

**STATUTES
OF
NON-PROFIT ASSOCIATION
For public benefit
“European Digital Innovation Hub in Construction Sector”**

Adopted at the founding meeting held in Sofia city on 27.05.2021

The present statutes governs the basic rules of management of the “European Digital Innovation Hub in Construction Sector” Association, defines the rights, duties and responsibilities of its members and the organization of the activities of the management bodies when carrying out activities for public benefit.

The Association is established by representatives of business, non-profit and public sector, based on the experience, capacity and contribution of these organizations in the digital transformation of construction industry in Bulgaria, as listed below:

1. Bulgarian Construction Chamber, BULSTAT (unified identification code): 175319582,
2. Chamber of Architects in Bulgaria, BULSTAT (unified identification code): 131159126,
3. Lyuben Karavelov Higher School of Construction (VSU Lyuben Karavelov), BULSTAT (unified identification code): 131207254,
4. Institute of Mechanics, Bulgarian Academy of Science, BULSTAT (unified identification code): 000663718,
5. Bulgarian Association for Project Management in Construction (BACPM), BULSTAT (unified identification code): 177028337,
6. CleanTech Bulgaria Ltd, unified identification code: 203637577,
7. Planex Ltd, unified identification code: 813087785,
8. Geostroy AD, unified identification code: 175102326,
9. Baunit Bulgaria Ltd, unified identification code: 121006242,
10. Esri Bulgaria Ltd, unified identification code: 831747245.

“European digital innovation hub in construction sector” Association is a non-profit organization for performance of activity for the public benefit within the meaning of Art. 2 and Art. 19, para. 2 of the Law on Non-Profit Legal Entities and is subject to registration in accordance with the same law.

The Association brings together existing capacity at local, regional, national and international level to support micro, small and medium-sized enterprises, the public sector and society in the process of digital transformation of the construction industry.

The Association supports and develops the scientific, educational, technological and innovative potential of construction sector in the country, with a focus on the South-West planning region of the Republic of Bulgaria, activating the cooperation with other regions at national and international level. The Association aims at creating a single point (one-stop shop) for services

for the business and the local authorities in the construction sector, thereby contributing to the competitiveness of SMEs and the sustainable development of the region and the country as a whole. The establishment of the “European digital innovation hub in construction sector” Association on the territory of the South-West region is based on the strategic location of state government bodies, higher education institutions, research institutes, branch organizations and the largest concentration of SMEs of the construction industry.

SECTION I

GENERAL PROVISIONS

Art. 1. The Association carries out its activities in cooperation with the Bulgarian state institutions, local administration, as well as with representatives of the business and non-business sectors, branch organizations, Bulgarian and foreign individuals and legal entities, seeking active cooperation with organizations with similar goals and activity on EU level.

Art. 2. The Association may take part as a member of other local and foreign organizations, according to its goals and objectives

Art. 3. The name, headquarters, address, BULSTAT and other company details are used on all official documents of the Association.

Legal status

Art. 4. (1) “European Digital Innovation Hub in Construction Sector” Association is a non-profit legal entity, carrying out activities for the public benefit, in accordance with the Law on Non-Profit Legal Entities regulations.

(2) The Association is a voluntary, independent, non-political, democratic, self-governing organization which is guided by the laws of the country, by this Statute, by the principles of humanism and democracy, and by the morals and ethics of its members.

(3) The operation, goals and activity of the Association are based on the provisions of the Law on Non-Profit Legal Entities, the active legal provisions in the country, the present Statute and the internal rules adopted by the General Assembly of the Association.

(4) The Association is a separate from its members’ legal entity and is responsible for its obligations by its own property.

(5) The Association has a separate bank account, a logo and a seal.

Name

Art. 5. The name of the Association is “European digital innovation hub in construction sector”, which is abbreviated as follows: “EDIH in Construction”.

Headquarters and address

Art. 6. The headquarters of the association is in Sofia city, “Polygona” quarter, №6 “Mihail Tenev” street.

Term of the Association

Art. 7. The existence of the Association is not limited by a term or other termination conditions.

SECTION II

SUBJECT, OBJECTIVES AND MEANS

Subject

Art. 8. (1) The Association carries out activities for the public benefit in support of the transition to digital transformation of the construction industry, in accordance with the characteristics of the target area, target groups, local needs and potential for development.

