

Translation from Bulgarian

STATUTES
of non-profit private benefit association
“ALLIANCE OF THE TECHNOLOGY INDUSTRY – ATI”

I. GENERAL PROVISIONS.

Art. 1. (1) These statutes regulate the structure and the activity of the non-profit private benefit association “Alliance of the technology industry – ATI”, established under the Non-Profit Legal Entities Act (NPLEA).

(2) The Association is self-defined as organization for performing activity for private benefit.

Name

Art. 2. The name of the association is “Алианс на технологичната индустрия – АТИ”, which is styled in English in the following manner in the international contacts of the Association: “Alliance of the technology industry – ATI”.

Seat

Art. 3. (1) The seat of the Association is in the city of Sofia.

(2) The registration and management address of the Association: Sofia, 16 Lajos Kossuth Street, floor 2.

(3) Each written statement on behalf of the Association shall contain the details of the court registration, the mailing address and the UIC.

Main Objectives

Art. 4. The objectives of the Association are:

1. to assist with creating favorable regulatory and market conditions for the development of the technology industry in Bulgaria;

2. to assist, consult and support the preparation of strategic documents and national programmes in the area of digital technologies, connectivity and digital infrastructure;

3. to support the work of its members in relation to the application of the local and international legislation, including European directives and regulations in the area of the electronic communications and digital economy

4. to assist with the development of free competition in the area of electronic communications by opposing the activities of unfair competition, abuse of dominant position, forbidden agreements and other practices which restrict or breach competition;

5. to initiate, prepare and actively participate in legislative initiatives, public discussions, work groups or consultative bodies and commissions in the area of electronic communications, communications, media law, copyright and its related rights, urban development law, legislation in the area of digital content and digital services and in all other areas concerning the activity of its members;

6. to implement consistent and fundamental policy directed at the establishment of ethical relationships in the technology industry, based on equality, transparency and fair competition;

7. to maintain and publicize statistical information reflecting the state of the market;

8. to build consistent policy aimed at protecting the interests of the technology industry and at improving the legislative and regulatory situation in which it is functioning;

9. to express publicly its opinion on legislative initiatives, regulatory measures or other actions of the executive, legislative and judicial authority referring to the activity of its members.

Means to achieve the objectives of the Association

Art. 5. (1) In order to achieve the objectives under Art. 4 the Association shall use all means permitted under the law, including:

1. it shall represent and defend in compliance with the effective legislation the unified interests of its members before the bodies of the legislative and executive authority, including before ministries and agencies, the judicial authorities, the local self-governance authorities and the local administration, as well as before other administrative authorities and before their respective administrations;

2. it shall represent and defend the unified interests of its members before national, foreign and international organizations and other legal entities, as well as before European organizations and the institutions of the European Union;

3. it shall represent and defend in compliance with the effective legislation the unified interests of its members before the regulatory authorities and third parties, including but not limited to the Communications Regulations Commission (CRC), the Electronic Media Council (EMC), the Commission for Protection of Competition (CPC), the Consumer Protection Commission (CPrC), etc.

4. The Association shall represent its members before the Organizations for collective management of rights in the events provided for by the law or by assignment of the authorities of the Association and it shall participate as representative organization of users in the procedures for determining the amount of the remunerations, received by collective rights managers under the Copyright and its Related Rights Law (CRRL);

5. it publicizes the activity of the Association and its members and it contributes to the increase of its public prestige through the development and holding of information activities, including foreign languages;

6. it participates in the development of plans, programmes and strategies for fighting against the unlawful distribution of television programmes and audio-visual productions;

7. it shall assist with the improvement of the legislative and regulatory legal framework by suggesting amendments and/or supplementations to the legislative acts – ordinances, laws, etc., and it shall participate in public discussions, talks and work groups in relation to the amendments to the legislation;

8. it shall organize regular meetings of its members to exchange opinions, good practices and to hold discussions on topical issues of the members in compliance with the Competition Protection Act;

