

**STATUTE**  
**OF THE BULGARIAN ASSOCIATION**  
**OF THE METALLURGICAL INDUSTRY**

**GENERAL**

**Art.1** (1) The Bulgarian Association of the Metallurgical Industry, hereinafter called "the Association", is a non-profit association members of which could be employers, Bulgarian and foreign legal entities and individuals, who are traders within the meaning of the Commercial Act, acting in the field of the metallurgical industry and its accompanying productions, activities and services.

(2) Non-profit legal entities and other organizations may also become associated members of the Association if they are accepting its Statute and are contributing to the achievement of its objectives.

(3) Political parties and movements can not be members of the Association.

(4) The Association is acting for the private benefit of its members, on the basis of this Statute, implementing the decisions of its governing bodies and in compliance with the laws of the Republic of Bulgaria.

(5) The existence of the Association is not time-limited.

**NAME**

**Art.2** (1) The name of the Association is: **Bulgarian Association of the Metallurgical Industry (BAMI)** with equivalent in English: **Bulgarian Association of the Metallurgical Industry (BAMI)**.

(2) The headquarters of the Association is in Sofia and the address of the management is: "Krasna Polyana" district, 205, Aleksandar Stamboliyski Blvd.

(3) The Association is a legal entity.

## **OBJECTIVES**

**Art.3** The Bulgarian Association of the Metallurgical Industry aims at:

(1) Protecting the interests of its members and to assist them in carrying out their activities.

(2) Working towards creating a business environment that promotes the competitiveness and sustainable development of the metallurgical industry and of the Association's members.

(3) Working towards building of favorable image and a good business reputation of its members and of the industry.

## **MEANS (ACTIVITIES) FOR ACHIEVING THE OBJECTIVES**

**Art.4** To achieve its objectives, the Association:

(1) Contributes to the development of national and regional strategies, analyzes, programs and opinions on the development of the metallurgical industry, as well as to their implementation.

(2) Participates with opinions in the drafting of normative acts related to the metallurgical industry.

(3) Participates actively in consultative councils on Metallurgy at the branch ministry or other state bodies.

(4) Carries out a dialogue and cooperation with the social partners and represents its members when concluding agreements at national level under the Labor Code.

(5) Acts and assist its members in settling collective labor disputes and contradictions.

(6) Participates in the development of normative documents and standards for healthy /safety working environment in the field of metallurgy.

(7) Works on introducing of good practices, models of risk analysis and control and self-control rules to ensure work safety and product quality.

(8) Informs the competent authorities when detecting violations in the implementation of laws and regulations.

(9) Assists in establishing contacts, expanding cooperation and implementing joint projects with science, education and training organizations.

(10) Assists its members in professional training and education of the staff and in enhancing its qualification.

(11) Participates in inspections and/or presents opinions on findings made by state or municipal authorities when exercising control over members of the Association.

(12) Administers functions related to administrative regulation and administrative control if provided in a separate law or other normative act.

(13) Creates and maintains databases in various fields related to the metallurgical industry which could be used by the member companies and experts.

(14) Develops ethical codes regulating the ethics and correctness of relations in the metallurgical branch and among the members of the Association.

(15) Ensures the coordination and harmonization of the interests of its members in compliance with the principles of legal and economic autonomy, fair competition, protection of trade and business secrets.

(16) Facilitates the voluntary settlement of disputes between its members.

(17) Participates in projects and programs funded by national, European and other international funds.

(18) Assists in establishing business relationships and promotes the capabilities, products and services of its members.

(19) Cooperates with similar organizations in the country and abroad and participates in the activities of European and other international organizations.

(20) Collects, summarizes and analyzes production, economic and other statistical information and provides it to its members and other structures in the country and abroad.

(21) Establishes specialized thematic committees on strategic directions of the branch, involving leading experts from Association's member companies.

## **ACTIVITIES**

**Art.5** (1) The Association unifies and coordinates the positions and interests of its members and represents them at national level before the social partners, state and local authorities, other branch and employers' organizations, international/foreign institutions and organizations.

(2) Organizes alone or jointly with other domestic or international bodies and organizations different activities for achieving the aims of the Association.

## **MEMBERSHIP, RIGHTS AND OBLIGATIONS**

### **MEMBERSHIP**

**Art.6** (1) The membership in the Association is voluntary. Members could be persons according **Art.1** (1) of the Statute, accepting the Associations Statute and Objectives.

(2) The members of the Association retain their legal and economic autonomy.

(3) The membership of the Association is unlimited.

### **ASSOCIATED MEMBERS**

**Art.7** (1) Associated members of the Association could be legal entities according to **Art.1** (2) of the Statute.

(2) Associated members participate in the activities of the Association in realizing its aims, according to **Art.4** of the Statute.

(3) Associate members have no right to vote within the General Assembly and do not owe membership fees.

(4) A decision on the status of an associate member is taken by the Management Board in accordance with Art.8, based on an application with specified motives.

## **ADMISSION OF NEW MEMBERS**

**Art.8** (1) New members are accepted on the basis of a written application filed by the governing body of the respective company stating the agreement with the Statute and the objectives of the Association. The Management Board is taking its decision at its first meeting following the receipt of the application.

(2) The applicant is to be informed about the Management Board's decision in writing.

## **MEMBERS' RIGHTS**

**Art.9** The members of the Association are entitled to:

- (1) Participate in its activities and to vote within the General Assembly;
- (2) Participate in the governing bodies and its working structures;
- (3) Put questions arising from their business for consideration and assistance;
- (4) benefit from the possession and the results of its activities;
- (5) Request its assistance in defending their interests;
- (6) Be informed about the Association's activities and to attend meetings of the Management Board and the Control Board when issues of their interest are discussed.

## **MEMBERS' OBLIGATIONS**

**Art.10** The members of the Association are obliged to:

- (1) Comply with the Statute and implement the decisions of the General Assembly and other governing bodies of the Association;
- (2) Contribute to the achievement of its objectives and the fulfillment of its tasks;
- (3) pay regularly their membership fee;
- (4) Provide information about the activity of the company that is necessary for the fulfillment of the objectives and tasks of the Association, except where this is considered as a trade secret or may harm the interests of the respective member.

## **TERMINATION OF MEMBERSHIP AND SUCCESSORS**

**Art.11** Membership is to be terminated:

- (1) On leaving - by written notice to the Management Board with an immediate effect;
- (2) Upon termination of the legal entity - voluntary liquidation or bankruptcy; respectively with the death or placing under full guardianship an individual member of the Association;
- (3). Upon exclusion of a member;
- (4) By dropping out of a member due to the failure of payment the determined annual membership fee until June 30th of the following year or until the date on which the Management Board has postponed the payment of the due membership fee.
- (5) Upon termination of the Association's activity.

**Art.12** (1) A member of the Association may be excluded by a decision of the Managing Board when roughly or systematically violates its obligations or undermines its prestige.

- (2) Exclusion may not be imposed if the member of the Association has not been invited to give explanations and if they have not been discussed;
- (3) The decision on exclusion may be appealed to the General Assembly according to **Art.26** of the Statute.

(4) The terminated membership gives no right of receiving back the membership fee paid.

**Art.13** After their transformation successors of Association's members may become members by informing the Association in writing about their wish and about agreement of the Statute without the procedure according to **Art. 8**.

## **GENERAL ASSEMBLY**

**Art.14** (1) The General Assembly of the Association consists of all its members.

(2) Each member participates in the General Assembly through its legal representative or proxy. The right of participation is to be certified by a court certificate of the actual statute, and for the authorized persons - by a written power of attorney.

## **POWERS**

**Art.15** (1) The General Assembly of the Association:

1. Accepts, repeals, amends and supplements the Association's statute.
2. Elects and dismisses the members of the Management and Control Boards, determines their composition and controls their activities.
3. Takes decisions for a transformation or termination of the Association and for its declaration in liquidation. .
4. Together with the decision on termination and liquidation, a resolution is adopted for the distribution of the possessions remaining after the satisfaction of the creditors.
5. Decides on changing the headquarters and the name of the Association.
6. Adopts the main guidelines for the Association's activities.
7. Accepts the report on the activities of the Management and Control Boards and releases them from responsibility.

8. Accepts the budget of the Association.

9. Determines the amount of the initial contribution and the annual membership fee of the Association's members.

10. Amends and repeals decisions of the Management and of the Control Boards.

11. Takes other decisions in accordance with the Statute.

(2) The decisions of the General Assembly are binding for the other governing bodies of the Association and for its members.

## **CALL OF GENERAL ASSEMBLY**

**Art. 16** (1) The General Assembly meeting is to be convened by the Management Board at least once a year.

(2) The Managing Board is obliged to convene a General Meeting and at the request of 1/3 of the members of the Association. If the Management Board fails to make a written invitation to convene a General Meeting within two weeks, it shall be summoned by the court according to the seat of the Association upon a written request of the interested members or of a person duly appointed by them.

**Art.17** (1) The invitation contains the agenda, the date, the place and the time for holding the General Assembly and on whose initiative it is convened.

(2) The invitation is to be promulgated in the State Gazette and published on the website of the Association at least one month before the date of the General Assembly.

## **QUORUM**

**Art.18** The General Assembly is considered legitimate if more than half of the members of the Association are present. In the absence of a quorum, the meeting is to be postponed an hour later and shall be held in the same place and on the same agenda, despite how many members are present.

## **MEETINGS**

**Art.19** (1) The General Assembly elects a chairman and a record keeper.

(2) Minutes are kept for the meeting, signed by the Chairman of the General Assembly and the record keeper.

## **DECISIONS OF THE GENERAL ASSEMBLY**

**Art.20** (1) Decisions of the General Assembly are taken by open vote, with a simple majority of the present. However the decisions under **Art.15**, item 1, points 1, 3 and 4 of the Statute are taken by a majority of 2/3 of the regular members present.

(2) Decisions cannot be taken on issues that have not been disclosed in the invitation.

## **RIGHT TO VOTE**

**Art.21** (1) Each member of the Association has the right to one vote.

(2) A member of the General Assembly is not having the right to vote in resolving issues related to:

1. him/her, his/her spouse or relatives in a straight line - without limitation, by collateral line - up to the fourth degree or by marriage - to the second degree inclusive;

2. the legal entity of which he/she is the manager or is in position to impose or impede taking of decisions.

(3) An individual may represent no more than three members of the Association of the General Assembly on the basis of a written power of attorney. Re-authorization is not accepted.

## **MANAGEMENT BOARD**

### **COMPOSITION**

**Art.22** (1) The composition and the members of the Managing Board are appointed and elected by the General Meeting for a period of three years.

1. The Management Board is consisting of at least three persons, members of the Association.

(2) When electing a Management Board, the General Assembly is to secure the representation of all groups of members by subject of activity within the branch.

(3) The legal entities members of the Management Boards are represented by their legal representatives or an especially authorized individual.

(4) The members of the Management Board may be relieved from their duty before the expiry of their mandate in the following cases:

1. Upon termination of the legal entity - member of the Association.

2. Excluding of the legal entity - member of the Association.

3. On a written request.

4. In case of failure to fulfill the obligations as a member of the Management Board.

(5) The Managing Board of the Association is to be complete with new members of the next General Meeting.

(6) As members of the Management Board could not be elected:

1. Persons deprived of the right to hold a management, reporting position or position related to material responsibility.

2. Members of governing bodies of political parties and movements.

3. Association's members declared in liquidation or insolvency.

4. Persons who have a close family relationship are brothers, sisters or spouse of a member of the Management or Control Boards.

## **POWERS**

### **Art.23** The Management Board:

1. Represents the Association and determines the volume of representative power of its individual members as well.
2. Organizes the implementation of decisions of the General Assembly and report about its activities to it.
3. Elects a chairman among its members.
4. Is governing the possessions of the Association in compliance with the requirements of the Association's Statute.
5. Adopts general guidelines, plans and programs of the Association's activities.
6. Adopts and submits to the General Assembly a draft budget and the amount of the annual membership fee of the Association's members.
7. Prepares and submits to the General Assembly a report on the activities of the Association.
8. Accepts, releases and excludes members of the Association.
9. Assigns the status of an Associate Member of the Association
10. Determines the order and organizes the activities of the Association, including the activity in common benefit, and is responsible for it.
11. Appoints subsidiary bodies and empowers third parties to carry out part of its activities.
12. Appoints the Executive Director and defines his/her competencies in the operational management of the Association.
13. Takes decisions on participation and termination of the participation in other Bulgarian and international organizations.
14. Adopts decision on change of the management address.
15. Creates targeted money funds.
16. Proposes a liquidator.
17. Manages the Association's assets and takes decisions to dispose its financial resources.
18. Takes decisions on all matters which, by law or under the Statute, are not part of the rights of any other authority.
19. The members of the Management Board are not remunerated.

## **CALL OF MANGEMENT BOARD'S MEETING**

**Art.24** (1) The Management Board meets on request of its Chairman at least once every three months. Not later than one week before the meeting the Chairman is to send a written invitation to each member of the Management Board, with a specified date, place, time and agenda,

and written materials as a part of the invitation. In his/her absence the Management Board may appoint another member to convene a meeting.

The Chairman is obliged to convene the Management Board at the request of 1/3 of its members within seven days from the receipt of the request. The request is to state the reasons for the call and the questions to be discussed. If, within this period, the Managing Board is not convened by the Chairman, any of the members of the Management Board concerned may convene it.

(2) Meetings are chaired by the Chairman and in his absence by a member appointed by the Management Board.

(3) The meeting of the Management Board shall be considered lawful if more than half of its members are present.

(4) As present is considered a member of the Management Board, who has a bilateral telephone or other connection, which ensures his/her identity and allows him/her to participate in the discussion and in decision-making. The voting of this member is to be certified in the minutes by the chairman of the meeting.

## **DECISIONS OF THE MANAGEMENT BOARD**

**Art.25** (1) The Management Board is taking decisions by open vote and by a simple majority of the present; decisions under **Art. 23**, item 4, 10 and 16 are taken by a majority of all members.

(2) The Management Board could also decide without holding a meeting if the protocol on the decision taken is signed without comments and objections from all its members.

## **REVOCAION OF DECISIONS**

**Art.26** (1) Decisions of the governing bodies of the Association which are taken in contradiction to the law, to the Statute or to a previous decision of the General Assembly may be challenged before the General Assembly on the request of the interested Association's members or of its body, within one month from their knowledge but not later than one year from the date of the decision.

(2) The decisions of the General Assembly are subject to judicial review of their legality and compliance with the Statute.

(3) The disputes under Para 2 could be brought before the court of registration of the Association by any Association's member or of its body or by the prosecutor within one month of becoming aware of them, but not later than one year from the date of the decision.

## **REPRESENTATION**

**Art.27** The Association is represented by the Chairman of the Management Board or by Management Board's members respectively authorized by it.

## **CHAIRMAN OF THE MANAGEMENT BOARD**

### **POWERS**

**Art.28** The Chairman of the Management Board:

1. Organizes the implementation of the decisions of the General Assembly and of the Management Board;
2. Convenes and directs the meetings of the Management Board;
3. Concludes, amends and terminates the employment contract with the Executive Director;
4. Represents the Association before third parties in the implementation of domestic and international legal meters;
5. Performs additional functions assigned by the General Assembly and by the Management Board.

## **SUPERVISORY BOARD**

### **COMPOSITION**

**Art.29** (1) The Supervisory Board consists of 3 members elected among the members of the Association by the General Assembly for a period of three years. Among its members the Supervisory Board is electing its chairman.

(2) Persons mentioned in **Art. 22**, para. 6 of the Statute could not be members of the Supervisory Board.

## **POWERS**

**Art.30** The Supervisory Board:

1. Proves the implementation of the General Assembly's and of the Management Board's decisions;
2. Verifies lawfulness and the appropriateness of the implementation of the decisions taken by the management bodies of the Association;
3. Controls the proper protection of the Association's possessing;
4. Drafts conclusions on the annual report, the balance and the budget of the Association and reports on its activities before the General Assembly;
5. When it finds significant legal violations and breaches of the Association's Statute, the Supervisory Board requests the Management Board to convene the General Assembly.

## **POSSESSINGS**

### **COMPOSITION, SOURCES**

**Art.31** (1) The Association forms its possessing from property rights and other real rights and rights on intellectual property;

(2) Sources of property of the Association are: introductory contributions and membership fees, inherited or provided property, interests, donations and other sources authorized by a law.

### **FINANCIAL ASSETS**

**Art.32** (1) The Association holds its cash in bank accounts in BGN and currency.

(2) Upon a decision of the Managing Board, the Association may set up target funds, their sources and manner of use are determined by the decision for their formation.

### **REVENUE AND EXPENDITURE**

**Art.33** (1) All revenues of the Association, regardless their nature and source, are included in the property and serve to achieve its objectives;

(2) The revenue referred in the preceding paragraph could not be distributed as a profit between the members of the Association;

(3) The membership fee and the initial installment are fixed by the General Assembly.

**Art.34** (1) The Association is carrying out its expenditures implementing and within the annual budget approved by the General Assembly;

(2) The budget resources are used only for the purpose of the activity and for the achievement of its objectives.

## **TRANSFORMATION AND TERMINATION**

**Art.35** Decisions on the merger, firming, separation, division, reorganization and termination of the Association are taken by the General Assembly by a majority of 2/3 of the members present.

**Art.36** The Association's termination underlies the terms of the Non-Profit Legal Entities Act.

## **TERMINATION**

**Art.37** When by a decision of the General Assembly the Association is terminated upon a proposal of the Management Board, a liquidator is appointed and his/her remuneration is fixed.

**Art.38** All other termination issues not covered by this Statute underlay the terms of the Non-Profit Legal Entities Act.

**This Statute was adopted by the General Assembly of the Branch Chamber of ferrous and non-ferrous metallurgy held on May 18, 2001, amended and supplemented within the General Assembly of the Branch Chamber of ferrous and non-ferrous metallurgy, held on May 29, 2002 and updated within the General Assembly of the Branch Chamber of ferrous and non-ferrous metallurgy, held on March 21, 2007.**