(2) The Association carries out researches, studies and analysis related to introduction of digital innovations in the construction sector; creates, coordinates, manages and implements control and monitoring of projects and programmes; consults and assists businesses and public authorities in the preparation and implementation of projects and the development of innovative solutions focused on the digital transformation of business processes and the construction sector as a whole; organizes and participates in conferences, exhibitions, information exchanges, thematic forums, working groups, meetings, lectures, seminars, trainings and other events for exchange of good practices and experience in the country and abroad; creates, organizes and conducts specialized accelerator and mentoring programmes and business incubation and development arrangements, as well as other activities which are not legally prohibited.

Objectives and means

Art. 9. The main objectives of the Association are:

- a) promoting and supporting the development of digital transformation in the public and private sector and the implementation of innovative solutions in order to increase the competitiveness of the construction industry at national, regional and international level;
- b) supporting the digital transformation of the construction industry in Bulgaria;
- c) developing innovative digital technologies and training forms to enhance the capacity, knowledge and skills of micro, small and medium enterprises in the construction sector and public administration;
- d) stimulating R&D and provision of access to digital testing and technological solutions in the construction sector;
- e) supporting, creating and participating in innovation networks, platforms, shared infrastructures and networks for exchange of knowledge and experience at regional, national and international level;
- f) supporting and assisting the processes related to the introduction of Construction-Building Information Modelling (BIM);
- g) strengthening international cooperation and exchange of experience with other European Digital Innovation Hubs;
- h) promoting the benefits of digital transformation for the construction industry, the public sector, business and society;
- i) developing, promoting and implementing tools and methods for managing the small and medium businesses in the construction sector with a view to facilitating the digital transition of the construction industry;
- j) developing and managing projects for the implementation of digital solutions in the construction sector;
- k) enhancing qualification, knowledge, skills and capacity for digital transformation in the industry and in the public sector;

- l) developing and applying new training and educational methods to increase the competences of the employees of the construction sector enterprises in the country;
- m) facilitating wider implementation of electronic management in the provision of public services in the management of construction processes, with a view to their applicability and efficiency;
- n) creating and offering services for digital transformation of the private and public sector in the country;
- o) supporting internationalization and access to new markets;
- p) providing access to technological expertise and experimental equipment;
- q) working towards the creation of networks of shared research and/or educational infrastructures;
- r) facilitating the access to investment and funding for business and public sector in the field of digital innovation in construction.

Art. 10. The Association will use the following means for achieving its objectives:

- a) promotion of intensive communication and partnership between all public and private participants in the field of digital transformation of construction processes in Bulgaria;
- b) provision of support and access to specialized research and expertise assistance in developing concepts, strategies, programmes, plans and projects for digital transformation in the construction sector;
- c) active participation and organization of working and expert meetings, forums, events on topics related to the digitalization of the construction sector;
- d) stimulating technology transfer and innovation in the construction sector and digitization of construction processes;
- e) preparation and presentation of positions to local and regional public authorities for possible solutions in the field of digitization of the construction industry;
- f) development of studies, analyses and reports regarding needs, problems and attitudes of the interested parties, as well as participation in the planning and the implementation of sectoral policies;
- g) development, management and assistance in the implementation of demonstration and/or pilot public, private and/or public-private projects in support of digitalization of construction processes;
- h) support in the development of e-governance through testing, implementation and management of digital solutions in construction sector and related legal regulations;
- i) assistance to SMEs with information and/or services for the protection of intellectual property in the development of innovative products, services and processes;
- j) development of the knowledge, skills and competences of enterprises' employees in the construction industry and public sector in the field of digital technologies;
- k) establishing and supporting digital skills training and certification centres and enhancing digital competences in the construction sector using innovative methods like virtual reality and artificial intelligence technologies;
- l) development of proposals for digitization of the urban environment aiming at intelligent management of urbanized areas and infrastructure objects;
- m) initiation and coordination of innovation projects and support to start-up businesses, implementation of innovative digital solutions in existing businesses;
- n) promoting European trends and good practices in the field of digital transformation in construction sector;

- o) provision of specialized services in accordance with access to investments and initiatives for increasing investment interest in key projects for the construction sector;
- p) commencement, management of projects and/or participation in consortia according to its objectives and activities.

