

STATUTE

OF

The “ZASHTITNICITE” Cooperative

SECTION I

DEFINITION AND MISSION OF THE COOPERATIVE

Art. 1. The “ZASHTITNICITE” Cooperative is a voluntary association of individuals with variable capital and a variable number of members who, through mutual assistance and cooperation, engage in commercial activities to satisfy their economic, social, and cultural interests. The Cooperative is an independent legal entity that comes into existence on the date of its registration in the Commercial Register.

Art. 2. The mission of the “ZASHTITNICITE” Cooperative is to achieve personal and individual freedom for its members by creating, through joint efforts and shared contributions, economic capital managed by intellectual capital, guided by the conscious need for financial independence in order to establish the economic freedom of the individual in a market society, which, together with the pursuit of self-improvement in cultural and social terms, will lead the individual to all other personal freedoms, including freedom of choice and the ability to exercise that choice in practice.

SECTION II

NAME AND REGISTERED OFFICE

Art. 3. The name of the Cooperative is “ZASHTITNICITE”.

Art. 4. The registered office and management address of the Cooperative is: Republic of Bulgaria, Varna Province, Vetrino Municipality, village of Neofit Rilski, postal code 9223.

SECTION III

OBJECTIVE AND SCOPE OF ACTIVITIES

Art. 5. The Cooperative has the following objectives:

1. To create, preserve, and increase the economic well-being and financial independence of its members by investing in and carrying out commercial and economic activities in various types of markets, providing education and consultation, and taking practical measures to reduce costs and increase the income of its members, leading to the accumulation and utilization of capital in the mutual interest of each member and the Cooperative itself.

2. To form a community of intelligent, capable, knowledgeable people who are able to define and achieve their goals, acting individually or jointly to achieve positive results in their pursuit of a better environment in various settlements throughout the Republic of Bulgaria and of self-improvement.

Art. 6. The Cooperative has the following scope of activities: repair and construction services; purchase, rental, construction and/or furnishing of real estate

for the purpose of sale and/or carrying out various transactions involving such property or rights in rem over real estate; brokerage; international and domestic tourism; research, design, and construction of various facilities in Bulgaria and abroad; domestic and foreign trade in all types of goods and services; purchase of all types of goods for resale in their original, processed, or finished form; transportation, hotel, tourism, and advertising activities; hotel and restaurant operations; agricultural activities; foreign trade activities; commercial representation and brokerage; investments in goods, ownership rights and other rights in rem, and receivables pursuant to Art. 29 of the Cooperatives Act, as well as any other activity not expressly prohibited by law.

SECTION IV

MEMBERSHIP, ADMISSION, RIGHTS AND OBLIGATIONS OF MEMBERS, DISCIPLINE, TERMINATION OF MEMBERSHIP

Art. 7. (1) Membership in the Cooperative is open to individuals who have reached the age of 18, have not been placed under full legal incapacity, and agree with its Articles of Association, the decisions adopted by the General Assembly of the Cooperative, as well as other decisions adopted by its governing bodies and the objectives, strategies, rules, and policies pursued by it.

(2) A person may be a member of more than one cooperative. Citizens of the European Union, as well as citizens of third countries, may also be members of the Cooperative.

Art. 8. (1) A new member shall be admitted to the Cooperative upon a written application submitted by the person to the Management Board, containing personal details, a declaration that the applicant has read and accepts the Articles of Association of the Cooperative and the decisions of its governing bodies, information about the contributions that the applicant for cooperative membership will make to the Cooperative and the applicant's consent thereto, an address for correspondence, including an electronic address (email), and other information determined by the Management Board. The requirement for written form shall also be deemed satisfied if the application is submitted through the designated electronic form accessible on the Cooperative's website. A new member shall be admitted to the Cooperative by a decision of the Management Board. The application shall be considered at the first meeting of the Management Board following its receipt. By way of exception, it may be considered at the second meeting if the first meeting was held before 14 days had elapsed from the date of its receipt.

(2) Membership in the Cooperative arises upon the decision of the Management Board, after the applicant for cooperative membership has paid the admission fee, the share contribution, and the membership fee for the respective year. The membership is subject to confirmation by the General Assembly and shall be considered at its next meeting as the first item on the agenda. The applicant for membership shall not have the right to vote. If the decision is not confirmed, the membership shall terminate as of the date of the decision of the General Assembly.

(3) The General Assembly may be requested to overturn a refusal by the Management Board to admit a new member within 14 days of receipt of the written notification. If the refusal is overturned, the applicant shall be deemed admitted as of the date of the decision of the General Assembly.