9. it shall issue an information bulletin, included on the website of the association about information and analysis on the legal, economic and technical issues and innovations referring to the activity of its members;

10. it organizes conferences, seminars, symposia and other representative events to present the activity of its members in the country and abroad;

11. it provides legal, financial, tax, trade and other consultations and references for its members;

12. it organizes advertising campaigns and media appearances of the association;

13. it assists the members of the Association in relation to complying with the rules for protection of competition in compliance with the rules and conditions for protection of competition provided for under the applicable regulatory rules in this area;

14. it assists with the voluntary settlement of disputes among its members;

15. it implements research, educational and supporting programmes and initiatives, it organizes and holds discussions, symposia, meetings, “round tables”, etc., including with international participation;

16. it attracts and makes professional contacts with specialists and experts from the country and abroad for supporting its activity;

17. it creates work groups, consulting bodies, councils and other structures for resolving specific issues of the activity of the Association;

18. it studies the options, participates in programmes funded by the European Union and/or other national or international organizations and institutions

(2) The activity of the Association and the use of its property shall not be bound to political or religious purposes.

(3) The Association shall perform additional business activity under Art. 23 of these Statutes.

Scope of Activity

Art. 6. The scope of activity of the Association is the undertaking of all necessary activities permissible by law for achieving the objectives of the Association through the means provided for under these Statutes, including activities for providing theoretical and methodological assistance to the members to achieve optimal results in their activity, clarification of the new legislative acts concerning their activity and defending the interests of the members before all local and central state management authorities, regulatory and controlling authorities, before judicial and administrative institutions and other organizations.

II. MEMBERSHIP.

Art. 7. (1) The membership in the Association is voluntary.

(2) The members of the Association are regular, associated and honorary. The members of the Association shall adopt the Statutes, the internal acts and the decisions of the bodies of the Association and undertake to comply with them, to share the objectives of the Association and they declare their readiness to work in order to achieve the objectives of the Association. The members of the Association shall make property contributions when this is provided for under these Statutes and in the decision of the General Meeting of the Association.

(3) a regular member of the Association may be any Bulgarian or foreign legal entity or individual having full legal capacity/including such registered as sole trader/ which is:

a) an undertaking, holding a permit for radio frequency spectrum and/or electronic communication networks and/or providing electronic communication services, as well as a person who exercises control over such undertaking;

b) an undertaking, provider of equipment, systems and products in the area of electronic communications;

c) an undertaking providing services in the area of electronic communications, digital technologies and the information community;

d) an undertaking, integrator of services for electronic communications, electronic communication networks, digital technologies and services of the information community

(4) The terms and conditions under Art. 7, Paragraph 3 of the Statutes shall not apply to the associated and honorary members.

(5) Associated members may be legal entities and individuals with full legal capacity. Higher education institutions under the Higher Education Act may be associated members of the Association where they are not obliged to make property contributions.

(6) An honorary member may be an individual with established reputation in the area of electronic communications, media, communication technologies or copyright. The honorary members of the Association are not obliged to make property contributions.

Acquiring Membership

Art. 8. (1) The applicant for membership in the Association shall submit a written statement to the Managing Board. The applicant shall declare in the application that he accepts the Statutes and the other internal acts of the Association, its objectives and the means for their achievement and it shall state the type of membership under which he is joining.

(2) The following documents shall be enclosed to the application:

1. decision of the competent managing body of the entity when it is a legal entity for participation in the Association;

2. certificate of good standing of the applicant when the applicant is a legal entity and it is not registered at the Commercial Register and the Register of the NPLE with the Registry Agency;

3. declaration about the existence of the circumstances under Art. 7, Paragraph 3 of these Statutes when applicable, signed by a person holding due representative authority;

4. declaration that the applicant accepts and undertakes to comply with the Statutes and the other internal acts of the Association.

(4) The membership is acquired by decision of the Managing Board adopted by majority of two thirds of the members of the Managing Board attending the session.

Rights and Obligations of the Members

Art. 9. (1) Regular members of the Association shall be only the persons under Art. 7, Paragraph 3 of the Statutes. Each regular member of the Association shall be entitled:

1. to participate personally or through a proxy in the General Meeting of the Association;

2. to elect and be elected for the managing bodies of the Association, where its representatives may be elected for the managing bodies of the Association;

3. to be informed about the activity of the Association, to use its property and the results of its activity according to the rules provided for under the Statutes;

4. to a single vote in the bodies of the Association to be exercised in person or through a proxy;

5. to participate in the work groups and the consultative bodies of the Association;

6. to submit to the Managing Board proposals in relation to the activity and the development of the Association;

7. to participate in the forums, conferences and events of the Association.

(2) The associated and honorary members shall have all rights and obligations of the regular members except the voting right in the General Meeting. The associated members may not be nominated and/or elected in the managing bodies of the Association. The honorary members may be nominated and/or elected in the managing bodies of the Association.

(3) The regular and associated members of the Association shall owe individual monthly membership fee for the period of membership in the Association according to the amount, rules and manner of payment of the membership fee, stipulated by decision of the General Meeting.

(4) In addition to paying membership fee the regular members of the Association participate in the expenses for funding representative and other events of the Association, which cannot be covered by the membership fee. The conditions for this additional funding/ additional property contributions shall be determined by decision of the Managing Board.

(5) The main criterion for determining the amount of the individual membership fee of the members is their presence, market share and influence on the respective market by taking into consideration all types of networks, equipment, products and services provided by the undertaking.

(6) The specific amounts of the membership fee shall be determined by decision of the General Meeting under art. 14, Item 9 of the Statutes and they may be paid by grouping the members of the Association according to their level.

(7) The members shall be liable for the liabilities of the Association up to the amount of the property contributions provided for under the Statutes. The members of the Association shall not be personally liable for the liabilities of the Association.

(8) The membership rights and obligations, with the exception of the material ones, are not transferable and do not pass over other persons in the event of death, or upon termination, respectively.

Termination of Membership

Art. 10. The membership in the Association shall be terminated:

1. By unilateral written statement about voluntary leaving, submitted to the General Meeting or the Managing Board not later than in September of the respective year. The membership shall be deemed terminated as of 1 January of the subsequent calendar year where all membership fees shall be due until that date. The property contributions made until the termination date shall not be reimbursed and the due contributions shall become immediately payable.

2. by the death or full incapacity, respectively, by the termination of the legal entity as a legal subject;
3. by the exclusion;
4. by the termination of the Association;
5. by removal upon failure to pay the stipulated membership fee for a period longer than three months, established by a balance statement from the accounting books of the Association;
6. upon removal due to termination of the activity of the company – member of the Association, including upon the sale of network or sale of the company itself. In such event the date of termination of the membership is the date of duly establishing the respective sale;
7. in the event when changes have occurred in the legal entity as a result of which it no longer complies with the criteria for membership under Art. 7, Paragraph 3 of these Statutes.

Exclusion of Members. Removal

Art. 11. (1) A member of the Association shall be excluded by substantiated decision of the General Meeting in the following events:

1. upon breach of the laws of the Republic of Bulgaria, the Statutes or the internal acts of the Association;
2. when by his actions and conduct the member undermines the reputation of the Association and/or harms the interests of the Association, which conduct makes the further membership incompatible.

(2) The membership in the Association shall be terminated due to removal under the hypotheses of Art. 10, Item 5 and Item 6 of the Statutes, by decision about finding the removal by the Managing Board.

(3) The decision of the General Meeting about exclusion of a member under Art. 11, Paragraph 1, Item 2 of these Statutes shall be adopted by qualified majority of 2/3 of all members of the Association who have attended the session of the General Meeting. When adopting a decision under Art. 11, Paragraph 1, Item 2 the vote of the member proposed for exclusion from the Association shall not be counted.

