Translation from Bulgarian

BY-LAWS
OF
NON-PROFIT ASSOCIATION FOR PUBLIC BENEFIT
"ALLIANCE FOR ENVIRONMENT"
Approved on the Constituent Assembly, held in the city of Sofia on February 20th, 2004
Amended and supplemented by the General Assembly of the Association on April 16th, 2007

I. GENERAL TERMS

Statute
Article 1. (1) "Alliance for Environment" is a non-profit association for public benefit.
Name
Article 2. (1) The name of the association is "ALLIANCE FOR ENVIRONMENT".
(2) The name of the Association, the headquarters, the address and the court where it is registered, the number of the court registration and the BULSTAT number shall be declared in the statements in writing of the Association.
Headquarters and management address
Article 3. The headquarters and management address of the Association are: 1712 Sofia, Mladost region, 4 Sveto Preobrajenie Blvd.
Term
Article 4. The existence of the Association is not limited in time or by other terminating clause.
Definition of the activity
Article 5. (1) The main subject of activity concerns the preservation, protection, monitoring and sustainable development of the environment and human resources.
(2) The Association acts as a priority in introducing integrated environmental and risk management systems and other multidiscipline studies and scientific and applied researches in the Bulgarian economic system and local authorities.
Main aims of the association
Article 6. The main aims of the association are:

1. improving the quality of the environment in Republic of Bulgaria and co-operating in protection of the environment on local and international level;
2. supporting the implementation of effective national ecological policy;
3. disseminating ecological knowledge and implementing the experience and the policy of the European Union, as well as other foreign effective experiences in protecting the environment;
4. rising the public awareness on the environmental issues;
5. supporting companies, associations, local authorities and other users of environment management systems and auditing;
6. protecting the interests of the associations conducting a responsible environmental protection policy in their relations with the public environmental institutions;
7. supporting and ensuring certain concessions, decentralization and deregulation for the subjects that have successfully introduced ecological management systems;
8. carrying out of multidiscipline studies and scientific and applied elaborations within the elements of sustainable development and their practical introduction to the integrated society, economic and environment management.

Tools for achieving the aims of the association

Article 7. (1) To implement its aims the Association uses the following tools: consolidating and supporting the efforts of the competent governmental authorities, the members of the Association and all interested persons, conducting an effective environmental protection policy; co-operating in the certification of commercial entities and supporting the certification organizations in introducing environmental management systems; supporting the introduction of the up-to-day experience of other countries in carrying out an effective environmental protection policy as well as introducing up-to-day methods and procedures for ecological impact assessment; promoting the introduction and maintenance of high standards for carrying out activities, sharing minimum risk and negative ecological impact and popularizing the introduction of the environmental management systems; collecting and disseminating information on the environment among all stakeholders; organizing and carrying out an educational activities for rising the ecological awareness; undertaking training sessions for extending the qualification of experts, preparing analyses and studies, methods and instructions for environmental protection; publishing and disseminating promotional materials on the environmental protection and making the environmental management systems popular; organizing different activities and actions contributing for the conduction of an effective environmental policy, international co-operation, partnership and transfer of experience.
(2) For some of the Association's activities a target workgroups and regional branches could be formed.

II. MEMBERSHIP

Membership and members of the association
Article 8. Membership in the Association shall be voluntary. Members of the Association may be the State, state bodies, municipalities, local authorities, legal entities and natural persons.
Rights of the members
Article 9. Each member of the Association has the right to:

1. participate in the association's activity and in the General Assembly;
2. be chosen in his authorities;
3. control the work of the Association and its management bodies;
4. be informed on the Association's activity;
5. use the material assets and the results of the Association's activity on equal terms for all members;

Obligations of the members
Article 10. Each member of the Association shall:

1. pay regularly his membership fee;
2. honour the By-laws and work for achieving its aims;
3. assist to increase of the good will of the Association.

Untransferability of membership rights and obligations
Article 11. The rights and obligations of members shall not be transferable and may not pass to other persons in the event of death or termination of membership. The implementation of membership obligations and the exercise of membership rights may be assigned to other persons by an explicit power of attorney.
Origination of membership
Article 12. Members of the Association shall be all of its founders. New members shall be accepted by the Managing Board. New members may be accepted in the Association from the Managing Board on the basis of a written claim, accompanied by written recommendations from two founder- members. The Managing Board considers the claim. Members are accepted after open vote and ordinary majority.
Termination of membership

Article 13. The membership shall be terminated:

1. by unilateral statement to the Association;
2. upon death or in the event of enforcement of full restraint;
3. upon expulsion;
4. upon dissolution of the legal entity-member of the Association;
5. upon dropping out, when the member has not paid in his membership fee for 12 months and during the same period he has not participate in any of the General Assemblies held – personally or through an attorney.

(2) The General meeting shall take decisions for expulsion for instances of willful behavior that render further membership out of compliance.

III. PROPERTY

Property

Article 14. The property of the Association consists of the property rights and other real rights, property installments due by the members, receivables and other rights, depending on normative acts in force.

Financing of the Association

Article 15. (1) All members of the Association shall be obliged to deliver property contributions in the form of membership fee. The amount of the property contributions shall be determined by the General Assembly and shall be paid once a year. When the delivery of the membership fee is delayed the membership fee shall become due with interest equal to the basic interest rate set by BNB.

(2) With relation to the execution of particular resolution of the General Assembly, the members of the Association may deposit additional fees for achieving an exact mean or for implementing an exact resolution. The General Assembly shall determine the aim, the amount and the order for collecting the fees in its resolution. The resolution shall be voted by ordinary majority.

Commercial activity

Article 16. The Association may carry on the following commercial activity:

- providing consultations in the process of introduction of environmental management and auditing systems;
- publishing and advertising activity;
- undertaking training sessions for introduction of environmental management systems and auditing, as well as training and transfer of information and knowledge, as well as other commercial activities related to the aims of the Association as by the provisions of Law.

Managing the property

Article 17. (1) The property of the Association shall be managed by the Managing Board.

(2) The General Assembly shall decide on how the property of the Association should be freely managed in favour of persons or activities in order to achieve the aims under article 6 herein.

(3) The resolution under paragraph 2 shall be accepted with a qualified majority of ¾ of the members of the Association if it is in favour of:

1. bodies from the Managing Board or their spouses or relatives of direct descent – without limits, collateral relatives – to the fourth branch, or in-laws – to the second branch, inclusive;
2. bodies who have been members of the Managing Board up to two years before the date of conducting the resolution under paragraph 2;

3. legal entities who have financed the Association up to three years before the date of conducting the resolution under paragraph 2;
4. legal entities where under point 1-2 are managing bodies or may restrict or hinder the resolution passing.

(4) The Association shall not conclude transactions with bodies under paragraph 3, point 1 as well as with legal entities where the same are managing bodies or may restrict or hinder the resolutions passing, except the transactions are in obvious benefit of the Association or are concluded after public release on common terms.

IV. MANAGEMENT

Management bodies

Article 18. Bodies of the Association are the General Assembly and the Managing Board.

Members of the General Assembly

Article 19. The General Assembly shall comprise all members of the Association. The members of the Association may take part in the General Assembly personally or may be represented by their representatives.

Representation

Article 20. (1) In the General Assembly the members-legal entities shall be represented before the General Assembly by their legal representatives or explicitly authorized person.

(2) Only a natural person may be an attorney of a legal entity or natural person.

(3) The powers of attorney shall be explicitly issued for taking part in one or more General Assembly of the Association where the same can be issued for certain or unlimited session of the Assembly;

(4) The attorneys shall not have the right to re-authorize third bodies;

(5) The attorneys may represent only one member of the General Assembly;

Authority of the General Assembly

Article 21. The General Assembly shall:

1. amend and supplement the by-laws of the Association;
2. adopt other internal regulations;
3. resolve on transformation or dissolution of the Association;
4. elect and dismiss members of the Managing Board, the chairman of the Association and the Executive Director and assign their remunerations;
5. elect and dismiss registered auditors as provided by the law;
6. approve the annual financial statement and the report on the activities of the Association;
7. elect the liquidators in case of termination of the Association;
8. examine the complaints against the resolution of the Managing Board for termination of a membership;
9. resolve on establishing and closing branch offices;
10. resolve on participating in other organizations;
11. adopt basic guidelines and program for the activities of the Association;
12. adopt the budget of the Association;
13. resolve on collecting and amounts of membership fees and the term of its payment;
14. approve the report on the activities of the Managing Board;
15. repeal resolutions of the Managing board contrary to the law and this by-laws;
16. dispense from responsibility the members of the Managing board;
17. resolve on how the Association’s property should be managed upon article 17, paragraph 2 and 3;
18. approve symbols, signs and awards of the Association.

Convening of General Assembly
Article 22. (1) General Assembly shall be convened once a year.
(2) An emergency General Assembly may be called at any time by the Managing board.

Calling the General Assembly
Article 23. (1) The General Assembly shall be called by the Managing Board. It shall be called upon request by one third of the members of the Association.
(2) If the Managing Board fails to call a General Assembly one month after the motion, it shall be called by the court by domicile of the Association, upon request in writing by the members concerned or a person authorized thereby.
(3) The General Assembly shall be called by a written invitation sent to all members by the mail or by the e-mail or delivered personally to them against signature.
(4) The invitation shall include the agenda of the issues, placed for discussion, the motions for resolutions, date, time and place of holding the General Assembly;
(5) The time between the publishing the invitation to the opening of the General Assembly could not be less than 30 days.

Quorum
Article 24. The General Assembly shall be legitimate if attended by more than half of the total number of members. In the event of lack of quorum 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 attending members.

Voting
Article 25. Each member shall be entitled to one vote.

Conflict of interests
Article 26. A member or his/hers representative may not vote:

5. in case a claim is set against him/her;
6. if he/she is not acting according his/her responsibilities;
7. on issues referring to themselves, their spouses, or relatives of direct descent – without limits, collateral relatives – to the fourth branch, or in-laws – to the second branch, inclusive.

Majority
Article 27. (1) The General Assembly's resolutions shall be passed by the votes of the majority of the attendees, except otherwise provided by these By-laws.
(2) Resolutions pursuant to article 21, point 7, 10, 11, 17 shall be passed by a majority of the Association's members.

Resolutions
Article 28. The resolutions of the General Assembly shall operate immediately, in case they are not postponed or as by the provisions of the law they may operate after promulgation.

Minutes
Article 29. (1) On the General Assembly minutes shall be taken in a special book.
(2) The minutes of the General Assembly shall be signed by the Chairman and the secretary of the Assembly, as well as by the counters. A list of the present members shall be enclosed to the minutes, as well as the documents concerning the calling the General Assembly.
(3) Each member who had attended the General Assembly may request of and follow for the correct recording of the resolutions in the minutes.

Managing Board
Article 30. (1) The Managing Board shall manage and represent the Association.
(2) The members of the Managing Board shall be elected by the General Assembly for a period of 5 (five) years.
(3) The Managing Board consists of 3 to 9 members of the Association.

(4) When the State, state or municipal bodies and/or local authorities are members of the Association the Managing Board shall elect at least one representative of each of them.
(5) A legal entity- member of the Association can be a member of the Managing Board. At the sitting of the board the legal entity should be represented by a legal representative or authorized natural person.
(6) The first Managing Board set in the protocol of association shall have mandate of 3 years.
(7) The members of the Managing Board may be re-elected without limitations.

Membership of the Managing Board

Article 31. Members of the Managing Board or natural persons representatives of legal entities - members of the Managing Board shall:

1. have permanent address in the country;
2. have proper professional qualification and experience;
3. have not been under sentence of imprisonment for a crime of general nature.

Rights and obligations of the Managing Board

Article 32. (1) The members of the Managing Board shall have equal rights and obligations regardless of the allocation of the functions between them and the resolutions that have granted the management right to the executive members.
(2) The members of the Managing Board shall perform their duties following the interest of the Association and keep the secrets of the Association even after they withdraw from the management board.
(3) The Managing Board shall determine the rules for its activity and shall elect one of its members Chairman and Deputy Chairman.
(4) The Managing board shall be called on its regular sessions at least once at every three months to discuss the Association's condition and development.
(5) Each member of the Managing board may ask from the Chairman to call a session for discussion of particular issues.
(6) The Managing board shall dispose with the property of the Association.
(7) The Managing board shall approve the management structure, the routine for appointing and discharging of staff, the sallary rules and other internal rules of the Association.
(8) The Managing board shall decide on the gaining, alienation and burdening of of real estates and establishment of real rights over the same.
(9) The Managing board shall set forth the procedure and organize the activities of the Association.
(10) The Managing board shall prepare report on the activities of the association and submit it to the General Assembly.
(11) The Managing board shall prepare the draft budget and submit it to the General Assembly.
(12) The Managing board shall ensure the implementation of resolutions of the General Assembly.
(13) The Managing board shall discuss and resolve on all other issues except these which are within the authority of the General Assembly.

Quorum and majority

Article 33. (1) The General Assembly shall be legitimate if attended by more than half of the total number of members of the General Assembly in person or represented by other member of the Board. Each of the present members may represent only one of the absent ones.
(2) Resolutions of the General Assembly shall be passed by ordinary majority. Resolutions concerning the property of the Association and the adoption of basic guidelines and program for the activities of the association shall be passed by the votes of the majority of all the members.

(3) The Managing Board may take resolutions without holding a meeting, provided the minutes for the decision taken is signed without remarks and objections by all members of the Managing Board. Attendee shall also be considered a person in two-way communication by telephone or otherwise, which guarantees identification of such person and enables participation in discussions and passing a resolution. The vote of such person shall be asserted in the minutes of the meeting by the chairperson of the meeting.
(4) The Managing board shall prepare the annual report on the activity of the Association and depose it in the central register.
Article 34. The Managing board shall be obliged to prepare periodically a report on the Association's accounts as by the provisions of the Law of Financial Accounts observing the principals on bleakness, reliability and timeliness.

Chairman and Executive Director

Article 35. (1) The chairman of the Managing Board and the Executive Director shall represent the Association, **severally and jointly**.
(2) The chairman of the managing Board shall:
1. call and chair the Managing Board's sessions;
2. organize the implementation of the resolutions of the Managing board;
3. represent the Association before third bodies severally or jointly with the Executive Director;
4. sign the contracts for management assignment on the members of the Managing Body on behalf of the Association;
(3) The Executive Director shall:
1. organize the Association's activity and implements the operative management;
2. secures management and protection of its property;
3. sign the labour and other agreements of the employees and partners of the Association except those which are nominated by the Managing Board;
4. sign the contract for management assignment on the Chairman of the Managing Body on behalf of the Association;
5. represent the Association before third bodies severally or jointly with the Chairman of the Managing Body ;
6. report to the Managing Board on considerable circumstances concerning the activity of he Association.
7. perform other functions, assigned to him by the Managing Body or by the General Assembly of the Association.

Books of the Association

Article 36. (1) On the sitting of the General Assembly and the Managing Board minutes shall be taken where the discussions, the proposals, the applications and the resolutions shall be registered. The Chairperson of the meeting and the person who has prepared the minutes shall attest and be liable for the authenticity of its contents. The minutes shall be kept in special books. The books shall be kept by the chairman of the respective body. The Association members and those of the Managing Board shall have the right to familiarize themselves with the minutes books content and to obtain copies or excerpts from the minutes.
(2) The Association shall keep a book where the names, the addresses, the PINs, the occupation of all the members, the name, the headquarters and the management address, the company case for court registration and the BULSTAT number of the legal entities - members of the Association shall be written.

V. TERMINATION AND LIQUIDATION

Termination

Article 37. The Association shall be terminated:

1. by resolution of the General Assembly;
2. by resolution of the district court by domicile of the Association as provided by the Non-Profit Legal Entities Act;

Liquidation

Article 38. The liquidation shall be conducted by the Managing Body of the Association or by a liquidator assigned by the General Assembly. The liquidator is obliged to satisfy the creditors of the Association with the available means and if it is not possible - with cash of the movable property and after that- with the immovable property.

(1) The property may not be transferred to:

1. the founder-members, the present or former members of the Association;
2. the bodies of the Association or the staff;
3. the liquidators, except for valuable consideration due thereto;
4. the spouses of the members under point 1-3;
5. the relatives of the members under point 1-3 of direct descent – without limits, collateral relatives – to the fourth branch, or in-laws – to the second branch, inclusive;
6. legal entities where under point 1-5 they are managers or may impose or hinder decision making.

Article 39. The property remaining after the satisfaction of creditors shall be delivered to Agency for Sustainable Development and Euro-integration *Ecoregioni /Ecoregions/* as an association for public benefit having the similar non-profit making basis. If this cannot be made due to objective causes, the property shall be delivered into possession of the Metropolitan municipality.

TRANSITIONAL AND CONCLUDING PROVISIONS

§1. Amendments in this By-laws shall be conducted as by the provisions provide by the same and in the Non-Profit Legal Entities Act.

§2. For the interpretation and enforcement of the decrees of this By-laws the decrees of the Bulgarian civil legislation and Non-Profit Legal Entities Act shall be enforced.

This By-laws has been passed by all of the attendees on the Constituent Assembly of the non-profit association “ALLIANCE FOR ENVIRONMENT”, which took place on 20/02/2004, in the city of Sofia and in faith thereof all the attendees have affixed their signatures to this By-laws.

The amendments and supplements to this By-laws have been adopted by the General Assembly of the Association dated 16/04/2007, by resolution under section 5 of the Minutes of the General Assembly.

By resolution No. 4 of the Sofia City Court dated 28/05/2007 this By-laws has been entered in the Non-Profit Legal Entities register and by resolution No. 7 of the Sofia City court dated 16/06/2011 has been entered the last change in the Managing Board of the Association.

True with the original! */signed ill./*
Sofia, June, 2011 *Round seal of Alliance for Environment affixed.*

I the undersigned Vesselka Vladimirova Todorova, in my capacity of translator, hereby certify that the above instrument, consisting of 9 (nine) pages is a true and complete translation into the English language of the attached official document – By-laws of Alliance for Environment, originally composed in Bulgarian language. In testimony thereof I have hereunto set my hand and affixed the official seal of the company.

Sworn translator:

Vesselka Vladimirova Todorova