(4) Where the time limit under para. 3 has been missed or the refusal has been confirmed by the General Assembly, a new membership application may be submitted no earlier than 6 months from the date of receipt of the notification under para. 3 or, respectively, from the date on which the General Assembly was held.

(5) Admitted members shall be entered in the register of cooperative members, which shall contain the name and address of the cooperative member, the dates on which their membership commenced and terminated, the grounds for termination, as well as the type and amount of contributions and the date of their payment. In the event of a change to any of the information, the cooperative member shall notify the Cooperative within 7 days of the occurrence of the change by means of a notification addressed to the Management Board. In the absence of notification of a change, the information available to the Cooperative shall be deemed current. Invitations to participate in the General Assembly of the Cooperative shall be deemed duly served when sent to the most recent correspondence address provided by the cooperative member, including the electronic address provided pursuant to Art. 8, para. 1 of these Articles of Association (email).

Art. 9. A member of the Cooperative shall have the right:

1. to participate in and benefit from its activities;
2. to participate and vote in the General Assembly of the Cooperative in person or through a person authorized by the member;
3. to be elected to its governing bodies and to the governing bodies of cooperative unions;
4. to request information from its governing bodies regarding the implementation of adopted decisions and to request information on matters affecting the member's interests, as well as the interests of the Cooperative;
5. to request the revocation of unlawful decisions and actions of its governing bodies, as well as those contrary to the Articles of Association or otherwise improper;
6. to receive dividends;
7. to receive the member's share contribution upon termination of membership in accordance with Art. 13;
8. to social security and health insurance in accordance with a separate law;
9. to access the register of cooperative members for reference purposes.

Art. 9A. A member of the Cooperative shall be obliged:

1. to comply with the Articles of Association and the decisions of the governing bodies of the Cooperative;
2. to make the contributions to the Cooperative's cash office or by bank transfer to the Cooperative's accounts, where such contributions are provided for in the Articles of Association or have been approved by a decision of the General Assembly;
3. to protect the image and good reputation of the Cooperative, as well as any trade secrets relating to its activities;
4. to assist in achieving the objectives of the Cooperative, including by participating in voluntary initiatives through personal labor;
5. to check and open correspondence addressed to the member in their profile on the Cooperative's website specified in the application under Art. 8, para. 1 of the Articles of Association, and at the email address provided by the cooperative member. Failure to comply with this obligation shall not affect the validity of service of the relevant documents sent electronically to the cooperative member, and such

documents shall be deemed served on the date on which they are received in the member's profile on the Cooperative's website or, respectively, on the date on which the invitation is sent to the email address provided by the cooperative member.

Art. 10. (1) For failure to comply with the decisions of the governing bodies of the Cooperative and its General Assembly, members shall be subject to the following disciplinary sanctions: "reprimand", "warning of expulsion", and "expulsion".

(2) The sanctions of "reprimand" and "warning of expulsion" shall be imposed by the Management Board of the Cooperative in writing, either electronically (to the email address provided by the cooperative member or to the member's profile on the Cooperative's website) or in paper form delivered to the correspondence address of the respective member, while the sanction of "expulsion" shall be imposed by the General Assembly of the Cooperative.

Art. 11. (1) A member of the Cooperative may be expelled by the General Assembly if the member violates the law, the Articles of Association, or decisions of its governing bodies.

(2) Until the General Assembly is convened, the Management Board of the Cooperative may suspend a member under the conditions and in accordance with the procedure specified in the Articles of Association of the Cooperative. The member of the Cooperative shall be invited in writing to attend when the decision is made. The requirement for written form shall also be deemed satisfied if the invitation is sent electronically to the email address provided by the cooperative member or to the member's profile on the Cooperative's website.

(3) The General Assembly shall consider, as the first item on its agenda, the decision of the Management Board regarding the expulsion of a cooperative member. The member proposed for expulsion may provide written or oral explanations before the General Assembly. The member shall not vote on the decision concerning their expulsion.

Art. 12. (1) Membership in the Cooperative shall terminate upon:

1. withdrawal from the Cooperative;
2. expulsion;
3. death.

(2) Membership shall also terminate upon deletion of the Cooperative from the register, except in cases of reorganization.

(3) Withdrawal from the Cooperative shall be effected by giving two months' written notice to the Management Board no later than October 30 of the current calendar year.

