

# STATUTE

of

## BULGARIAN ASSOCIATION OF SOFTWARE COMPANIES (BASSCOM)

### A NON-PROFIT ORGANISATION

#### CHAPTER ONE

##### GENERAL PROVISIONS

**Article 1. (1)** *(Amended pursuant to a decision of the General Meeting of the Association, dated 26 May 2009)* The Bulgarian Association of software companies (hereinafter briefly referred to as the “Association” or “Organization”) is an organization of firms, registered in Bulgaria, whose principal activity is the development, production and distribution of software products and services. The Association is an organization of co-thinkers united by common ideas, objectives and interests, whose main goal is gaining recognition of the software industry as an essential and promising sector of the Bulgarian economy.

**(2)** The name of the Association shall be “Bulgarian Association of Software Companies” (BASSCOM), which may also be written in English as “Bulgarian Association of Software Companies” (BASSCOM).

**(3)** *(Amended pursuant to a decision of the General Meeting of the Association, dated 26 May 2009)* The Association is financially independent, legally independent, politically and religiously uncommitted non-profit organization, setting is to act for private benefit and protection of common branch interests of its members. The Association does not carry out political, religious or trade union activity.

**(4)** *(Amended pursuant to a decision of the General Meeting of the Association, dated 8 April 2005)* The seat and address of management of the Association shall be Mladost 4 residential qtr., Business Park Sofia, block 11, entr.B, floor 1, 1766 Sofia.

**(5)** The existence of the Association shall not be limited by time or any other termination condition.

#### CHAPTER TWO

##### OBJECTIVES AND MEANS

**Article 2.** *(Amended pursuant to a decision of the General Meeting of the Association, dated 26 May 2009)* The Association shall combine the efforts of its members to achieve the following objectives:

1. software technology development in the country;
2. protecting common branch interests and rights of the Association members before governmental bodies and institutions, as well as before other similar organizations in the country and abroad;
3. drawing up its own positions and assisting/lobbying upon decision making by state bodies regarding software technologies, as well as creating and developing a legal framework so as to strengthen the competitive position of the Bulgarian software industry on a global level;
4. assisting in and arranging for public relations of the Bulgarian software industry and companies;
5. assisting to promote the software industry as a leading sector of the national economy; and in this respect, boosting and encouraging foreign and domestic investments in the industry by creating appropriate conditions;
6. assisting to ensure loyal business relations on the Bulgarian software market;
7. assisting to maintain and improve the level of education in information technologies (IT) in Bulgaria, improving qualification and experience with new technologies in high schools and higher educational institutions;
8. assisting for optimal and fully valuable representation and development of IT experts in Bulgaria for the purpose of retaining them in Bulgaria, and creating favorable conditions for their development and international recognition.

**Article 3.** In order to achieve its objects, the Association shall:

1. undertake lawful actions to protect the rights and interests of its members in the event of violations or disregard by monopolistic organizations, state bodies, foreign companies and their branches in the country, etc.;
2. express opinions and require clarifications from competent state bodies regarding legislation, instructions, decisions,

etc. concerning activities of the Association's members:

3. undertake actions for changes in legislation and decisions of state bodies contradicting to the interests of the Bulgarian software companies;
4. maintain contacts with state departments and with other industry organizations;
5. enter into dialogues with organizations whose activities impede achievement of the Association's objectives and the professional activity of its members, and where necessary, shall submit issues for resolution by competent authorities;
6. maintain contacts with international organizations with attitude towards the objectives and tasks of the Association;
7. assist in setting disputes arisen between members of the Association;
8. assist in ensuring loyal competition and, where necessary, certify its members' activities before third parties;
9. inform its members about the software industry development trends;
10. arrange for activities to support the software industry development, including holding of seminars/researches on topical issues, with participation by Bulgarian and world-renowned experts and key individuals in charge of taking strategic decisions regarding the Bulgarian software industry;
11. acts as a channel of communication and experience exchange among its members;
12. arranging for scholarships/internships/applied studies for students trained in the field;
13. interact with organisations of similar objectives and principles;
14. carry out surveys and analyses regarding IT development, organization and topical problems on a worldwide level.

### **CHAPTER THREE**

#### **OBJECTS**

**Article 4.** The objects of activity of the Association shall be: undertaking lawful actions to protect the rights and interests of its members in the event of violations or disregard by monopolistic organisations, state bodies, foreign companies and their branches in the country, etc.; expressing opinions and requiring clarifications from competent state bodies regarding legislation, instructions, decisions, etc. concerning activities of the Association's members; undertaking actions for changes in legislation and decisions of state bodies contradicting to the interests of the Bulgarian software industry; maintaining contacts with state departments and with other industry organisations; entering into dialogues with organisations whose activities impede achievement of the Association's objectives and the professional activity of its members and, where necessary, submitting issues for resolution by competent authorities; maintaining contacts with international organisations with attitude towards, the objectives and tasks of the Association; assisting in setting disputes arisen between members of the Association; assisting in ensuring loyal competition and, where necessary, certifying its members' activities before third parties; informing its members about the software industry development trends; arranging for activities to support the software industry development, including holding of seminars/ researches on topical issues, with participation by Bulgarian and world-renowned experts and key individuals in charge of taking strategic decisions regarding the Bulgarian software industry; acting as a channel of communication and experience exchange among its members; arranging for scholarships/internships/applied studies for students trained in the field; interacting with organisations of similar objectives and principles; carrying out surveys and analyses regarding IT development, organisation and topical problems on a worldwide level.

### **CHAPTER FOUR**

#### **MEMBERSHIP**

**Article 5. (1)** The members of the Association shall be full-right members and associate members.

**(2)** *(Amended pursuant to a decision of the General Meeting of the Association, dated 13 April 2006, Amended pursuant to a decision of the General Meeting of the Association, dated 26 May 2009)* Full-right member of the Association shall be any interested company - legal entity or a sole trader, registered under the Trade Law of the Republic of Bulgaria, adopted the statutes of the Association and whose principal activity is the development, production and distribution of software products and services.

(3) *(Amended pursuant to a decision of the General Meeting of the Association, dated 17 April 2007, Amended pursuant to a decision of the General Meeting of the Association, dated 26 May 2009)* Any individual or legal entity involved in the activity of the Association may be an associated member of the Association.

(4) *(Amended pursuant to a decision of the General Meeting of the Association, dated 13 April 2006)* Membership shall be acquired pursuant to a decision of the Management Board following consultation with the Association's members and shall be subject to approval by the General Meeting on the basis of a written application by the candidate, whereby it shall declare that it accepts the Statute of the Association, as well as documents evidencing the requirements under para 2 and para 3.

(5) Membership shall be terminated:

1. by unilateral statement to the General Meeting;
2. upon dissolution of the legal entity;
3. upon expulsion;
4. upon dissolution of the Association;
5. upon cancellation,

(6) A decision on expulsion shall be taken by the General Meeting in case of conduct, which renders future membership incompatible.

(7) In the event of systematic failure to participate in the activity and delay in payment of a membership fee for more than 1 month, the Management Board shall notify the relevant member of the Association within 2 weeks by allowing it an ultimate time-limit for effecting the payment, which shall not be longer than 1 month. If that time-limit expires without any result, the General Meeting shall take a decision on cancellation.

(8) Contributions made shall be forfeit in the event of membership cancellation.

## **RIGHTS AND OBLIGATIONS OF THE MEMBERS OF THE ASSOCIATION**

**Article 6. (1)** Each member of the Association shall have the following rights:

1. to participate in the development and implementation of projects and initiatives of the Association;
2. to propose initiatives in accordance with the objectives of the Association;
3. to participate in the development, discussion and adoption of any and all decisions and documents of the Association;
4. to express its opinion, views and evaluations, to submit them for discussions and to defend them;
5. to elect and to be elected in all bodies of the Association;
6. to require and receive information on all issues and decisions related to the Association's activity;
7. to obtain assistance from the Association in carrying out activities corresponding to this Statutes;
8. to express its disagreement with any activity of the Association's management by submitting inquiries, statements and critical reports to the Association's management, and be responded to within 30 days.

(2) The rights under i.3 and i.5 shall not be relevant to associated members.

**Article 7. (1)** Each member shall be obligated:

1. to work for achievement of the Association's objectives;
2. to strengthen the reputation and enhance the popularity of the Association;
3. to make an admission contribution and pay a membership fee at an amount determined by the General Meeting.

(2) The obligation under i.3 shall not be relevant to associated members.

## **CHAPTER FIVE**

### **STRUCTURE, BODIES AND ORGANISATION**

**Article 8. (1)** The Association shall develop its structure on a territorial principle by setting up branches in accordance with the administrative and territorial division of the country.

**Article 9. (1)** The bodies of the Association shall be:

1. the supreme body – the General Meeting;
2. the governing body – the Management Board;
3. the Chairperson of the Management Board;

(2) Subject to a decision of the Management Board, various supporting bodies, such as commissions, expert units by directions, etc., may be set up and employees and assistants may be hired as permanent staff.