SECTION III

Property, sources of financing, additional economic activity

Property

Art. 11. The Association is responsible, for the obligations undertaken, by its property, but is not responsible for the obligations of its members, as well as the members are not responsible for the obligations of the Association.

Art. 12. The property of the Association consists of the right of ownership and other property rights on fixed and working capital, receivables and other rights depending on the legal acts.

Sources of financing

Art. 13. (1) Sources of financing of the Association are:

- a) membership fee;
- b) donations, property contributions, bequests, financing from Bulgarian and foreign individuals or legal entities, financing under national, European and international projects and programmes; sponsorships;
- c) income of supplementary business activity;
- d) property rights, receivables and other rights provided by the law;
- e) income of contracts and/or income of property.

(2) In view of the guidelines for the National Selection of European Digital Innovation Hubs under "Digital Europe 2021-2027" programme, published by the Ministry of Economy in 2021, the financial contribution of the members of the Association to the project, the location of the acquired equipment within the project, the ways and access to using it and the order of settlement of all accompanying property relations will be determined according to the funding requirements. Access and usage of the equipment acquired within the specific programme and project will be determined by the General Assembly, in accordance with the requirements for free access and usage of the equipment for public benefit.

Additional economic activity

Art. 14. (1) The Association may carry out additional economic activity within the meaning of Art. 3 of the Law on Non-Profit Legal Entities related to its main subject of activity, including: consultancy activity and provision of services for project proposals development, business plans, programmes and strategies; preparation of studies and analyses; intermediary services; preparation of communication and information products and solutions, provision of information services, investment consulting; organization and conduction of trainings, courses, seminars, conferences and other events; management of financial resources (including trust funds and/or financing) for support of public and private initiatives in the construction sector and any other, not prohibited by law, activity related to the subject of the Association and according to the provisions determined by the laws regulating the relevant economic activity.

(2) The income of supplementary business activity is used for achieving the objectives of the Association.

(3) The Association will not distribute profits and the funds received will be used only to achieve the objectives of the Association.

SECTION IV

Membership types. Acquisition and termination of membership. Rights and obligations of members

Membership types

Art. 15. (1) Membership in the Association is voluntary, personal and non-transferable.

(2) Members may be regular and associate.

(3) Legal entities that accept and share the goals of the Association and the provisions of its Statutes and whose activity has a direct relationship and contribution to the goals of the Association, and are active participants in the digitalization process of the construction sector may be accepted as regular members.

(4) Individuals and legal entities, have a supporting and/or expert function may be accepted as associate members.

Acquisition of membership

Art. 16. (1) The members of the Association (regular and associated) are accepted by the Management Board on the basis of a written application for membership, accompanied by a declaration of acceptance of the Statute of the Association and other documents stipulated by the law or internal acts of the Association.

(2) The admission of the members is organized by manifest vote and simple majority. The refusal to accept a member is being motivated.

(3) The decision to accept a new member or the refusal is sent within 7 days to the member candidate.

(4) Associate members may participate in the work of the General Assembly with the right to an advisory vote only, and may not be elected to the governing bodies of the Association.

Termination of membership

Art. 17. Membership in the Association is terminated:

(1) By an unilateral declaration of will to the Management Board;

(2) Upon the death or placement of a member under complete prohibition;

(3) With exclusion by decision of the Management Board, in case of gross violations of the statutory obligations, causation of material or moral damage to the Association. The decision of the Management Board to exclude a member may be appealed to the General Assembly;

(4) In case of non-payment of the membership fee within the specified terms and amounts;

(5) Upon termination of the Association's activity;

(6) Upon termination of a member's activity or bankruptcy and liquidation of the same;

(7) In case of cancellation due to non-payment of the established property payments.

Rights and obligations of members

Art. 18 (1) Each member of the Association has the right:

- a) to participate in the activities of the Association and the General Assembly;
- b) to be informed about the activities of the Association;
- c) to make proposals in accordance with the activities of the Association;
- d) to participate in the initiatives and events of the Association;
- e) to receive information materials, brochures and books on consumer topics.

(2) Each member of the Association is obliged to:

- f) comply with the Statute of the Association and work to achieve its goals;
- g) make efforts to raise the public authority of the Association;
- h) implement the decisions of the General Assembly and the Management Board.

SECTION V

Management

Bodies of the Association

Art. 19. (1) Bodies of the Association are:

- 1. General Assembly;
- 2. Management Board;
- 3. Chairperson of the Management Board.

(2) By decision of the General Assembly of the Association, other subsidiary bodies may be established.

General Assembly

Art. 20. (1) The General Assembly is the supreme body of the Association.

(2) All regular members with the right to one regular vote participate in the General Assembly when voting and making decisions. Associates participate in the General Assembly with the status of observers and with the right to an advisory vote.

(3) Each member is represented in the General Assembly by his legal representative or a person expressly authorized with a written power of attorney. An authorized representative has no right to re-authorize third parties with the given rights.

(4) Each of the regular members of the General Assembly has the following rights:

- a) right to elect and be elected in the governing bodies and other auxiliary bodies of the Association;
- b) right to express opinions and vote when decisions are made by the General Assembly;
- c) right to participate in projects, initiatives and events of the Association;
- d) right to information about the current activity of the Association and its bodies;
- e) right to access to the results of the Association's activity in accordance with the provisions of the Statute or other internal rules of the Association;
- f) other rights provided for in the Statute or in another internal act of the Association.

(5) The General Assembly:

- a) amends and supplements the Statute;
- b) adopts Rules and order for the implementation of public service activities and others internal acts;
- c) determines the number and mandate, elects and dismisses the members of the Management Board of the Association;
- d) accepts the report on the activity of the Management Board and the report on the activity of the Association for the past financial and reporting year;
- e) decides on the transformation or termination of the Association;

- f) adopts the main guidelines and the Annual Programme for the activities of the Association;
- g) accepts the budget of the Association;
- h) monitors the Management Board in compliance with the principles of management and development of the Association;
- i) annuls decisions of the Management Board that contradict the law, the Statute, the objectives of the Association or other internal acts regulating the activity of the Association;
- k) monitors the proper use and protection of the Association's property;
- l) makes decisions on the selection of a non-profit legal entity to which the property of the Association would be transferred in case of liquidation;
- m) makes decisions on liquidation;
- n) makes decisions on disposal of the Association’ s property.

Convocation of the General Assembly. Sessions.

Art. 21. (1) The general assembly is held at least once a year. The General Assembly is convened by the Management Board of the Association on its initiative or upon request of one third of the members of the Association

(2) The invitation to the General Assembly must contain the agenda, the date, time and place of the General Assembly and on whose initiative it is convened.

(3) The convening is carried out by means of a written invitation addressed to each of the members of the Association at least 7 days before the date of the meeting of the General Assembly. The invitation shall be considered regularly sent and received when it is sent by e-mail to an e-mail address provided by the members in the application for membership and/or expressly communicated in writing to the Management Board by each member. Invitations sent to the specified email address are considered delivered.

(4) Participation in the meetings of the general assembly might be physically attended, through telephone, video-conference or other connection, guaranteeing identification and allowing the participation of the members in the discussion and decision making. When making decisions, the required majority is taken into account. The voting of the members is certified in the minutes by the chairperson of the meeting.

List of attendees

Art. 22. (1) At the General Assembly meetings, a list of the present members or their representatives is drawn up. Members and representatives identify themselves and certify their presence with a signature. The list is certified by the chairman and secretary of the General Assembly and is an integral part of the minutes of the General Assembly.

(2) The list of the preceding paragraph includes the members who have announced their presence by the time of the first vote after establishing a quorum.

(3) A named list of proxy voters is drawn up, which includes the number of proxies and how many members each of them represents. The validity of the proxies is verified by the chairperson of the meeting. When it is found that the power of attorney is invalid, it is being indicated on it and noted in the minutes of the General Assembly.

Quorum

Art. 23. (1) The meeting of the General Assembly is legal when more than half of all regular members are present. If the required number of members or their authorized representatives do

not appear on the specified date, time and place, the meeting is postponed by one hour and is held regardless of the number of members present.

(2) The authorized representative must be expressly authorized by the representative/s of the organization that is a member of the Association.