Art. 13. (1) Former cooperative members or their heirs shall be entitled to the paid-in share, additional, and designated-purpose contributions, adjusted in accordance with the applicable statutory procedure, the dividend due to them, as well as loans granted to the Cooperative, including the interest due thereon. The contributions, dividends, loans, and interest shall be paid to former cooperative members or their heirs following adoption of the annual financial statements and provided that they have discharged all of their obligations to the Cooperative. In the event of outstanding obligations, such obligations may be set off against their receivables.

(2) The limitation period for claiming the share contribution is 5 years, and for claiming the dividend - 3 years.

SECTION V GOVERNING BODIES OF THE COOPERATIVE

GENERAL ASSEMBLY. COMPOSITION AND POWERS

Art. 14. (1) The General Assembly of the Cooperative consists of all its members. It may be replaced by an Assembly of Delegates elected according to a representation ratio determined by the Management Board when the Cooperative has more than 200 members, in which case the number of delegates may not be fewer than 70.

(2) The Assembly of Delegates has all the powers of the General Assembly.

(3) The delegates under para. 1 shall exercise their mandate until the day on which delegates are elected for the next regular General Assembly of the Cooperative.

(4) The General Assembly shall:

1. adopt, amend, and supplement the Articles of Association;
2. determine the number of members of the Management Board and the Supervisory Board and elect and dismiss them by secret ballot;
 - 2a. elect and dismiss the Chairman of the Cooperative;
 - 2b. elect delegates to the General Assembly of the cooperative union of which the Cooperative is a member;
3. appoint a registered auditor when the annual financial statements of the Cooperative are subject to an independent financial audit under the conditions of the Accountancy Act.
4. give consent to the conclusion of contracts with procurators;
5. approve the Management Board's report on the annual activities, adopt the annual financial statements of the Cooperative and the auditor's report, and approve the distribution of profit after hearing the opinion of the Supervisory Board;
6. approve the report of the Supervisory Board;
7. decide on membership in and termination of membership in cooperative unions and commercial companies;
8. approve the main guidelines for the development of the Cooperative's activities;
 - 8a determine the funds for the activities of the Supervisory Board of the Cooperative;
9. waive monetary obligations owed to the Cooperative and defer or allow payment by installments of such obligations;
10. decide on the acquisition and disposal of real estate and rights in rem over such property;
11. ratify the decision of the Management Board on the admission of new members;
12. expel members;
13. decide on the collection of additional and designated-purpose monetary contributions from members;
14. revoke decisions and actions of the other bodies of the Cooperative that contravene the law or the Articles of Association or are improper;
15. decide by secret ballot on the results of financial inspections of the Cooperative and on holding the responsible persons liable;
16. decide on the reorganization and termination of the Cooperative and on

placing it into liquidation;

17. release from liability the Chairman of the Cooperative and the members of the Management Board and Supervisory Board;

(5) By decision of the General Assembly, pursuant to para. 4, item 2, alternate members may be elected to fill vacancies on the Management Board and Supervisory Board of the Cooperative.

(6) The General Assembly shall discuss and decide on all matters related to the Cooperative and its activities, even where the law or the Articles of Association do not expressly provide for this.

CONVENING THE GENERAL ASSEMBLY

Art. 15. (1) The General Assembly shall be convened by the Management Board by written invitation, sent to the current correspondence addresses (electronic or physical, or to the cooperative member's profile on the Cooperative's website) of the members or, respectively, the delegates, as specified in their membership applications or notifications of changes to their details, at least 14 days before the date on which it is to be held. For the purposes of these Articles of Association, the written form requirement for the invitation shall be deemed satisfied even if the invitation is sent solely by electronic means. The invitation shall specify the matters to be considered, as well as the date, time, and place where the meeting will be held. The General Assembly may not adopt decisions on matters not included in the invitation, except for convening another General Assembly. The Management Board shall provide all members of the General Assembly with access to the materials to be discussed.

(2) The General Assembly may adopt decisions on matters not included in the invitation if all members (delegates) participate and agree to this. Such matters shall be added to the agenda at the beginning of the meeting.

(3) The General Assembly shall be convened:

1. regularly – once a year, by the end of April, at which meeting the activities of the Cooperative for the preceding year shall be reported;

2. extraordinarily – by decision of the Management Board, as well as at the request of the Supervisory Board, one third of the members of the Cooperative or the delegates, the Chairman of the Cooperative, or the Management Board of the territorial or national cooperative union of which the Cooperative is a member, addressed to the Management Board, within 14 days of receipt of the request.

(4) If the Management Board fails to convene the General Assembly within one month of receipt of the request under para. 3, item 2, it shall be convened by the Supervisory Board, by one third of the members of the Cooperative, by the Chairman of the Cooperative, or by the Management Board of the territorial or national cooperative union of which the Cooperative is a member.

(5) Representatives of cooperative unions may participate in the General Assembly with an advisory vote.

QUORUM

Art. 16. (1) The General Assembly is duly constituted and may adopt decisions if more than half of the members (delegates) are present, and for amendments or supplements to the Articles of Association, reorganization and liquidation of the Cooperative, election of the Chairman and members of the Management Board and

Supervisory Board, and acquisition and disposal of real estate and rights in rem over such property – if more than two thirds of the members (delegates) are present.

(2) If the required number of members does not attend, the meeting shall be held one hour later, regardless of the number of members present.

ADOPTION OF DECISIONS

Art. 17. (1) Decisions of the General Assembly shall be adopted by a majority of more than half of the members or delegates present under Art. 16, unless a larger majority is required.

(2) Decisions under Art. 14, para. 4, items 1, 9, 10, 13, and 16 shall be adopted by a two-thirds majority of those present under Art. 16.

(3) Where, in adopting a decision under Art. 14, para. 4, item 2a, none of the candidates has received the required majority, a new election shall be held between the two candidates who received the highest number of votes. In the new election, the candidate who receives the greater number of votes shall be deemed elected Chairman.

(4) Voting at the General Assembly shall be open. The General Assembly may decide that a particular matter shall be voted on by secret ballot.

(5) Minutes shall be kept for each meeting of the General Assembly and shall be signed by the chairperson of the meeting and the minute-taker. The Chairman of the Cooperative shall be responsible for the proper maintenance of the minute book for meetings of the General Assembly. The decisions adopted shall be entered in the minutes and read out at the end of the meeting.

VOTING RIGHTS

Art. 18. Regardless of the amount of the share contributions, each member is entitled to one vote. One member of the Cooperative may represent up to three members of the Cooperative at the General Assembly on the basis of a written power of attorney.

MANAGEMENT BOARD. COMPOSITION

Art. 19. The members of the Management Board shall be elected from among the members of the Cooperative for a term of four years. There is no limit on the number of terms that a member of the Cooperative may serve as a member of the Management Board.

Art. 20. (1) The following persons may not be elected Chairman or members of the Management Board:

1. persons under 18 years of age and persons placed under legal incapacity;
2. persons deprived of the right to hold a managerial, accounting, or financially responsible position;
3. persons who are married to, directly related to, or are siblings of a member of the Management Board or Supervisory Board;
4. persons who have been dismissed from the Management Board due to systematic failure to perform their duties;
5. persons who are subject to insolvency proceedings or are sole traders or partners in general partnerships who have been declared insolvent and have not had

their rights restored;

6. persons convicted of intentional publicly prosecutable criminal offences who have not been rehabilitated.

(2) In the event of the resignation or death of members of the Management Board, the composition of the Board shall be supplemented by the elected alternate members in compliance with the requirements of para. 1. The new members shall serve for the remainder of the Management Board's term.

POWERS

Art. 21. (1) The Management Board shall implement the decisions of the General Assembly and direct the activities of the Cooperative. It shall also perform other functions by decision of the General Assembly or in matters outside the express competence of the General Assembly. The Management Board shall report on its activities to the General Assembly.

(2) A prior decision of the Management Board is required for:

1. loan agreements with third parties and the provision of security in favor of third parties;

2. judicial or out-of-court settlements whereby obligations are acknowledged or a debt is waived;

3. transactions involving the disposal of fixed assets, except those under Art. 14, para. 4, item 10;

4. lease agreements for real estate with a book value exceeding 5 percent of the total book value of fixed assets as of 31 December of the preceding year;

5. credit agreements, joint activity agreements, and the assumption of obligations under bills of exchange;

6. the creation of a pledge over fixed assets of the Cooperative;

7. investments in securities, financial instruments, goods, and services, as well as other transactions involving the disposal of the Cooperative's property that do not fall within the express competence of the General Assembly.

(3) The Management Board may establish its own bodies—committees, councils, and others—to assist in its activities.

(4) The Management Board may suspend the implementation of decisions or actions of the Chairman of the Cooperative. In such a case, the Management Board shall convene the General Assembly within one month.

CONVENING

Art. 22. (1) The Management Board shall be convened by its Chairman at least once a month. The Chairman is obliged to convene it at the request of one third of its members or of the Supervisory Board within seven days. If the Chairman fails to do so, the Management Board shall be convened by the Supervisory Board.

(2) Meetings of the Management Board shall be duly constituted if at least two thirds of its members are present.

