

STATUTES of Japan-Bulgaria Business Association

(Non-profit Association)

GENERAL PROVISIONS

Art. 1 (1) These Statutes govern the establishment, organization and the activity of the Non-profit Japan-Bulgaria Business Association.

(2) The name of the association is Японско-българска бизнес асоциация, hereinafter referred to as "the Association". The name of the Association shall be written in English as follows: Japan-Bulgaria Business Association.

(3) The Association is a non-profit legal entity for the private benefit of its members within the meaning of Art. 2 of the Non-Profit Legal Persons Act.

(4) The Association shall exist separately from its members and shall be responsible for its obligations with its own property. The members of the Association shall be liable for the obligations of the Association only up to the amount of the respective membership contributions due by them.

(5) The working languages of the Association shall be Bulgarian, English and Japanese, while its main documentation shall be handled in Bulgarian and English.

SEAT AND REGISTERED ADDRESS

Art. 2 The seat and the registered address of the Association shall be in the city of Sofia, Bulgaria, at 9-11 Maria Louisa Blvd., floor 4.

TERM

Art. 3 The Association shall not be limited by term.

OBJECTIVES

Art. 4 The Objectives of the Association shall comprise:

- Promotion of the existing Japanese businesses in Bulgaria;
- Promotion and informational support of Japanese businesses aiming to establish presence in Bulgaria;
- Provision of information in support of the economic activity of the Japanese businesses in Bulgaria, including information on the investment climate, legislation framework and legislation changes, as well as practical support for solving ongoing operational problems;
- Organisation of networking events aiming to stimulate interaction between the members of the Japan-Bulgaria Business Association.

MEANS FOR ACHIEVEMENT OF THE OBJECTIVES

Art. 5 The Association shall use the following means for achievement of its objectives:

- Analysis of the business and regulatory environment in Bulgaria;
- Research for new business opportunities in Bulgaria;
- Ongoing review and analysis of the legal framework in Bulgaria;
- Participation in public discussions in the course of the legislative process in Bulgaria through the instruments of the civil society;
- Organisation of seminars, networking events, training and conferences aiming to improve the business climate in Bulgaria;
- Keeping and developing contacts with official institutions and other non-governmental organisations.

SUPPORTING ACTIVITIES

Art. 6 The Association shall exercise the following supporting activities for the benefit of its members:

- 1) Representation of interests of the Japanese investors through all available instruments and procedures of the civil society;
- 2) Studies on matters of business and regulatory environment;
- 3) Participation in public discussions with respect to draft legislation;
- 4) Organisation of business meetings, exhibitions, conferences and other events;
- 5) Providing a forum for periodic gatherings and any other forms of exchange of experience and information related to the Japanese-Bulgarian business relations;
- 6) Providing information and consultations on business and regulatory specifics of the Japanese and Bulgarian investment environments;
- 7) Publishing on investment and business topics;
- 8) Other non-profit aimed activities, as approved by the members, in line with the Bulgarian law and the objectives of the Association.

SUPPLEMENTARY COMMERCIAL ACTIVITIES

Art. 7 (1) The Association may carry out the following supplementary commercial activities, whereby the proceeds thereof shall be used solely for the financial support of the Association and no profit shall be distributed:

- 1) Provision of informational and consulting services to its members and the general public on matters of business and regulatory nature;

- 2) Publishing and distribution of printed issues;
- 3) Advertising and marketing activities focused on promotion of businesses of the members;
- 4) Mediation in establishing business contacts and networking;
- 5) Organisation of seminars, trainings and educational events;
- 6) Organisation of open business events;
- 7) Assistance with preparation of projects and papers for participation in competitions for financing of business programs and financing of projects by funds, banks and non-governmental organizations.

(2) The Association may carry out the above and other supplementary commercial activities, permitted by law, insofar as these are related to the main objectives of the Association. The income from the supplementary commercial activities shall be used for achieving the objectives of the Association set out in these Statutes.

SOURCES AND FINANCING

Art. 8 (1) The Association shall be financed through the following sources:

- 1) Initial and annual membership fees, and other contributions from members, as determined by the General Meeting of the Association;
- 2) Services fees for supplementary commercial activities, as determined by the Management Board;
- 3) Donations, sponsorships and other gratuitous received funds;
- 4) Third party project funding;
- 5) Other occasional incomes from supplementary commercial activities.

(2) The funds accumulated shall be spent in support of the existence and activities of the Association aimed at the achievement of its objectives. Profits shall not be distributed in any form.

MEMBERSHIP

Art. 9 (1) Membership in the Association is voluntary. The General Meeting and the Management Board may allow or invite non-members (including governmental or diplomatic representatives of Japan and Bulgaria) to be present to their sessions, or to other events of the Association, as observers or guests.

(2) The Association is open for membership to:

- 1) Natural persons (aged 18 and above) who have Japanese citizenship or are actively involved in Japanese business undertakings;
- 2) Entities that are directly or indirectly controlled by a Japanese legal or beneficial owner (or a Japanese majority shareholder);

- 3) Natural persons (aged 18 and above) and entities who own a trademark or a patent registered and/or actively used on the territory of Japan;
- 4) Other organisations of the Japanese business, having the capacity of a legal person.

(3) Types, amounts and due dates of the monetary contributions due by the members of the Association shall be determined by resolution or the General Meeting. The members – physical persons – shall pay reduced membership contributions.

(4) Basic monetary contributions due by the members shall include an admission fee and an annual fee. Other types of contributions can also be determined by the General Meeting.

(5) Any member, who has failed to pay his membership contribution by the due date thereof, shall have his membership rights (including the rights to vote and to be elected) suspended automatically. Failure to pay membership contributions is a ground for expulsion of the respective member.

(7) Applicants for membership are admitted by the Management Board subject to a written application supported by documents evidencing that the relevant conditions for membership are met. Procedural rules and requirements to the admission procedures shall be approved by the Management Board. Membership is acquired upon the respective resolution of the Management Board and after the admission fee is paid in full.

RIGHTS AND OBLIGATIONS OF THE MEMBERS

Art. 10 (1) The members of the Association are entitled to:

- 1) participate in the management of the Association by voting in the General Meeting and nominating members of the Management Board;
- 2) be informed of the activities of the Association;
- 3) benefit from the activities and the assets of the Association.

(2) The members of the Association are obliged to:

- 1) comply with the provisions of these Statutes and to observe all lawful resolutions of the governing bodies of the Association;
- 2) pay their monetary contributions in due terms;
- 3) uphold the good reputation of the Association and refrain from activities that contradict to the objectives of the Association;
- 4) provide the assistance and information required by the Statutes and other lawful resolutions of the governing bodies of the Association in a timely and accurate manner.

(3) The rights and obligations of the members, except for their property rights and obligations, shall not be transferable and may not pass to other persons in the event of death or dissolution, respectively.

(4) The members of the Association can exercise their rights directly or by authorising a representative by means of a written authorisation issued by their authorised signatories and deposited to the Management Board or to the Chairman of the General Meeting, respectively. Each representative can represent up to two members at the same time.

TERMINATION OF MEMBERSHIP

Art. 11 (1) The membership in the Association shall be terminated by a resolution of the Management Board in the following cases:

- 1) following a written one-month notification of withdrawal to the Management Board;
- 2) upon death or dissolution of the legal entity of a member;
- 3) upon expulsion of a member due to violation of the Statutes or failure to fulfil certain membership obligations;

(2) The Management Board can expel a member, if following a one-month notice, the latter has failed to provide satisfactory explanations or to take relevant measures to fulfil his membership obligations. Upon receipt of such notice, all membership rights of the respective member shall be suspended until the respective resolution of the Management Board.

(3) Upon termination of membership, the Association shall not be obliged to refund any of the contributions made by the member. The terminated member of the Association shall be obliged to pay his overdue contributions (if any).

GOVERNING BODIES

Art. 12 Governing bodies of the Association are the General Meeting of the members and the Management Board. Other governing bodies can be created by resolution of the General Meeting.

GENERAL MEETING

Art. 13 (1) The General Meeting is the supreme governing body of the Association comprising all members thereof. Representatives of the governments of Japan and Bulgaria may attend the General Meeting upon invitation with no rights to vote or otherwise support particular resolutions.

(2) The members - legal entities are represented at the General Meeting by their authorised signatories or by another individual, authorised in writing. Physical persons may participate directly or by a representative, authorised in writing. Each authorised individual may represent up to two members.

Art. 14 (1) The General Meeting shall resolve on all matters that are substantial for the management of the Association, as follows:

- 1) amendments of the Statutes of the Association;
- 2) adoption of other by-laws and internal regulations;
- 3) election and dismissal of members of the Management Board;
- 4) appeals by members against resolutions of the Management Board or other management bodies;
- 5) establishment and closing of branch offices of the Association;
- 6) transformation or dissolution of the Association;

- 7) basic guidelines and programs for the activities of the Association;
- 8) approval of the budget of the Association;
- 9) types and amounts of the property contributions by members;
- 10) approval of the annual report on the activities of the Management Board and the annual financial statement of the Association;
- 11) other matters, as may be provided for by law or by the Statutes.

(2) All resolutions of the Management Board or other bodies of the Association may be appealed before the General Meeting by any of the members of the Association. Such appeals shall be submitted within one month as of the date on which the appealing member have been informed on such resolution, but not later than one year as of the date when it was adopted. Resolutions, subject to appeal, are confirmed or abolished by the General Meeting by a simple majority vote (50%+1) of the present members.

CONVENING OF THE GENERAL MEETING

Art. 15 (1) The General Meeting shall be convened by the Management Board on its own initiative or upon request of 1/3 (one third) of the members of the Association, by a convocation notice, containing the proposed agenda, the date, time and place for holding the General Meeting, as well as an indication on who has initiated the session.

(2) The notice shall be sent to the members of the Association by an e-mail (to the e-mail address provided by each member) or by registered mail with a return receipt to the members' addresses indicated in the membership application or in the documentation of the Association at least 30 days in advance. Alternatively – the notice can be announced in the Registry of the Non-profit Organisations, kept with the Registry Agency, at least 30 days prior to the indicated date of the meeting.

QUORUM AND MAJORITY

Art. 16 (1) The General Meeting shall be legitimate if attended by more than a half of the total number of members. If less than a half of the members are present, the meeting shall be postponed by one hour and shall be held at the same place and with the same agenda, regardless of the number of present members. All member's representatives shall be registered by signing a List of Attendees.

(2) The General Meeting is chaired by the Chairman of the Management Board. In his absence, the chairman of the meeting shall be elected by the General Meeting preferably amongst the present members of the Management Board.

(3) The General Meeting shall appoint a Secretary, responsible for counting of votes and keeping Minutes of the meeting.

(4) Each member of the Association has 1 (one) equal vote.

(5) Resolutions of the General Meeting shall be adopted by the votes of the majority of the present attendees (50% + 1 vote). Resolutions for amendment of the Statutes and those for transformation or termination of the Association shall be adopted by majority of 2/3 of the present attendees.

(6) The General Assembly may not resolve on matters that are not included in the previously announced agenda.

MANAGEMENT BOARD

Art. 17 (1) The Management Board shall comprise of three natural persons, appointed by the members of the Association and elected by the General Meeting for a term of 3 (three) years. The members of the Management Board can be re-elected without limitation and shall not be entitled to remuneration.

(2) The Management Board elects a Chairman and a Deputy-Chairman.

Art. 18 The Management Board is empowered to:

- 1) resolve on all matters of day-to-day management of the Association that do not fall in the exclusive competence of the General Meeting and determine the scope of the management and representative powers of its individual members;
- 2) ensure the implementation of the resolutions of the General Meeting;
- 3) dispose of the property of the Association in compliance with the requirements of the Statutes;
- 4) prepare a draft budget to be approved by the General Meeting;
- 5) prepare a report on the activities of the Association to be approved by the General Meeting;
- 6) set forth the procedures and organize the activities of the Association;
- 7) determine the address of the Association.

Art. 19 (1) Meetings of the Management Board are convened and chaired by the Chairman or by the Deputy Chairman. Meetings are convened via e-mail with a seven-day notice. If the matter is urgent, a meeting can be convened with one-day notice. In all cases meetings can be held *in absentia* via teleconference.

(2) The Chairman is obliged to convene a meeting of the Management Board upon written request of each of the members. If the Chairman does not convene a meeting of the Management Board within a week following the receipt of such request, it may be convened by the requesting Board member directly.

(3) The meeting is lawful if more than half of the members of the Management Board are present physically or by teleconference.

(4) A valid resolution of the Management Board can be adopted also without holding a meeting, provided that it is signed without any comments and objections by all members of the Management Board.

(5) The Management Board adopts resolutions by a simple majority of those present (two of three) unless a unanimous approval is required by law. If the number of opposite votes is equal, the Chairman's vote is decisive.

(6) A resolution of the Management Board which does not meet the requirements of the preceding paragraphs shall be void.

(7) Minutes shall be kept for each meeting of the Management Board. These shall reflect the date of the meeting, names of the members present, resolutions adopted, and the relevant voting details. Minutes shall be signed by the Chairman unless when the resolutions are adopted in writing without holding a meeting and signed by all members accordingly.

Art. 20 (1) Each member of the Management Board shall have the right to propose resolutions. The Managing Board shall vote on any proposal made by a member.

Ar. 21 The Chairman of the Management Board:

- 1) Coordinates the meetings of the Management Board;
- 2) Represents the Association before third parties;
- 3) Signs all contracts and correspondence on behalf of the Association, in accordance with the resolutions of the Management Board and the Statutes;
- 4) Ensures the proper implementation of the resolutions of the Management Board and the strict compliance with the Statutes.

Art. 22 The Management Board may decide to employ a full-time or a part-time Secretary General of the Association. The Secretary General keeps the registries and minutes of the management bodies of the Association and may be assigned with some representative powers and administrative functions by resolutions of the Management Board.

TRANSFORMATION, TERMINATION, LIQUIDATION

Art. 23 The Association may be transformed into another non-profit legal entity. The conversion is made by resolution of the General Meeting, adopted by a majority of 2/3 of the present members.

Art. 24 The Association shall be terminated:

- 1) by resolution of the General Meeting, taken by a majority of 2/3 of the present members;
- 2) by decision of the District Court at the seat of the Association, in the cases prescribed by law.

Art. 25 (1) Upon termination of the Association by resolution of the General Meeting, the liquidation shall be carried out by the Management Board or by a liquidator, appointed by the General Meeting in place of the Management Board.

(2) The relevant provisions of the Commerce Act shall apply to the liquidation procedure and the powers of the liquidator.

Art. 26 The property remaining after satisfaction of the creditors shall be distributed between the members in equal proportions in accordance with a resolution of the Management Board after all costs of the liquidation are covered.

FINAL PROVISIONS

§1 These Statutes were adopted and signed unanimously by the founders of Japan – Bulgaria Business Association.

§2 The list of founding members who have adopted and signed these Statutes is an integral part hereto.