## **CHAPTER SIX**

### **GENERAL MEETING**

**Article 10. (1)** The General Meeting shall comprise all members of the Association.

(2) *(Amended pursuant to a decision of the General Meeting of the Association, dated 17 April 2007, Amended pursuant to a decision of the General Meeting of the Association, dated 26 May 2009)* A regular General Meeting shall be convened by the Management Board once per annum, by written invitation to each member, which shall be received at least 30 days prior to the date of the meeting and simultaneously published the invitation to the official website of the Association. The invitation shall contain the agenda, date, time and place of holding the meeting. An extraordinary General Meeting may also be convened upon initiative of at least 1/3 of the Association's members.

(3) The General Meeting shall be deemed legitimate, if more than half of all members are present. In case the required number of the members is not present, the meeting shall be postponed by an hour with the same agenda and shall be deemed legitimate regardless of the number of members present.

**Article 11. (1)** Each member of the General Meeting shall be entitled to one vote.

(2) Associated members present at any General Meeting shall be entitled to a consultative vote.

(3) Decisions of the General Meeting shall be taken by a simple majority in an open vote, unless a resolution for secret voting is passed. A majority of two thirds of the present members shall be required for amendment of the Statute, dissolution of the Association or transformation thereof.

(4) Decisions may not be taken on issues, which have not been included on the agenda in advance and been duly notified, unless all members of the Association are present at the General Meeting and vote unanimously for discussing such issues.

**Article 12. (1)** Minutes shall be kept for each General Meeting and shall contain at least the following information:

1. place and time of holding the General Meeting;
2. quorum of members present;
3. names of the chairpersons of the meeting, the minutes-keeper and vote-counters;
4. agenda of the General Meeting;
5. proposals made in substance;
6. voting sessions held and results;
7. signatures of the chairpersons, minutes-keeper and vote-counters.

(2) Trustworthiness of minutes shall be certified by the signature of the chairpersons, minutes-keeper and vote-counters.

(3) A list of the members present and any documents related to convening and holding of the meeting shall be enclosed with the minutes.

(4) Minutes of the General Meeting and appendices thereto shall be filed in a book of minutes.

**Article 13. (1)** The General Meeting shall:

1. accept, amend and supplement the Statute of the Association;
2. elect the members of the Management Board;
3. elect the Chairperson of the Management Board;

4. admit and expel members;
  5. control the work of the Management Board and approve management reports;
  6. take decisions on dissolution or transformation of the Association;
  7. take decision on participation in other organisations;
  8. adopt basic guidelines and a program for the activity of the Association;
  9. approve the budget of the Association;
  10. approve the annual financial statement and balance sheet for the activity of the Association;
  11. take decisions on membership fees or property contributions payable and their amount;
  12. repeal decisions of other bodies of the Association, which are contrary to law, the Statute or other bylaws governing the activity of the Association.
- (2) Subject to approval by the General Meeting at its consecutive session, the General Meeting may delegate particular powers thereof to the Management Board.

## **CHAPTER SEVEN**

### **MANAGEMENT BOARD**

**Article 14. (1)** The governing body of the Association shall be the Management Board.

(2) *(Amended pursuant to a decision of the General Meeting of the Association, dated 13 April 2006, Amended pursuant to a decision of the General Meeting of the Association, dated 26 May 2010)* The Management Board shall comprise at least 5 members elected by the General Meeting with a mandate of 2 years.

**Article 15. (1)** Meetings of the Management Board shall be convened at least once per three months by the Chairperson upon his/her initiative or by a written request of not less than 1/3 of its members.

(2) To convene the Management Board, the Chairperson shall send notification three days prior to date of meeting, unless, due to the urgency of the matter, a meeting needs to be convened within a shorter term. Any notification shall state compulsory the date, place and time of the meeting and the suggested agenda. The notification may also be made by telephone, fax, e-mail or other communication means.

(3) Meeting of the Management Board shall be legitimate, if more than half of its members are present. No member of the Board shall be allowed to participate in meetings of the Management Board by a proxy.

(4) The Management Board may also take decision in absentia, by means of minutes signed by all of its members.

(5) Decisions shall be taken by a simple majority of members present, in an open vote, unless a resolution for secret voting is passed. The majority of all members shall be required in the cases under Art. 21, para 2 for decisions regarding disposal of property of the Association and defining the procedure and organisation of its activity.

(6) Meetings of the Management Board shall be open to members of the Association.

(7) Members of the Association that are not members of the Board may also participate in the meetings of the Management Board with a right to consultative vote.

**Article 16. (1)** Minutes shall be kept of each meeting of the Management Board and shall be signed by the Chairperson. Any documents regarding the meeting shall be enclosed with the minutes.

(2) Minutes and appendices thereto shall be filed in a book of minutes.

(3) Minutes of meetings shall be open and accessible by members of the Association.

**Article 17. (1)** The management Board shall:

1. carry out and manage the overall and operational activity of the Association, the procedure and manner of implementation of the Association's initiatives and projects;
2. implement the decisions of the General Meeting in accordance with the Statute of the Association;
3. adopt decisions, statements, addresses, etc.;
4. take decisions on setting up and closing of branches
5. prepare and submit a draft budget to the General Meeting;

6. prepare the annual financial statement and balance sheet for the activity of the Association, which it submits to the General Meeting;
  7. determine the procedure and manner of holding General Meetings;
  8. manage the activity of the Association in between General Meetings, in accordance with their decisions;
  9. upon proposal by the Chairperson, elect up to two Deputy Chairpersons among its members;
  10. determine the structure of the Association's permanent staff;
  11. determine the procedure for appointment and dismissal of permanent staff;
  12. adopt rules for the organization and activity of the Association;
  13. resolve any other issues, which are not within the exclusive competence of the General Meeting, by virtue of law or this Statute;
  14. make arrangements for and convene General Meetings;
- (2) Upon expiration of its mandate, the management Board shall continue carrying out its functions until a new Management Board is appointed by the General Meeting.

**Article 18. (1)** The Management Board shall adopt rules for its work.

(2) The rules for the work of the Management Board shall set out:

1. the procedure and manner of convening and holding meetings;
2. the procedure, criteria and manner of forming commissions;
3. the procedure and system of accounting and safekeeping the Association's documentation;
4. the internal organisation and internal control;
5. the methods of resolving potential or arisen conflicts;
6. the rights and obligations of each one of the members of the Management Board;
7. the procedure and criteria or appointment and dismissal of permanent staff;
8. the procedure of setting up funds, collecting and spending resources thereof;
9. the procedure for disposing of property of the Association.

## **CHAPTER EIGHT**

### **CHAIRPERSON OF THE MANAGEMENT BOARD**

**Article 19. (1)** *(Amended pursuant to a decision of the General Meeting of the Association, dated 13 April 2006)* The Chairperson shall be elected by the General Meeting and shall carry out the functions of the Management Board when the latter does not hold meetings.

(2) The Chairperson shall:

1. represent the Association in its relations with any other public organizations, state institutions, firms, etc., in accordance with the Statute.
2. manage the work of permanent staff and assistants of the Association;
3. make announcements on behalf of the Association following agreement thereof with the Management Board;
4. manage the property of the Association in accordance with the decisions of the Management Board and the General Meeting.

## **CHAPTER NINE**

### **PROPERTY**

**Article 20. (1)** The property of the Association shall be formed of:

1. donations and wills;
2. sponsorships;
3. membership fees;
4. funds attracted from other lawful sources.

**(2)** The Management Board shall take care of the property.

## **CHAPTER TEN**

### **LIQUIDATION**

**Article 21. (1)** Liquidation shall be carried out upon dissolution of the Association.

**(2)** Liquidation shall be carried out by the governing body or a person appointed thereby.

**(3)** If a liquidator is not appointed pursuant to para 2, as well as in cases of dissolution of the Association upon decision of the supreme body, a liquidator shall be appointed by the district court by seat of the Association.

**(4)** A decision on the distribution of property remaining after satisfaction of creditors shall be taken by the supreme body. If such a decision has not been taken till the dissolution, it shall be made by the liquidator.

**(5)** Where there are no persons existing under para 4 or if they cannot be identified, the property shall be delivered into possession of the municipality by seat of the Association, which shall use the property for activities that are mostly close to the objective of the dissolved Association.

### **CONCLUSIVE PROVISIONS**

§ 1. The Association's symbol shall be the emblem. The emblem shall be approved by the management Board.

§ 2. Any issues not provided for in this Statute shall be resolved in compliance with the effective legislation in the country.

§ 3. This Statute has been adopted by the Meeting of Founders of the Non-profit Organisation "Bulgarian Association of Software Companies (BASSCOM)" held on 12 December 2001 in the city Sofia, amended pursuant to a decision of the General Meeting of the Association, dated 8 April 2005, amended pursuant to a decision of the General Meeting of the Association, dated 13 April 2006, amended pursuant to a decision of the General Meeting of the Association, dated 17 April 2007, amended pursuant to a decision of the General Meeting of the Association, dated 26 May 2009, amended pursuant to a decision of the General Meeting of the Association, dated 26 May 2010.

**Date: 26 May 2010**

Chairperson of the Management Board: