the defined goals with this statute, the association carries out the following activities: educating and informing the parties in the executive search process and the general public and public administration; imposition of rules and code of ethics of the profession in Bulgaria; organizing round tables, conferences and discussions on this topic; create a picture of the market and forecasting its development; lobbying by lawful means for improving the legislative framework that affects the business; raising the professional level of the executive search consultants.

Article 5. (1) The association may make additional business only if that business is connected with the main activity which the association is established and registered for.

(2) The subject of the additional business is determined as follows: seminars, training courses and others similar; creating print, electronic and other materials concerning the profession; consulting and searches and other activities, contributing to the objectives achievement.

(3) The additional business can be done through the creation or participation in a company, but only if the responsibility for this is limited.

(4) The additional business is a subject of terms and conditions determined by the law that regulates them accordingly.

(5) The revenues from the additional business can only be used for achieving the objectives determined in this statute

(6) The association does not share out profits.

Activity goals

Article 6. (1) The association is established to achieve the following objectives:

Endorse the image of the executive search consultants' profession among the professional circles, the general public and the public administration; creating a professional and ethical framework for raising the professional level of the consultants; helping to create a favorable legal and sublegislative framework for the profession.

(2) The association determines freely the means needed for achieving the objectives.

Property

Article 7. (1) The association owns its property different from the property of its members.

Article 8. (1) The property of the association is formed by the property (entrance and membership) fees of its members, revenues from the additional business, donations, as well as any other forms of non-resource finance from individuals and organizations.

(2) The association funds could be used for acquiring movable goods and immovable property, rights over intellectual property, as well as for making expenditures related to its activities.

(3) The amount of the property fees is determined by the General Assembly.

Legal Representation

Article 9. (1) The association express its will and perform legal actions through its bodies. It is represented externally by its President.

(2) In disputes arising between the association and the governing body, respectively, between its members, the association may be represented by one or more persons elected by the general meeting.

(3) The association may participate in the work of another corporate body (for management or control), including another legal non profit organization through his representative by law or other authorized agent.

Structure

Article 10. (1) The structure of the association is determined by law and this Statute.

(2) The association may disclose branches throughout the country. In these cases, the manager of the branch represents the association for the activities of the branch.

Reorganization

Article 11. (1) The association can be converted into another type of legal non-profit entity, to be joined, merged, separated and divided.

(2) After separation or division the association shall be jointly responsible for the obligations arising till its reforming

(3) The members of legal non-profit organizations merged or jointed, become members of the newly established non-profit organization or association, but members of the association in its division, choose which of the newly formed NGOs to become members of.

Termination

Article 12. (1) The association shall be determined:

1. by the General Assembly decision;
2. by the Sofia City Court decision when:
 - a) there is allowed persistent violation of the law upon its formation;
 - b) carry out activities contrary to the established social order in the country, against the law and morality;
 - c) hammered.

(2) The decision of the court for involuntary termination shall be taken at the request of any interested person or the prosecutor. In these cases, termination is automatically entered and the court appointed liquidator.

Liquidation

Article 13. (1) Liquidation is accomplished upon the termination of the association.

(2) The liquidation is carried out by the governing body or a person designated by him.

(3) If the liquidator is not appointed under the preceding paragraph, and in case of compulsory liquidation, he is determined by the Sofia City Court.

(4) Regarding the insolvency and bankruptcy, the liquidation procedures and powers of the liquidator shall be applied concerning the orders of the Commercial Law.

Property after the liquidation

Article 14. (1) Allocation of the property left after the creditors' satisfaction shall be made equally between the members, unless otherwise is determined by the general meeting, taking the decision to carry out the liquidation.

(2) If there are no persons under article 1 or if they are not determinable, the property passes to the Sofia Municipality, which is required to use the property for business, as close as possible to the goal of the dissolved association.

(3) The property under the preceding paragraphs may not be distributed, sold or in any way transferred to a liquidator who is appointed outside the circle of persons under article 2 with the exception of the remuneration due.

(4) Persons who have acquired property as a result of the liquidation under articles 1-3, are liable for the obligations of the terminated partnership to the extent of the acquisition

Obliteration

Article 15. After allocation of the property, the liquidator is obliged to request obliteration of the association registration in the relevant register of this court.

Founders. Membership.

Article 16. (1) Founders of the association are Bulgarian legal entities and physical persons engaged in the field of "executive search" in the territory of Bulgaria. They are listed comprehensively in the final order of this statute and are its members by right.

(2) The association has full and associate members.

(3) Full member could be any Bulgarian or foreign legal entity or person who operates mainly in the executive search field, with demonstrated high level of professional services, who has a good reputation among the businesses, public and state institutions and with regards to the objectives set by the association and the activities included in its work.

(4) Associate members of the Association could be legal entities and physical persons who are not up to the requirements for full member, their activity is part of the executive search cycle or the executive search is not their core business. They should demonstrate high professional level of services they offer, have a good reputation among the businesses, public and state institutions.

(5) The candidates apply for membership filling an application, which contains a declaration-agreement for accepting the statute as well as the aims and activities of the association. To be considered the candidate-member's application should be supported by written recommendations from two current members. Without such recommendations the Governing Board shall not submit the application for viewing and voting for election by the General Assembly.

(6) Membership arises from the time of election of the candidate by the General Assembly.

Article 17. (1) The membership should be ceased:

1. with unilateral written notice to the Association made within three months;
2. death / termination or placed under full judicial disability of the member;

3. by exclusion;
4. with the termination of the association;
5. becoming irrelevant.

(2) The decision to exclude a member is taken by the General Assembly in case of gross violation of the orders of the: statute, decisions of the General Assembly or the Board; in case of other internal acts as well as any behavior, which makes further membership incompatible. Before voting for the exclusion, the General Assembly must hear the person whose exclusion is required or give him the opportunity to take position on the matter.

(3) Becoming irrelevant because of failure to pay the penalty fees and non-participation in the association activity is stated in documents as follows: non-payment of three consecutive membership fees or non-participation in two consecutive general meetings without good reason.

Members' rights and responsibilities

Article 18. (1) The Association membership is voluntarily.

(2) Every full member has the right to:

- a/ participate in the General Assembly and to make proposals to the Board for determination of the agenda of the General Assembly;
- b/ give opinion and standpoint on the issues discussed;
- c/ right of vote in the General Assembly;
- d/ elect and be elected in the governing bodies of the Association;
- e/ receive constant information about the Association activity and any other information supporting its activities;
- f/ participate in events organized by the Association and to take benefits from its performance in accordance to this Statute and the laws of the Republic of Bulgaria.

(3) The associated members have the same rights as the full members excluding article 18, (2), c/ and article 18, (2), d/.

(4) Each member is required to make material contributions as follows: entrance fee - in its adoption and annual membership fee - within the end of the first quarter of the year.

(5) Concerning the association obligations every member is responsible to the extent of the material contributions provided in the statute. The members are not personally liable for the obligations of the association.

(6) The members' rights and obligations, except the property are not transferable and cannot pass over others in case of death or termination. The implementation of the

membership obligations and the membership rights exercise may be granted only if it is provided in the statute.

Bodies

Article 19. (1) Supreme body of the association is the General Assembly.

(2) Governing body of the Association is the Governing Board.

General Assembly

Article 20. The General Assembly comprises all members of the association.

Rights of the General Assembly

Article 21. (1)The General Assembly:

1. amends and expands the statute;
 2. accepts other internal acts;
 3. elects and dismisses board members, including the President and determines their remuneration;
 4. admits and expels members;
 5. takes decision for opening and closing of branches;
 6. takes decision for participation in other organizations;
 7. takes decision for reorganization or termination of the association;
 8. accepts the main guidelines and program of the association activity;
 9. accepts the budget of the association;
 10. takes decision concerning the amount due and the membership or property fee;
 11. accept the report for the activity of the Board;
 12. revokes decisions of the other bodies of BESA which are contrary to the law, the statute or other internal acts regulating the activities of the association;
 13. takes other decisions provided in the statute.
- (2) The rights concerning article 1, points 1, 3, 7, 9, 11 and 12 cannot be relegated to other bodies of the association.
- (3) The General Assembly decisions are obligatory for the other BESA bodies.
- (4) The General Assembly decisions should be subject to judicial control according to their legality and compliance with the statute.
- (5) The association decisions which are taken contrary to the law, the statute or a previous decision of the General Assembly can be appealed to the General Assembly

at the request of the interested members of the association within one month after their announcement, but not later than one year from the date of the decision taking.

(6) The disputes under article 4 can be brought to the court where the association is registered by any member of the association or its body, or by the prosecutor within one month after their announcement, but not later than one year from the date of the decision taking.

General Assembly Convening

Article 22 (1) The General Assembly is convened by the Management Board on his own initiative or at the request of one third of the members of the association. If in case of the last, the management board within two weeks does not send written notice for convening the general meeting it should be convened by the court where the association is restarted upon written request of the interested members or a person pointed by them.

(2) The invitation should contain the agenda, date, time and place of the meeting and who is the initiator for its convoking.

(3) The invitation is sent by registered letter to each member to the address given by them and is put on the notice board in the building where is the head quarter of the association, at least one month before the scheduled day.

(4) If a member of the association has changed his address without notifying the governing body, it is presumed that the invitation sent to the known address is handed correctly.

Quorum

Article 23. The General Assembly is legal if it is attended or represented by more than half of all members. In the absence of a quorum the meeting is adjourned for one hour at the same place and under the same agenda and can be held when the members present.

Voting

Article 24. (1) Each member of the General Assembly should have one vote.

(2) Member of the General Assembly has no vote rights on matters relating to:

1. himself, his husband/spouse or lineal relatives - no restrictions on collateral - to the fourth degree or by marriage - to the second degree incl.;
2. entities in which he is a manager or can impose or block decisions taking.

(3) One person may not represent more than one member of the General Assembly on the basis of a written authorization. Re-authorization is not allowed.

Decisions taking

Article 25. (1) The General Assembly decisions should be taken by majority of those present.

(2) The decisions concerning article 21, (1), 1 and 7 should be taken by majority 2/3 of those present.

(3) Decisions on matters that are not included in the announced agenda could not be taken.

Management Board

Article 26. (1) The Management Board consists at least three persons - members of the association. Legal entities who are members of the association may appoint for members of the board persons who are not members of the association. Board members are elected for five years.

(2) The General Assembly elected Chairman from the Management Board.

Management Board Authority

Article 27. The Management Board:

1. fulfills the obligations stipulated in the statute;
2. ensures that the decisions of the General Assembly are executed;
3. disposes of the association property in compliance with the statute requirements;
4. prepares and submits to the General Assembly a budget draft;
5. prepares and submits to the General Assembly a report for the activities of the association;
6. determines the order and organizes the activity of the association, including that of common benefit, and is responsible for this;
7. determines the association address;
8. takes decisions on all matters which by law or by the statute do not belong to any other authority.

Management Board Meetings

Article 28. (1) Board meetings are convened and chaired by the Chairman. The Chairman is obliged to convene a meeting of the Board upon written request of one third of its members. If the Chairman does not convene a meeting of the Board within a week,

it can be called by any interested member of the Board. In case of absence of the Chairman the meeting is managed by determined by the Management Board member.

(2) The Governing Council may takes decisions if the meeting is attended by more than half of its members.

(3) Attending person is as well those with whom there is a telephone or other connection, ensuring his identification and allowing him to participate in the discussions and decisions taking. The vote of this member is authorized in the minutes by the Chairman of the meeting.

(4) The decisions are taken by majority vote of all participants but the decisions under Art. 13, (2) and Art. 27, points 3 and 6 - by majority of all members.

(5) The Management Board could act without holding a meeting, if the minutes of the decision taken is signed without remarks and objections by all members of the board.

Chairman

Article 29. The Chairman has the following authority:

1. convenes meetings of the Management Board;
2. manages the overall activity and represents the Association in front of third parties;
3. coordinates the ongoing activities and executes the decisions of the association;
4. prepares an annual balance sheet and report of the association and submit it for approval by the Management Board.

Closing regulations

Article 30. (1) This statute is adopted unanimously by its founders at the constituent assembly conducted on 24th of January 2011 and it is supplemented at an extraordinary general meeting on 8th of June 2011.

(2) The statute could be amended or supplemented in the manner provided in the Law for non-profit organizations.

(3) In case provisions of this statute are in contradiction to the law, the provisions of the law on the certain matter are enforced.

(4) The Bulgarian law general provisions are enforced in case of unsolved questions by this statute.