III. BODIES OF THE ASSOCIATION. MANAGEMENT.

Bodies of the Association

Art. 12. (1) The bodies of the Association are:

1. the General Meeting (“GM”).
2. the Managing Board (“MB”).

(2) The MB shall be entitled to appoint an Executive Director who shall represent the Association before third parties under the terms and conditions of these Statutes and who shall perform functions of operational management of the Association upon assignment by the MB.

General Meeting

Art. 13. (1) The GM is the supreme body of the Association which comprises the regular members of the Association. All regular members of the Association participate in the GM personally or through their proxies. One member may represent not more than two other members of the GM through express written power of attorney. No reauthorization is allowed.

(2) Each regular member of the Association is entitled to one vote in the GM.

(3) The associated and the honorary members shall be entitled to attend the GM without the right to vote.

Rights of the General Meeting

Art. 14. The General Meeting:

1. amends and supplements the Statutes;
2. adopts other internal acts;
3. excludes members;
4. appoints and dismisses the Managing Board;
5. adopts resolution to open and close branches;
6. adopts resolutions to participate in other organizations;

7. adopts a resolution about the restructuring or termination of the Association as well as about the manner of distribution of the remaining property after the creditors have been satisfied upon liquidation;
8. disposes of the property of the Association in compliance with the requirements of the Statutes;
9. adopts decisions about becoming payable, amount and manner of payment of the membership fee or of the property contributions;
10. adopts the budget of the Association by proposal of the Managing Board;
11. adopts the main guidelines and programme about the activity of the Association;
12. adopts the report about activity of the Managing Board;
13. adopts decisions about assigning powers of its competence and by the competence of the Managing Board to the Executive Director, with the exception of such powers which are not subject to assignment;
14. revokes the decisions of the other bodies of the Association which contradict the law, the Statutes or other internal acts, regulating the activity of the Association.

Sessions of the GM. Convention.

Art. 15. (1) The sessions of the GM are ordinary and extraordinary.

(2) The General Meeting shall be convened by the Managing Board at its initiative or by request of one third of the regular members of the Association. If in the last instance the Managing Board does not extend a written invitation to convene the GM within two weeks, it shall be convened by the court according to the seat of the Association by written request of the interested members or by a person put in charge by them.

(3) The invitation shall contain details about the date, time and the agenda of the meeting, as well as details about at whose initiative it is convened.

(4) A regular meeting of the GM shall be held at least once a year. The convention of ordinary meeting of the GM shall be made by written invitation, containing the details under Paragraph 3, which is sent by email to the members of the GM within at least 30 (thirty) days prior to the scheduled day.

(5) Extraordinary meetings of the GM are held upon necessity. The convention of extraordinary sessions of the GM shall be performed by written invitation, containing the details under Paragraph 3, which is sent by email to the members of the GM within at least 7 (seven) business days prior to the scheduled day.

(6) A regular session of the GM may not be convened under the terms and conditions of Paragraph 5.

Quorum

Art. 16. (1) The GM is lawful and it may adopt resolutions if it is attended by at least half of the regular members of the Association. In the event when this prerequisite is not present / the meeting is inquorate/ it is postponed by one hour and it is held regardless of the number of the attending members where it shall be deemed regularly convened.

(2) Each regular member has one vote in the GM. The decisions shall be adopted by simple majority of the attendants, with the exception of the following events when a majority of two thirds of the attending members is required:

1. for amending the Statutes;
2. for merger with another association;
3. for restructuring or termination of the association;
4. for the exclusion of member of the Association (with the exception of the events when there is exclusion due to failure to pay the membership fee);
5. in other events provided for under the Statutes

Adoption of resolutions

Art. 17. (1) The resolutions of the GM are adopted in an open vote.

(2) The resolutions under Art. 14, Item 1,4,7,8,10 and 12 shall be adopted in ordinary sessions of the GM. All other resolutions may be adopted both at ordinary and extraordinary sessions of the GM.

(3) Except in the events under Art. 28, Paragraph 2 of the NPLEA, a member of the General Meeting shall not be entitled to vote when resolving issues concerning:

1. filing claims against him;
 2. undertaking actions or refusal to act in relation to implementing his responsibility towards the Association;
 3. upon adopting a resolution about its exclusion.
- (4) Resolutions of bodies of the Association not adopted in compliance with the law, the Statutes or a preceding resolution of the General Meeting may be challenged before the General Meeting by request of the interested members of the Association or its body, submitted within one month of becoming known but not later than one year of adopting the resolution.
- (5) The resolutions of the GM are subject to judicial control regarding their lawfulness and compliance with the Statutes. The disputes may be referred to the court of registration of the Association by each member of the association or by its body or by the prosecutor within one month of becoming known but not later than one year of adopting the resolution.

Managing Board

- Art. 18.** (1) The Managing Board comprises 3 to 11 persons, regular or honorary members of the Association. The legal entities – members of the Managing Board shall be represented by their legal representative or by an expressly authorized person.
- (2) The members of the Managing Board shall be appointed by quota according to the levels stipulated under Art. 9, Paragraph 6 with reference to Art. 14, Item 9 of the Statutes. The quota of the regular members in the MB who pay the highest membership fee corresponds to their number.
- (3) When one of the quotas cannot be completed, the General Meeting shall complete it by members of the other quotas.
- (4) The members of the Managing Board appoint one of the members of the GM as their chairperson. The chairperson of the Managing Board is also the Chairperson of the Association. The term of office of the Chairperson shall be 1 (one) to 3 (three) years where the specific term is determined by the resolution for his appointment.
- (6) The term of office of the Managing Board shall be up to 3 (three) years, stipulated by resolution of the General Meeting.

Powers of the Managing Board

Art. 19. (1) The Managing Board:

1. represents the Association by determining the scope of the representative power of its separate members and of the Chairperson.
 2. organizes and manages the activity of the Association, admits new members of the Association, it has the powers under Art. 31 of the NPLeA and it resolves all issues which are not of the exclusive competence of the General Meeting;
 2. adopts the structural rules for the activity of the Managing Board;
 3. is convened at ordinary meetings at least once in 3 months;
 4. the sessions are convened by written invitation or by other technical means and they are lawful if more than half of the members of the Managing Board are present. A duly extended invitation shall be deemed an invitation extended by email;
 5. adopts resolutions by simple majority of the attendants unless the law or these Statutes provide for qualified majority.
 6. admits new members and establishes the removal of members.
- (2) A protocol is kept about the sessions of the Managing Board, which is signed by the chairperson and the minute keeper of the particular session.
- (3) The Managing Board may establish its auxiliary bodies, stipulate the number of employees of the Association and the amount of their remunerations,
- (4) The Managing Board prepares and offers for approval by the General Meeting a draft of the annual budget, programmes for the activity and resolutions for the establishment of specific funds; it provides the

implementation of the resolutions of the General Meeting; it disposes of the property of the association in compliance with the requirements of the Statutes;

(5) The Managing Board prepares the annual report about the activity and the financial standing of the Association;

(6) A person who attends the session of the Managing Board is its member who has two-way phone connection or another connection in real time, guaranteeing that his identity can be verified and allowing him to participate in the discussion and adoption of resolutions. The voting of this member shall be verified in the minutes by the person chairing the session.

(7) The Managing Board may adopt the resolution without holding a session, if the minutes of the adopted resolution are signed without remarks or objection to that by all members of the Managing Board.

(8) The Managing Board elects and appoints the Executive Director of the Association as well as other members as appropriate and it stipulates their remuneration.

Art. 20. The members of the Managing Board may be dismissed earlier under the following conditions:

1. by written one-month notification to the General Meeting due to impossibility to perform their functions for more than three months or due to personal wish; and/or

2. by resolution of the General Meeting according to the rules under which they have been appointed;

3. Upon failure to pay their membership fee – according to the rules provided for herein. When voting to resolve this issue, the member of the Managing Board whose membership is being discussed shall not be entitled to vote.

Chairperson

Art. 21. (1) The activity of the Managing Board and of the Association shall be organized and managed by its Chairperson.

(2) The Chairperson of the Association shall be elected by majority of 2/3 of the Managing Board by open voting and he may be a person who is a regular or honorary member of the Association. The Chairperson of the Managing Board shall be elected among its members for a term not longer than the term of office of the Managing Board.

(3) The Association is represented before third parties by the Chairperson and/or by the Executive Director upon assignment by the Managing Board.

IV. PROPERTY

Art. 22. The property of the Association comprises the ownership right and other rights in rem over main and turnover funds, property contributions of the members, receivables and other rights depending on the existing regulations.

Sources of Funds of the Association

Art. 23. (1) The sources of funds of the Association are:

1. property contributions of the members

2. donations and legacies;

3. proceeds from sponsorship and European Programmes;

4. proceeds from additional business activity, including services against consideration in compliance with the purposes and the main scope of activity of the Association, provided to persons who are not members of the Association;

5. other proceeds permissible by law.

(2) The amount of the property contributions and the membership fee and the manner of their payment shall be determined by the General Meeting.

Additional Business Activity

Art. 24. (1) In order to achieve the objectives stipulated under the Statutes the Association may perform additional business activity, which is related to the scope of activity of the Association and it is not forbidden by law.

(2) The Association does not distribute profit. The revenue from the additional business activity as well as all other revenue of the Association may be used to achieve the objectives stipulated by the Statutes.

Donations

Art. 25. (1) All donations and legacies made in favour of the Association shall be registered in a special book.

(2) The Association shall not accept donations or legacies made under certain conditions or which are encumbered and which do not comply with its objectives or do not comply with the effective Bulgarian legislation.

V. TERM

Art. 26. The Association is established for an indefinite period of time.

VI. TERMINATION, LIQUIDATION AND DISTRIBUTION OF PROPERTY.

Termination

Art. 27. The Association shall be terminated:

1. by resolution of the GM;
2. by resolution of the respective court according to the seat of the association in the events and according to the rules under the NPLEA.

Liquidation

Art. 28. (1) Upon its termination the Association is liquidated.

(2) The liquidation shall be performed by a person appointed by the GM.

(3) If no liquidator is appointed under Paragraph 2, as well as in the event under Art. 27, Item 2 of these Statutes, he shall be appointed by the district court according to the seat of the Association.

(4) As regards the insolvency and the bankruptcy, respectfully, the rules for liquidation and the powers of the liquidator, the provisions of the Commerce Act shall apply.

(5) The distribution of the property after the satisfaction of the creditors shall be performed by the General Meeting under Art. 15 of the NPLEA.

Property after liquidation

Art. 29. (1) The distribution of the property remaining after the satisfaction of the creditors shall be performed under the law and these Statutes.

(2) The property under the preceding paragraph may not be distributed, sold or transferred in any manner to a liquidator, with the exception of the remuneration due to him.

VII. TRANSITORY AND FINAL PROVISIONS

Art. 30. Amendments to these Statutes may be made solely by request of one third of the members of the General Meeting or by proposal of the Managing Board.

Art. 31. The provisions of the common Bulgarian Law and the provisions of the Non-Profit Legal Entities Act shall apply to the interpretation or the application of the provisions of these Statutes.

These Statutes are adopted by resolution of the General Meeting of the Association held on 10.01.2022 and are verified by the Chairperson of the Managing Board.

Sofia

Chairperson of the MB: _____

The undersigned Emiliya Evgenieva Ganeva hereby verifies the correctness of the translation from Bulgarian into English of Statutes of non-profit association dated 10 January 2022. The translation consists of 10 /ten/ pages.

Translator Emiliya Evgenieva Ganeva: