

**STATUTE
OF
ASSOCIATION WITH A NON-PROFIT PURPOSE
"BULGARIAN ASSOCIATION FOR OXYGEN OZONE THERAPY"
(BAKOT), EIK 175891291**

I. GENERAL

Statute

- Art. 1. (1)** The association is a legal entity, separate from its members, established according to the provisions of the Law on Non-profit Legal Entities, the Statute and the Decisions of the General Assembly.
- (2)** The association is an independent, voluntary, non-political non-profit association of doctors and other medical and non-medical persons who exercise practical, research, teaching or other professional activities in the field of medical ozone treatment, or medical science and technology.
- (3)** The association is responsible for its obligations with its property.
- (4)** The members of the association are not responsible for the obligations of the association .
- (5)** Members are responsible for paying the due membership fees , if this is provided by a decision of the General Assembly .

Designation

- Art. 2. (1)** The name of the association is " Българска Асоциация по Кислородо Озоно Терапия ", also written in English " Bulgarian Association of Oxygen Ozone Therapy " .
- (2)** The name of the association, together with an indication of the headquarters, the address, the court where the association is registered and the court registration number and BULSTAT, must be indicated in the correspondence documents of the association.

Headquarters and address of management. Term.

Art. 3 . The registered office and address of the association are: city of Sofia, "Triaditsa" district, 21 "Zdrave" street, "Kortex" medical center.

Art. 4. The association is not limited by a term or any other termination condition.

Defining the activity

Art. 5. The association defines itself as an organization carrying out activities for the public benefit .

Main goals of the association

- Art. 6 (1) .** The main goals of the association are to assist, support and organize :
- The development of ozone therapy as a science and practice in the country;
 - Increasing the professional qualification of specialists and doctors practicing ozone therapy;
 - Generalization and popularization of achievements related to the obtaining and application of medical ozone;
 - The professional development, specialization and improvement of doctors and medical specialists;
 - In-depth understanding of the mechanisms of ozone therapy;
 - The dissemination, familiarization, implementation and development of modern achievements in the field of prevention and treatment of diseases related to improving the health of the nation;

- Carrying out scientific research in the field of ozone therapy and expanding its applications in various branches of medicine ;
- Achieving professional unity, solidarity and a high level of collegiality in the application of ozonotherapy;

(2) Means for achieving the objectives of the Association are :

- the personal work and efforts of its members;
- making contacts with state and municipal administration bodies and legislative bodies.
- making contacts with related organizations at the national level and on an international scale;
- creating an environment that guarantees the free discussion of all problems related to the application of ozone therapy;
- acceptance and requirement of high standards of treatment, research, teaching and other professional activities where ozone therapy is applied, commensurate with the best European and world standards.

Art. 7. To achieve these goals, the ASSOCIATION carries out the following main activity:

- scientific research activity in the field of prevention, diagnosis and treatment of various diseases by applying medical ozone and other modern methods and technologies;
- scientific educational, informational, advertising and other activities for the promotion of ozone therapy;
- organization of trainings, congresses, symposiums and other similar events on the problems of medical science and treatment practices related to the application of ozone therapy;
- preparation of proposals to the Ministry of Health, the Higher Medical Institutes and Universities and other institutions in the country, expert opinions on the problems related to the treatment of diseases in various branches of medicine through mono or concomitant ozone therapy with a view to reducing the level of morbidity and mortality;
- development and implementation of programs for optional and postgraduate study of ozone therapy for doctors of various medical specialties;
- support and training of members for continuous improvement of their professional knowledge and skills in the field of ozone therapy and facilitating access to knowledge;
- Organization and publication of information bulletins, magazines and yearbooks;

II . MEMBERSHIP

Membership rights and obligations

Art. 8. (1) Membership in the association is voluntary. Members can be individuals and legal entities who share the goals of the association and the means to achieve them, fulfill its statutes and regularly pay their membership fees.

(2) A member of the association can be any legal entity that shares the goals of the association and the means to achieve them, fulfills its statutes and regularly pays its membership fee.

(3) A member of the association can be any adult person - a doctor or medical specialist who has the right to practice the profession or holds an academic, research or administrative position and/or practices the profession, as well as a non-medical person professionally or ideologically related to the goals and the tasks of the association.

(4) The title of "honorary member" can be awarded to a Bulgarian or foreign citizen who has received national or international recognition and has merits for the development of the association or ozone therapy. "Honorary member" is nominated on the proposal of the Management Board, and is determined by a decision of the General Assembly.

Art. 9. Each member of the association has the right:

1. to participate in the activities of the association and in the work of the General Assembly;
2. to be elected to its governing bodies;
3. to exercise control over the work of the association and the governing bodies;
4. to be informed about the activities of the association;
5. to use the property of the association and the results of its activity.

Art. 10. Each member of the association is obliged to:

1. to comply with the Statute of the association and work to achieve its goals;
2. to work to increase the property of the association and raise its public authority.
3. to pay membership fees when this is decided by the General Assembly of members.

Art. 11. Membership rights and obligations are non-transferable and do not pass to other persons in the event of death or termination of membership. The exercise of membership rights can be granted to another by means of a power of attorney with a notarized signature.

Acquisition of membership

Art. 12. (1) The members of the association are accepted by the Management Board with a majority of 2/3 (two thirds) of all the members of the Board upon the proposal of the representative of the Association.

(2) The candidate submits a written application for membership, declares that he accepts and will abide by the Statute of the association and submits evidence that he meets the requirements of Art. 8 para. 3 of this Statute. The application must include: three names, qualification, place of practice, physical address and e-mail for correspondence.

(3 new , adopted by the decision of the General Assembly held on 18.02.2023) The acceptance of members - legal entities is carried out after an application has been submitted, in which it is declared that the candidate accepts and will comply with the Statute of the association and meets the conditions under Art. 8 of the Statute. The application is submitted by the legal representative of the candidate for member – legal entity, and the original of the decision of the governing body of the candidate for member – legal entity must be attached to the application.

(4 – former para. 3) The Management Board presents the newly admitted members to the first General Assembly after their admission.

Termination of membership

Art. 13. (1) Membership is terminated:

- 1 . with a unilateral declaration of will to the association;
- 2 . by death or placement under total interdiction;
- 3 . with exclusion;
- 4 . with the termination of the legal entity - member of the association;
5. upon dropping out.

(2) Upon termination of membership, the property relations between the former member or his legal successors and the association shall be settled after the adoption of the annual accounting report by the General Assembly.

(3) The decision to exclude is made by the Management Board of the Association in the presence of culpable behavior that makes further membership incompatible. The decision to exclude can be appealed to the General Assembly of the association.

(4) Cancellation of membership is available when there is a systematic non-payment of membership fees for 2 (two) calendar years. The withdrawal is ascertained by the Management Board on documents and recorded.

III. PROPERTY

Property

Art. 14. The property of the association consists of the right of ownership and other real rights over fixed and working assets, property contributions from the members, receivables and other rights depending on the applicable legal acts.

Sources of funds of the association

Art. 15. (1) All members of the association are obliged to make property contributions in the form of membership fees in the following forms:

a/ Introductory membership fee - 60 BGN.

b/ Annual membership fee for doctors and non-medical persons – BGN 60

in/ Annual membership fee for nurses - 30 BGN

(2) By decision of the General Assembly, the members of the association may make targeted contributions to achieve a certain goal, determined by the statute or by a decision of the General Assembly. In its decision, the General Assembly determines the purpose, amount and method of collection of contributions. The decision is taken by a majority of 2/3 of the members of the association.

(3) The members of the association may provide it with cash in the form of a loan or real estate and individually determined movable property for rent.

(4) The amount of interest on loans or rents under para. 3 is determined by the Management Board of the association.

(5) The Association, through the Management Board, may receive donations from individuals and legal entities and conclude sponsorship contracts.

Economic activity

Art. 16. (1) The association carries out the following economic activity related to its main subject:

1. Advertising and information activity;

2. Consulting activity;

3 . Any other activity that is not prohibited by law and is consistent with the main activity of the association.

(2) The economic activity performed is subject to the terms and conditions determined by the Commercial Law, the Accounting Law and the tax laws.

(3) The management and control of the business activity is assigned to the Management Board of the association.

Covering losses

Art. 17. If there are losses according to the annual accounting balance, the General Assembly can decide to cover them through additional contributions from the members of the association. The decision is taken by a qualified majority - 2/3 of all those present at the meeting .

IV. MANAGEMENT

Bodies of the association

Art. 18. The bodies of the association are the General Assembly and the Management Board.

Composition of the General Assembly

Art. 19. All members of the association participate in the General Assembly. The members of the association participate in the General Assembly in person or through a representative .

