

BULGARIAN ACTUARIAL SOCIETY - STATUTE

STATUS AND DURATION

Art. 1. The Bulgarian Actuarial Society, hereinafter referred to in these By-laws as the "Society", is a Society of Actuaries and has status of a non-profit legal entity, incorporated in accordance with the requirements of the Non-Profit Legal Entities Act.

Art. 2. The Society is established for an indefinite period.

DETERMINING THE ACTIVITY

Art. 3. The Bulgarian Actuarial Society is a society which carries its activity for the private benefit of its members.

NAME, SEAT AND ADDRESS

Art. 4. The name under which the Society will carry out its activity is "Българско актюерско дружество". In Bulgarian it is abbreviated as "БАД", while in Roman alphabet it is written as follows: "Bulgarian Actuarial Society".

Art. 5. (1) The Society's seat is located in the City of Sofia, Metropolitan Municipality, District of Slatina.
(2) The Society's address is: Sofia 1090, Academic G. Bonchev Street, Block 8.

OBJECTIVES

Art. 6. The Society's objectives are, as follows:

1. Provision of conditions for development of actuarial activities in the Republic of Bulgaria;
2. Promotion and recognition of the actuarial profession's prestige;
3. Development and implementation of uniform professional actuarial standards;
4. Creating conditions for mutual exchange of information between persons, practicing the actuarial profession;
5. Assistance and protection of the Society's members, presentation of their professional interests before governmental and non-governmental organizations and creation of conditions for reciprocal action with similar professional organisations in the country and abroad.

SUBJECT OF ACTIVITY

Art. 7. The Society:

1. assists the development and maintenance of high professional standards;
2. establishes standards for practicing the profession and ethical professional norms for its members;
3. assists the training and professional development of its members;
4. works for promoting the actuarial profession's prestige;
5. maintains an uniform qualification system, corresponding to the needs of the actuarial profession;
6. certifies the professional level of its members;
7. forms and develops opinions on the contents and implementation of normative acts;
8. creates and maintains a library fund, consisting of printed materials and publications;
9. organizes a system of training and professional development for its members;
10. prepares and implements projects on issues, related to the implementation of the actuarial profession;
11. creates and develops international contacts and exchange of experience and information;

12. carries out economic activity, related to the Society's subject of activity and the income from it shall be used for achieving the Society's objectives;

13. also carries out other activities, permitted by the Law and which are related to achieving the Society's objectives.

MEMBERS OF THE SOCIETY

Art. 8. The Society has full and associated members.

Art. 9. An associated member of the Society can be any physical person, who works and contributes to the actuarial profession and accepts the By-laws, the ethical and professional norms of the Society. The associated members enjoy only the rights, envisaged in these By-laws.

Art. 10. (1) A full member of the Society can be any person, who meets the conditions under the preceding Article, who has no less than two years of professional experience as an actuary and who has covered a qualification minimum, according to the professional requirements for qualification of actuaries, adopted by the General Meeting of the Society.

(2) Qualification pursuant to the preceding paragraph is proved by submission of the respective documents for exams passed, covering the said minimum, according to the professional requirements for qualification of actuaries.

(3) (new paragraph added with a resolution of the General Meeting held on July 12, 2005) A full member of the Society who has fulfilled the professional requirements as per Paragraph 1 and who has not less than three years of professional experience as an actuary is referred to as a qualified actuary.

ADMISSION OF NEW MEMBERS

Art. 11. (1) Applications for membership shall be accepted throughout the year.

(2) Admission of new members shall be carried out by resolution of the General Meeting, following a motion of the Board of Managers.

Art. 12. (1) The procedure for admission of a new member of the Society shall be opened following a written application, submitted to the Board of Managers, which shall state the type of membership required. The candidate shall also attach a declaration that he/she accepts and will abide by the By-laws and the other internal documents of the Society.

(2) Applicants for associated membership shall also attach documents, certifying fulfilment of the conditions under Art. 9 above.

(3) Applicants for full membership shall also attach documents, certifying fulfilment of the conditions under Art. 9 and Art. 10 above.

Art. 13. (1) Within one week from depositing the application for membership, completed according to the provisions of the preceding Article, the Board of Managers shall submit it to the Qualifications' Commission, which shall examine the documents and shall submit its motivated opinion to the Board of Managers within one month.

(2) The Board of Managers shall present the approved application for membership, together with the motivated opinion of the Qualifications' Commission at the first regular General Meeting for making decision in respect of the candidate's membership.

(3) The Board of Managers shall notify the applicant about the decision on his/her membership in the Society within seven days from the date of the resolution of the General Meeting and, respectively, of the opinion of the Qualifications' Commission.

TERMINATION OF MEMBERSHIP

Art. 14. (1) Membership in the Society shall be terminated:

1. by unilateral written expression of will made to the Society, submitted to the Board of Managers no less than 1 (one) month prior to termination. Within the said one month period the person, requiring termination of his/her membership, shall be obligated to fulfil any and all of its obligations to the Society;
2. in the event of death or placing under full injunction;
3. in the event of expulsion;
4. in the event of dropping out.

Art. 15. (1) (amended with a resolution of the General Meeting held on July 13, 2004) Expulsion of a member of the Society shall be effected following resolution of the General Meeting, adhering to the procedure, provided for in the Disciplinary Regulation, in the events where the respective member:

1. has failed to adhere to his obligation of a member of the Society in accordance with these By-laws and the resolutions of the General Meeting of the Society;
2. violates the professional standards and ethical norms of the Society;
3. acts in a manner, which lowers the Society's prestige.

(2) (amended with a resolution of the General Meeting held on July 13, 2004) Each and every member of the Society or any other interested person may lodge, via the Board of Managers, a petition with motion a certain member of the Society to be expelled. Such petition shall be examined in accordance with the procedure provided for in the Disciplinary Regulation of the Society.

(3) (revoked with a resolution of the General Meeting held on July 13, 2004)

(4) (amended with a resolution of the General Meeting held on July 13, 2004) Sanctions provided for in the Disciplinary Regulation shall be imposed in the events of minor violations committed by any member of the Society.

Art. 16. (1) Any member of the Society shall drop out of membership if he/she fails to pay the affiliation fee, the annual membership fee and/or additional instalments within the period, determined by the General Meeting.

(2) A drop-out shall be established by resolution of the Board of Managers. The respective member shall be deemed as having lost his/her membership rights as from the date of the findings of the Board of Managers.

(3) In any event of established drop-outs, the respective member should be notified in writing in respect of the decision of the Board of Managers. The drop-out member is entitled to a written protest against the grounds of the established drop-out and in such case the Board of Managers shall be obligated to include in the agenda of the General Meeting's next session a discussion of the issue related to the respective member of the Society's drop-out. The decision of the General Meeting in respect of any Society's member's drop-out shall be final.

Art. 17. In all cases of termination of membership the Society shall not reimburse any amounts paid for affiliation fee, annual membership fee and/or additional pecuniary instalments.

RIGHTS AND OBLIGATIONS OF THE MEMBERS

Art. 18. Every full member or associated member shall enjoy the right to:

1. Participate in its activity and benefit from its results;
2. Request and receive information on the progress of the Society's activity and its financial state;

3. Get acquainted with the contents of the decisions made by the Society's bodies, to inspect and receive copies of the Minutes in which such are reflected;
4. have the benefits of preferences according to a procedure, determined by the Board of Managers, when making use of services rendered by the Society and for participation in conferences, seminars, workshops and other similar events, organized by the Society;
5. Raise related to his/her activity issues for consideration and assistance in solving them, as well as to receive methodical and professional help;
6. Make use of the information received by the Society and to use, free of charge, the Society's library fund;
7. Propose amendments or supplements to the By-laws or changes to the Society's organization of work.

Art. 19. Apart from the rights ensuing from the preceding paragraph, each and every full member of the Society shall also be entitled to:

1. Participate in the managing, supervisory and other bodies of the Society;
2. Exercise control on the activities of the Society's bodies.