(3) Each regular member of the Association has the right to one vote.

Decision-making by the General Assembly

Art. 24. (1) Decisions of the General Assembly are being taken by a simple majority of those present, except in those cases when this Statute and/or the Law on Non-Profit Legal Entities do not provide otherwise.

(2) Decisions to amend and supplement the statutes, as well as decisions to transform or terminate the Association, are taken by a 2/3 majority of those present.

(3) Decisions on gratuitous spending of property under Art. 41, para. 3 of the Law on Non-Profit Legal Entities, as well as in other cases in which the law requires such a majority, are taken by a majority of 2/3 of all regular members of the Association.

(4) No decisions can be taken on issues that are not included in the agenda announced in the invitation, except in cases when all members of the General Assembly are present and agree with the proposed amendments to the agenda.

(5) A member of the General Assembly does not have the right to vote when deciding issues related to:

a) themselves, their spouse or relatives by direct line - without restrictions, by lateral line - up to the fourth degree, or inclusive by matchmaking up to the second degree;

b) legal entities in which they are managers or can impose or hinder decision-making.

Minutes

Art. 25 (1) Minutes of the General Assembly meeting is kept in a special book. The minutes is kept in accordance with the requirements of Art. 40 of the Law on Non-Profit Legal Entities.

(2) The minutes of the General Assembly is being signed by the chairperson 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.

(3) 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 of the Association

Art. 26 (1) The Management Board and auxiliary bodies are elected by the General Assembly of the Association.

(2) The General Assembly determines the remuneration of the members of the Management Board and of the auxiliary bodies, in case such are foreseen.

(3) Only regular members of the association, represented by their legal representatives or by those expressly authorized by them for election to the managing bodies, may be elected as members of the Management Board.

Art. 27. (1) The Management Board is a collective management body of the Association, which consists of a minimum of 5 persons. The Management Board elects a Chairperson from among its members and determines their remuneration.

(2) The mandate of the first Management Board is 4 /four/ years with the possibility of extension for 4 /four/ years. Each subsequent mandate of the Management Board is with a term of 4 years. The mandate of the members of the Management Board ends with the election of the new members, and of the Chairperson – with the decision on the election of a new one.

(3) A member of the Management Board may be elected for up to 2 consecutive mandates.

(4) A member of the Management Board may also be dismissed upon his written request addressed to the Management Board.

(5) The Management Board ensures the implementation of the decisions of the General Assembly.

(6) The Management Board decides all operational issues related to the management of the Association, which are not referred to the explicit competence of the General Assembly, according to the law regulations and this Statute.

Decision-making by the Management

Art. 28 The Management Board:

- a) ensures the implementation of the Annual Programme of the Association and the decisions of the General Assembly;
- b) makes proposals to the General Assembly for the development of the Association;
- c) prepares and submits to the General Assembly a draft budget and report on the activities of the Association;
- d) makes decisions on convening the General Assembly on the proposal of the Chairperson of the Management Board;
- e) accepts and excludes members of the Association;
- f) makes decisions about the Association's participation in other organizations;
- g) disposes of the property of the Association in compliance with the requirements of the Statute;
- h) determines the order and organizes the performance of the Association's activities and has responsibility for this;
- i) controls the legality of the expenses made and their compliance with the decisions of the General Assembly, with this Statute and with the law;
- j) makes decisions on all matters that are not, by law or according to this Statute in the powers of the General Assembly;
- k) makes decisions regarding the liability, amount and method of payment of membership fees and/or property contributions;
- l) makes decisions about the Association's projects participation.

Convening of meetings of the Management Board

Art. 29. (1) The meetings of the Management Board are convened and chaired by the Chairperson of the Management Board. In the absence of the Chairperson of the Management Board, the meeting is chaired by a member determined by the Management Board.

(2) The Chairperson is obliged to convene a meeting of the Management Board at a written request of one third of its members.

(3) The meeting of the Management Board is convened with a written invitation sent within 5 days before the date of the meeting. The invitation contains a draft agenda and materials to it. The meeting can be convened by telephone or e-mail.

(4) The meeting is legal if more than half of the members of the Management Board take part in it.

(5) Participation in the meetings of the Management Board can be attended, through a two-way telephone, video-conference or other connection, guaranteeing identification and allowing the participation of the members in the discussion and decision-making. The members voting is certified in the minutes by the chairperson of the meeting.

(6) Decisions are made by a majority of all members of the Management Board.

(7) The Management Board may take a decision without holding a meeting, if the minutes of the decision made is signed without any remarks and objections by all members of the Management Board.

(8) Meetings of the Management Board are being convened when necessary.

(9) The minutes of the meetings of the Management Board is signed no later than the next meeting by all present members of the Management Board and sent by e-mail to all members of the Association.

Chairperson of the Management Board

Art. 30 (1) The Chairperson of the Management Board is elected by the Management Board for a term not longer than the mandate of the Management Board.

(2) Rights and obligations of the Chairperson of the Management Board:

- a) performs his duties in the interest of the Association and keeps confidence of The Association, after ceasing to be the Chairperson;
- b) represents the Association at third parties and performs the functions, assigned by the General Assembly;
- c) convenes, manages and presides over the meetings of the Management Board;
- d) implements the Association's budget and makes proposals for its amendment;
- e) opens and closes the bank accounts of the Association and disposes of them;
- f) concludes employment contracts, amends and terminates employment contracts with the employees of the Association;
- g) organizes and implements the operational management of the Association's activities;
- h) organizes and monitors the implementation of the decisions of the General Assembly and of the Management Board;
- i) controls operationally the implementation of the Association's annual budget;
- j) conducts communication on behalf of the Association.

(3) The Chairperson of the Management Board reports annually on his activities to the Management Board.

(4) If the chairperson is objectively unable to temporarily perform his duties, they are replaced by a Deputy Chairperson elected by the Management Board, until this impossibility disappears.

Branches

Art. 31. (1) By decision of the General Assembly, the Association may establish branches in areas different from its headquarters and elect a Branch Manager.

(2) The branch manager represents the non-profit legal entity for the activities of the branch.

Reports

Art. 32. (1) The Association prepares a report on its activities once a year, which must contain data on:

- a) the essential activities, the funds spent on them, their relationship with the goals and the organization's programmes and results achieved;
- b) the amount of property received free of charge and income from other fundraising activities;
- c) the type, amount, value and purposes of the donations received and provided, as well as details of the grantors;
- d) the financial result.

(2) The annual activity report and the financial report of the Association shall be submitted in the register of non-profit legal entities maintained by the Registration Agency by September 30 of the year following the year to which they relate.

SECTION VI TERMINATION

Termination

Art. 33 (1) The Association is being terminated:

- a) By decision of the General Assembly;
- b) With a decision of the district court at the registered office of the Association, according to Article 13, para. 1, item 3 of the Law on Non-Profit Legal Entities;
- c) When it is declared bankrupt.

(2) The decision of the court is issued at the request of any interested party or the prosecutor. In this case, the termination is registered ex officio and the court appoints a liquidator.

Liquidation

Art. 34. (1) Upon termination of the non-profit legal entity, liquidation is carried out.

(2) The liquidation is carried out by the governing body or by a person determined by it, in compliance with the requirements regulated in Art. 43 of the Law on Non-Profit Legal Entities.

(3) The remaining property after satisfying the creditors is provided to a non-profit legal entity, chosen by decision of the General Assembly of the Association.

(4) The provisions of the Commercial Law apply accordingly to insolvency, respectively bankruptcy, the order of liquidation and the powers of the liquidator. The termination decision under Art. 33 of the Statutes of the Association, as well as the recordable circumstances regarding insolvency, respectively bankruptcy and liquidation proceedings, are being written down, respectively, the acts are announced in the Register of non-profit legal entities maintained by the Registration Agency.

SECTION VII

TRANSITIONAL AND FINAL PROVISIONS

Art. 35. (1) Matters, not settled in this Statutes and other internal acts approved by the General Assembly, are subject to the current legislation in the Republic of Bulgaria.

(2) In case of changes in the legal acts, in force, in the Republic of Bulgaria, concerning the clauses of this Statutes, the General Assembly undertakes to update/bring the Statute in line with the changes, where necessary, within the statutory period.

This Statutes was adopted at the founding meeting of the non-profit Association for carrying out activities for the public benefit "European digital innovation hub in construction sector".