Representation

Art. 20. (1) The members - legal entities are represented in the General Assembly by their legal representatives or an expressly authorized person.

(2) Only a natural person can be a representative of a legal entity or an individual.

(3) Powers of attorney are issued expressly for participation in the General Assembly of the association, and may be issued for a limited or unlimited number of meetings of the assembly.

(4) Attorneys have no right to re-authorize their rights to third parties.

(5) Proxies may represent only one member of the General Assembly.

Competence of the General Assembly

Art. 21. The General Assembly:

1. amends and completes the Articles of association of the association ;

2. adopts other internal acts ;

3. transforms and terminates the association ;

4. (**amended with the Decision of the General Assembly held on 18.02.2023**) ;

5. elects and dismisses the members of the Management Board and determines the remuneration them;

6. approves the annual accounting report;

7. appoints the liquidators upon termination of the association, except in case of bankruptcy;

8. examines appeals against decisions of the Management Board to terminate membership;

9 . decides on the opening and closing of branches;

10 . adopts the main guidelines and programs for the activity of the association;

11. accepts the association's budget;

12 . makes decisions regarding the liability and amount of the membership fee;

13. accepts the report on the activity of the Management Board;

14 . cancels decisions of the Management Board when they contradict the law and the Articles of Association;

15. exempts the members of the Management Board from liability.

Holding a General Assembly

Art. 22. (1) The General Assembly is held at least once a year - a regular General Assembly.

(2) The General Assembly may be convened at any time by the Management Board - an extraordinary General Assembly.

Convening the General Assembly

Art. 23. (1) The General Assembly is convened by the Management Board. It can also be convened at the request of one third of the members of the association .

(2) If within one month of the request to convene a General Assembly, the Management Board does not issue a written invitation to convene a General Assembly, it shall be convened by one of them .

(3 **amended by Decision of the General Assembly held on 18.02.2023**) The convening is carried out by means of an invitation placed on the place for announcements in the building where the management of the association is located and by means of an individual written invitation sent at least two weeks before the date of the General Assembly to each of the members of the association at the e-mail indicated by him for correspondence. According to the decision of the Management Board, the convening of the General Assembly can be carried out by means of an invitation announced in the Republic of Tatarstan under the

account of the association at least 30 days before the date of the General Assembly. In this case, an invitation can also be placed at the place for announcements in the building where the management of the association is located, but individual invitations are not sent to the members of the association, as with the announcement of the invitation in TR it is assumed that all members of the Association are regular notified of the upcoming General Assembly .

(4) The invitation contains the agenda, date, time and venue of the General Assembly and on whose initiative it is convened.

(5 **amended by the decision of the General Assembly, held on 18.02.2023**) No decisions can be taken on issues that are not included in the agenda announced in the invitation unless all members of the association are present at the General Assembly and all vote to supplement the agenda.

Right to information

Art. 24. The written materials related to the agenda of the General Assembly must be made available to the members at the headquarters of the association no later than the date of publication or sending of the invitation to convene the General Assembly. On request they are presented to any member free of charge.

List of attendees

Art. 25. At the meeting of the General Assembly, a list of the present members or their representatives is drawn up. Members and representatives certify their presence with a signature and identify themselves. The list is certified by the chairman and the secretary of the General Assembly.

Quorum

Art. 26. The General Assembly may meet if members representing more than half of all members have appeared. In the absence of a quorum, the Management Board shall schedule a new meeting one hour later at the same place and with the same agenda, regardless of the number of members .

Right to vote

Art. 27. All members are entitled to one vote.

Conflict of interests

Art. 28. A member or his representative cannot participate in the voting for:

1. bringing claims against him;
2. taking actions or refusing to act to fulfill his responsibility to the association.
3. when solving issues concerning him, his wife or relatives on the direct line - without restrictions, on the silver line - up to the fourth degree, or on matchmaking - up to the second degree inclusive.

Majority

Art. 29. (1) The decision of the General Assembly is adopted by a majority of those present.

(2) For the decisions under Art. 21, item 1 and item 3, a 2/3 majority of those present is required.

Desicions

Art. 30. (amended by Decision of the General Assembly, held on 18.02.2023) The decisions of the General Assembly enter into force immediately, unless their effect is postponed or if, according to the law, they enter into force after being announced in the Official Gazette.

Protocol

Art. 31. (1) The minutes of the General Assembly shall be signed by the chairman and the secretary of the assembly. A list of those present and the documents related to the convening of the General Assembly are attached to the minutes.

(2) Every member present at the General Assembly has the right to demand and monitor the accurate recording of the decisions in the minutes.

Management Board

Art. 32. (1) The management board is composed of 3 (three) to 7 (seven) members who are members of the association.

(2) The members of the Management Board are elected by the General Assembly for a term of 5 (five) years.

(3) A member of the Management Board may also be a legal entity - a member of the association, and at the meetings of the Board it is represented by its legal representative or an expressly authorized natural person.

(4) The members of the Management Board may be re-elected without limitation.

(5 new , adopted by the Decision of the Management Board held on 18.02.2023). The Management Board elects a Chairman from among its members, who represents the Association to third parties .

(6 repealed by Decision of the General Assembly held on 18.02.2023)

(7) The members of the Management Board are obliged to deposit as a guarantee in favor of the association an amount not less than the value of their quarterly gross remuneration as members of the Board.

Art. 33. (1) The members of the Management Board or the natural persons who represent legal entities, members of the Management Board, must:

- 1.** have permanent residence in the country;
- 2.** have appropriate professional qualifications and experience;
- 3.** have not been sentenced to imprisonment for an intentional crime of a general nature.

Rights and obligations of the Management Board

Art. 34. (1) The members of the Management Board have the same rights and obligations regardless of the internal distribution of functions between the members and the decisions granting the right to manage to the executive members.

(2) The members of the Management Board are obliged to perform their duties in the interest of the association and to keep the secrets of the association even after they cease to be members of the board.

(3 change with the Decision of the Management Board held on 18.02.2023 .) The Management Board adopts rules for its work and elects from among its members a Chairman, Deputy Chairman and Secretary .

(4) The management board meets at regular meetings at least once every three months to discuss the state and development of the association.

(5) Each member of the Management Board may request the Chairman to convene a meeting to discuss individual issues.

(6) The management board ensures the management and protection of the association's property.

(7) The Management Board:

- 1.** adopts the organizational-management structure, the procedure for appointing and dismissing the staff, the rules for the salary and other internal rules of the association.
- 2.** makes decisions on the acquisition, alienation and encumbrance of real estate and the establishment of property rights over them, as well as their leasing for a period of more than one year.
- 3.** determines the order and organizes the performance of the association's activities.
- 4.** prepares and submits to the general assembly a report on the activities of the association.
- 5.** submits a draft budget to the general assembly.

6. ensures the implementation of the decisions of the General Assembly.
7. accepts new members of the association.
8. discusses and resolves all other issues, except those that are within the competence of the General Assembly.

Quorum and majority

Art. 35. (1) Decisions may be taken if more than half of the members of the Management Board are present, in person or represented by another member of the board. No member present may represent more than one absent member.

(2 amended by the Decision of the General Assembly held on 18.02.2023) Decisions are taken by a simple majority, except in the cases provided for in Art. 34, para. 7 items 1, 2 , 7 of the statute, which are adopted by a 2/3 majority of all members of the Management Board.

(3) The Management Board may also take decisions in absentia if all members have been notified in writing of this voting method and no one has objected. A person with whom there is a two-way telephone or other connection, guaranteeing the establishment of his identity and allowing his participation in the discussion and decision-making, is also present. The vote of this member is certified in the minutes by the chairman of the meeting.

(4 new, accepted with the Decision of the General Assembly held on 18.02.2023) Minutes are drawn up for each meeting of the Management Board, which are signed by the Chairman of the Board and the minute-taker. For all decisions of the Management Board, including the decisions under Art. 34 par. 7 item 2 , the simple written form of the protocol and its signature by the Chairman of the Board and the recorder is sufficient , without the need to comply with any other form for validity.

Art. 36. The management board is obliged to periodically prepare the reporting information provided for in the Accounting Act on the activities of the association, in compliance with the principles of openness, credibility and timeliness.

Responsibility of the members of the Management Board

Art. 37. (1) The members of the Management Board are jointly and severally liable for their actions that damage the interests of the association and provide a guarantee for their management.

(2) Each of the members of the Management Board may be released from liability if it is established that they are not at fault for the damages that have occurred.

Chairman of the Board.

Art. 38. (1) The Chairman of the Management Board is elected by the Management Board from among its members.

(2) The Chairman of the Management Board:

1. organizes the implementation of the decisions of the Management Board;
2. carries out the operational management of the Association's activities;
3. ensures the management and protection of the Association's property;
3. concludes employment contracts with the employees of the association, except for those appointed by the Management Board;
4. concludes the contracts to which the Association is a party;
5. immediately reports to the Management Board on the occurrence of significant circumstances affecting the activities of the Association.

6. (*new, accepted with the Decision of the Management Board held on 18.02.2023*) concludes the employment contracts with the employees of the association and fulfills all the powers of an employer according to the labor legislation .

(3) The Chairman of the Management Board has no right to take administrative actions and encumber the real estate of the Association with burdens, without a corresponding decision of the Management Board.

(4) The Chairman of the Management Board may authorize other persons - members of the Management Board to represent him.

CEO.

Art. 39. (*repealed by the decision of the General Assembly held on February 18, 2023*)

Remuneration of the members of the Management Board

Art. 40. (1) The members of the Management Board are entitled to an annual remuneration not greater than 30 percent of the average annual net value of the association's assets. The amount of the annual remuneration of the members of the Management Board is determined by the General Assembly of the members of the association.

(2) In the event that one of the members of the Management Board is released early through no fault of his own, he is entitled to compensation in the amount of two months ' remuneration .

V. ANNUAL CLOSING

Annual closing documents

Art. 41. Every year by the end of February, the Management Board compiles an annual accounting report and activity report for the past calendar year.

Contents of the activity report

Art. 42. The activity report describes the progress of the activity and the state of the association and explains the annual accounting report.

Mandatory reporting information .

Art. 4 3 . According to the provisions of the Accounting Law, the Association prepares reporting information in compliance with the principles of openness, credibility and timeliness.

Dividends

Art. 4 4 . The association does not distribute profits.

Company books

Art. 45. (1) Minutes shall be kept at the meetings of the General Assembly and of the Management Board, which reflect the discussions that took place, the proposals and statements made, and the decisions taken. Minutes are authenticated with the signatures of the chairman of the relevant body and of the minute taker and are bound in special books. The books are kept by the chairman of the relevant body. The members of the association and the members of the Management Board can familiarize themselves with the contents of the minutes books and receive transcripts or extracts from the minutes.

(2) The association keeps a book of its members, in which the names and addresses of all members, EGN (Unified Identification Number), profession and occupation, as well as the name, seat and address of management, EIK and BULSTAT number of the members - legal entities, physical address for correspondence and e-mail are recorded.

VI . TERMINATION AND LIQUIDATION

Grounds for termination

Art. 4 6 . The association is terminated:

1. by decision of the General Assembly;
2. when he is declared bankrupt;
3. with a decision of the district court at the seat of the association in the cases determined by the Law on Non-Profit Legal Entities (ЗЮЖИЛ);

VII . LIQUIDATION

Art. 4 7 . (1) Upon termination of the association, liquidation is carried out, except in cases of transformation of the association.

(2 amended by Decision of the General Assembly, held on 18.02.2023) In case of liquidation by decision of the General Assembly, one or two liquidators are elected from among the members of the Management Board, who carry out the actions provided by law for the liquidation of the association, cashing out his property and satisfaction of the association's creditors .

(3) The remaining property after satisfying the creditors is distributed among the members of the association, in accordance with an express decision of their meeting, adopted by a majority of 2/3 of all members .

(4) The persons who acquired property according to the previous paragraph are responsible for the obligations of the association up to the amount of the acquired property.

VIII. TRANSITIONAL AND FINAL PROVISIONS

Art. 48 . This statute was adopted by the General Assembly of the members of the BULGARIAN ASSOCIATION OF OXYGEN OZONE THERAPY, EIK 175891291, held on 11.06.2022.

Art. 49. (amended by Decision of the General Assembly of Shareholders held on 18.02.2023) (1) Changes to this Statute may be made in accordance with the procedure provided for therein and in the Law on Non-Profit Legal Entities.

(2) Regarding the interpretation or application of the provisions of this statute, the provisions of the general Bulgarian civil legislation and the provisions of the Law on Non-Profit Legal Entities shall apply.

Art. 50. (newly adopted by the Decision of the General Assembly held on 18.02.2023) The present statute has been amended by a decision of the General Assembly of the members of the Association "BULGARIAN ASSOCIATION FOR OXYGEN OZONE THERAPY (BAKOT)", EIK 175891291, held on 18.02.2023.

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Prof. Dr. Krasimir Zhelev –
Chairman of the Board and legal representative of
" BULGARIAN ASSOCIATION OF OXYGEN OZONE THERAPY "