Art. 20. Every member of the Society shall be obligated to:

1. Adhere to the By-laws and abide by the decisions of the Society's bodies;
2. Pay affiliation fee in the amount and time limits, determined by the General Meeting;
3. Pay membership fee in the amount and time limits, determined by the General Meeting;
4. Pay additional instalments, determined by the General Meeting;
5. (amended with a resolution of the General Meeting held on July 13, 2004) observe the Professional Ethics Code, the Disciplinary Regulation and the other internal acts of the Society;
6. Actively participate in the Society's activity and render assistance for its recognition;
7. Safeguard the Society's reputation and never take any action that may harm the Society's and/or its members' interests;
8. Not use his/her membership in the Society for gaining any objectives, which contradict the By-laws and/or the Society's and/or its members' interests;

BODIES OF THE SOCIETY

Art. 21. (1) Supreme body of the Society is the General Meeting.

(2) Managing body of the Society is the Board of Managers.

(3) The General Meeting appoints Chairman of the Society among the members of the Board of Managers and assigns him/her representative authority.

Art. 22. (1) The Society shall have the following permanent bodies:

1. Board of Supervisors, which monitors and supervises observation of the By-laws and the other internal acts of the Society;
2. (amended with a resolution of the General Meeting held on July 13, 2004) Professional Ethics and Discipline Commission, which oversees the adherence to the norms of the Professional Ethics Code and the Disciplinary Regulation;
3. Qualifications' Commission, which implements and oversees the observation of the qualification requirements for actuaries.

(2) Other commissions except those, given in the preceding paragraph, may be established by a decision of the Board of Managers. Such decision of the Board of Managers shall determine the tasks, functions, duration and members of the commission.

GENERAL MEETING. MEMBERS AND COMPETENCE

Art. 23. The General Meeting shall consist of all full members of the Society,

Art. 24. (1) The General Meeting:

1. Amends and supplements the Society's By-laws;
2. Admits and expels members of the Society';
3. Appoints and discharges the Chairman of the Society and the members of the Board of Managers and relieves them of responsibility;
4. Appoints and discharges the members of the Board of Supervisors;
5. Appoints and discharges the members of the Ethics Commission and the Qualifications' Commission;
6. (amended with a resolution of the General Meeting held on July 13, 2004) adopts the Professional Ethics Code and the professional requirements for qualifications of its members, as well as and the Disciplinary Regulation of the Society;
7. Adopts resolutions for participation in other associations;
8. adopts resolutions for transforming or terminating the Society;
9. adopts the general guidelines and program for the Society's activity;
10. adopts the Society's budget;
11. determines the amount of the affiliation fee, the annual membership fee and deadlines for their payment;
12. approves the annual report regarding the Board of Managers' activity and the balance sheet of the Society;
13. Revokes decisions of other bodies of the Society, when such decisions contradict the law, these By-laws and/or other acts, regulating the Society's activity, or which are inexpedient;
14. Adopts other resolutions, provided for by the Law of these By-laws.

(2) The resolutions of the General Meeting shall be compulsory for the other bodies of the Society.

CONVOCAION OF THE GENERAL MEETING

Art. 25. (1) The General Meeting shall be convened by the Board of Managers.

(2) The Board of Managers shall convene the General Meeting on its own initiative or at the request of the Board of Supervisors or one-third of the full members of the Society. If, in the latter case, the Board of Managers fails to deliver written invitation for convening the General Meeting within one month, General Meeting shall be convened by the Court of Law at the Society's seat, following a written request of the interested full members or a person, authorized by them.

(3) The Board of Managers shall convene the General Meeting for regular sessions at least once during the course of one calendar year.

(4) The General Meeting shall be convened by invitation to the members, in which there shall be indicated the agenda, date and venue of convening the General Meeting, as well as on whose initiative it is being convened.

(5) The invitation for convocation of the General Meeting shall be published in the Government Gazette at least one month prior to the date of the session.

QUORUM

Art. 26. The General Meeting shall be deemed regular if attended by more than half of the full members of the Society. In the event of lack of quorum, the Meeting shall be convened one hour later at the same venue and the same agenda, the number of attending full members notwithstanding.

VOTING. ADOPTION OF RESOLUTIONS

Art. 27. (1) Every full member of the Society is entitled to one vote in the General Meeting.

(2) (amended with a resolution of the General Meeting held on July 13, 2004) Resolutions of the General Meeting shall be adopted by open vote, except where the Society's internal acts provide for or the General Meeting decides to have a secret ballot.

(3) Members of the General Meeting shall participate in its proceedings in person or through an explicitly authorized representative. A single person may not represent more than one member of the General Meeting.

Art. 28. (1) Resolutions of the General Meeting shall be adopted by a majority of more than one half of the attending/represented full members of the Society.

(2) Resolutions under Art. 24, paragraph 1, item 1 and item 7, shall be adopted by majority of 2/3 the attending/represented full members of the Society.

BOARD OF MANAGERS. MEMBERS AND AUTHORITY.

Art. 29. (1) The Board of Managers shall consist of three to five persons – full members of the Society, elected by the General Meeting for a term of 2 years.

(2) Members of the Board of Managers may not be elected for more than two consecutive terms in office.

Art. 30. (1) The Board of Managers:

1. Organizes and ensures implementation of the resolutions of the General Meeting;
2. establishes the fact of drop-out of full members of the Society;
3. disposes of the property of the Society, adhering to the requirements of the By-laws;
4. Prepares and submits to the General Meeting a draft for the number of staff and budget;
5. Prepares and submits to the General Meeting report on the activity of the Society;
6. determines the procedure and organizes the implementation of the Society's activity;
7. determines the Society's address of management;
8. makes decision on any and all issues which, according to the Law or these By-laws do not fall into the competence of the General Meeting.

(2) The Board of Managers adopts Regulation on its activity.

CONVOCATION OF THE BOARD OF MANAGERS

Art. 31. (1) Meetings of the Board of Managers shall be convened and chaired by its Chairman. The Chairman is obligated to convene a meeting of the Board of Managers upon a written request of one third of its members. In the event that the Chairman fails to convene a meeting of the Board of Managers within one week, such meeting may be convened by any interested member of the Board of Managers. In the absence of the Chairman, the meeting shall be chaired by a member, determined by the Board of Managers.

(2) The Chairman shall convene a meeting of the Board of Managers by means of written invitation, which shall state the date, time, venue and agenda of the meeting.

(3) In case of emergency and if none of the members object, the meeting of the Board of Managers shall be deemed regularly convened if notice is given by phone, fax or other means of communication.

(4) The meetings of the Board of Managers shall be deemed regular if attended by more than one half of its members.

(5) Present shall also be deemed any person, with whom there is a two-way telephone or other type of connection, warranting the establishment of his/her identity and allowing for his/her participation in the discussions and decision making. This member's voting shall be certified in the Minutes of the meeting by the Chairman of such meeting.

DECISIONS OF THE BOARD OF MANAGERS

Art. 32. (1) Decisions of the Board of Managers shall be adopted by open vote, except when its members decide that vote taken on one or a group of issues be by a secret ballot.

(2) Decisions of the Board of Managers pursuant to Art. 30, items 3 and 6, and Art. 46, paragraph 2, shall be adopted by majority of more than one half of all members of the Board of Managers. Any and all other decisions shall be adopted by majority of more than one half of the members of the Board of Managers, attending the meeting.

(3) The Board of Managers may also adopt decisions without convening a meeting if the Minutes for the decision made are signed without notes and objections in this respect by all members of the Board of Managers.

POWERS OF THE CHAIRMAN OF THE SOCIETY

Art. 33. The Chairman:

1. Organizes the Society's current activity and carries out its operative management;
2. organizes the implementation of the resolutions of the General Meeting and of the Board of Managers;
3. represents the Society before any third parties within the country and abroad;
4. Manages the Society's budget and full-time employees;
5. organizes the Society's participation in national and international events, related to its activity;
6. organizes the proceeding of the General Meeting's sessions;
7. Also performs other functions, assigned to him/her by the Board of Managers.

Art. 34. The Chairman may delegate any rights to any member of the Board of Managers, whom he/she has authorized in writing.

BOARD OF SUPERVISORS

Art. 35. (1) The Board of Supervisors shall consist of three persons, full members of the Society, elected by the General Meeting for a term of 2 (two) years. The members of the Board of Supervisors may not be also member of the Board of Managers at the same time.

(2) The Board of Supervisors shall adopt Regulation on its activity.

(3) The Board of Supervisors:

1. performs current financial control and supervises the accounting;
2. gives opinion in respect of the compliance of the By-laws and the resolutions and programs of the General Meeting, and of the decisions and actions of the other bodies of the Society;
3. Reports to the General Meeting on any irregularities found in the activity of the members of the Board of Managers, and of the members of the Commissions – to the Board of Managers, respectively;
4. is entitled to request from the Board of Managers convocation of an extraordinary General Meeting for the purpose of revocation of any decisions of the Board of Managers, which contradict to resolutions and/or programmes, adopted by the General Meeting.

(4) The Board of Supervisors shall report to the General Meeting for its activity and every year at the first for each calendar year regular General Meeting shall submit for approval a report and accounting of its activity during the preceding year.

PERMANENT COMMISSIONS

Art. 36. (1) Permanent Commissions shall consist of 3 (three) to 5 (five) persons – full members of the Society, elected by the General Meeting for a term of 2 (two) years.

(2) The Commissions shall adopt Regulation on their activity.

(3) The Commissions shall report to the General Meeting for their activity and every year at the first for each calendar year regular General Meeting shall submit for approval a report and accounting of their activity during the preceding year.

(4) The Commissions shall convene their meetings on their own initiative or following decision of the Board of Managers.

(5) (New paragraph added with a resolution of the General Meeting held on July 7, 2006)
Only qualified actuaries may be elected as members of the Qualifications' Commission.

POWERS OF THE PROFESSIONAL ETHICS AND DISCIPLINARY COMMISSION

Art. 37. (amended with a resolution of the General Meeting held on July 13, 2004) The Professional Ethics and Disciplinary Commission shall:

1. Develop Professional Ethics Code and Disciplinary Regulation;
2. Exercise supervision and shall see to the observance of the norms of professional conduct, adopted by the Professional Ethics Code;
3. Consider and solve issues, related to violation of the adopted norms of ethics and shall implement the provisions of the Disciplinary Regulation.
4. (revoked with a resolution of the General Meeting held on July 13, 2004)
5. (revoked with a resolution of the General Meeting held on July 13, 2004)

POWERS OF THE QUALIFICATIONS' COMMISSION

Art. 38. The Qualifications' Commission shall:

1. Develop the requirements for professional qualification of actuaries;
2. Give opinion on the submitted applications for membership in the Society;
3. Organize and conduct training of the members of the Society;
4. Organize holding qualification exams for the members and other candidates

FUNDING AND ACCOUNTANCY

Art. 39. (1) The Society's activity shall be funded by its members, donations, subsidies and other sources, permitted by the law.

(2) On the grounds of resolution of the General Meeting the Society shall prepare annual budget for every year.

Art. 40. (1) Every newly admitted member of the Society shall be obligated to pay into the Society's bank account an affiliation fee in the amount, determined by the General Meeting, within one month from the date of admission.

(2) The amount of the affiliation fee shall be determined by the General Meeting for every calendar year.

Art. 41. The newly admitted member of the Society shall be obligated to pay membership fee within the time limit provided for in paragraph 1 of the preceding Article.

Art. 42. The amount of the membership fee of the members of the Society shall be determined by the General Meeting for every financial year. The membership fee shall exclusively be used for funding the Society's activity.

Art. 43. The General Meeting may adopt resolutions for payment of additional instalments on the part of the members for the benefit of the Society, which shall be used for funding of specific activities or events.

Art. 44. The Society shall maintain accounting in accordance with the requirements of the Accountancy Act.

TERMINATION AND LIQUIDATION

Art. 45. The Society shall be terminated:

1. Following a resolution of the General Meeting;
2. Following a decision of Court of Justice in the cases, provided for by the law.

Art. 46. (1) In the event of termination of the Society a liquidation shall be carried out.

(2) Liquidation shall be carried out by the Board of Managers or a person appointed by it.

(3) In the event of insolvency there shall respectively be applied the provisions of the effective legislation.

PROPERTY AFTER LIQUIDATION

Art. 47. The Society's property, which has remained after satisfying the creditors, shall be distributed among the members in equal parts.