ADOPTION OF DECISIONS

Art. 23. Decisions of the Management Board shall be adopted by open vote and by a simple majority of its members, unless otherwise provided in the Articles of Association. Minutes shall be kept of the meetings of the Management Board and

shall be signed by the members of the Management Board present at the meeting. A member of the Management Board who disagrees with a decision shall record their dissenting opinion in the minutes.

LIABILITY

Art. 24. (1) The members of the Management Board shall be jointly and severally liable if they have culpably caused damage to the Cooperative.

(2) Members of the Management Board who fail to perform their duties may be dismissed before the expiry of their term by the General Assembly upon a proposal by the Chairman, the Management Board or Supervisory Board, or one tenth of the cooperative members.

Art. 25. In legal disputes between the Cooperative and a member of the Management Board, the Cooperative shall be represented by the Chairman, and where the dispute is between the Cooperative and its Chairman, by one or more persons elected by the General Assembly.

CHAIRMAN OF THE COOPERATIVE

Art. 26. (1) The Chairman of the Cooperative shall be elected from among the members of the Cooperative for a term of four years. The Chairman shall also chair the Management Board and shall participate in its work with an equal vote.

(2) The Chairman of the Cooperative shall:

1. represent the Cooperative;
2. organize the implementation of the decisions of the General Assembly, the Management Board, and the bodies of the cooperative union of which the Cooperative is a member;
3. manage the day-to-day activities of the Cooperative;
4. conclude and terminate employment contracts, impose disciplinary sanctions on and reward the workers and employees of the Cooperative, and determine their remuneration;
5. perform other functions in accordance with the law and the decisions of the General Assembly and the Management Board.

(3) The Chairman of the Cooperative shall conclude the transactions under Art. 21, para. 2 on the basis of a prior decision of the Management Board and, in the cases under Art. 14, para. 4, item 10, on the basis of a prior decision of the General Assembly.

(4) If the Chairman of the Cooperative resigns voluntarily, the Chairman is required to give the Management Board at least three months' notice. During the notice period, the Management Board shall convene the General Assembly to elect a new Chairman of the Cooperative.

(5) The powers of the Chairman of the Cooperative shall terminate before the expiry of the term:

1. upon resignation;
2. in the event of a permanent objective inability to perform the duties;
3. where the Chairman systematically fails to comply with or violates the requirements of the law and the Articles of Association;
4. where the Chairman abuses the trust placed in them and damages the good name of the Cooperative;
5. where damage has been caused by the Chairman's actions.

SUPERVISORY BOARD. COMPOSITION

Art. 27. (1) The members of the Supervisory Board shall be elected from among the members of the Cooperative for a term of four years. The Supervisory Board shall elect its Chairman from among its members.

(2) The persons referred to in Art. 20, para. 1 may not be members of the Supervisory Board, nor may cooperative members who hold or have held during the preceding year a financially responsible or accounting position in the Cooperative or who have been members of the Management Board.

(3) Art. 20 shall apply to the members of the Supervisory Board.

POWERS

Art. 28. (1) The Supervisory Board shall inspect the activities of the Cooperative and report on its work to the General Assembly.

(2) The members of the Supervisory Board may participate in meetings of the Management Board with an advisory vote.

(3) Where it establishes material violations of the law or the Articles of Association committed by the Management Board, and in the cases under Art. 15, para. 4, the Supervisory Board shall convene the General Assembly.

(4) The members of the Supervisory Board shall be jointly and severally liable for damage culpably caused by them to the Cooperative.

(5) Members of the Supervisory Board who fail to perform their duties may be dismissed before the expiry of their term by the General Assembly upon a proposal by the Supervisory Board of the Cooperative or by the Management Board of the territorial or national cooperative union of which the Cooperative is a member.

SECTION VI PROPERTY, DISTRIBUTION OF INCOME

PROPERTY

Art. 29. (1) The property of the Cooperative consists of ownership rights and other rights in rem, receivables, rights over intellectual property objects, securities, shareholdings in companies, and other rights and obligations.

(2) The property of the Cooperative shall be managed solely by the cooperative members through its governing bodies.

(3) Funds received from the sale of real estate and tangible fixed assets of the Cooperative may be used for other purposes only after obligations to the State have been settled and the share contributions of former cooperative members have been paid.

(4) Share contributions shall be paid to members who have left the Cooperative over a period of three years.

SOURCES OF FUNDS

Art. 30. The sources of funds of the Cooperative are:

1. admission fees paid by members;
2. share contributions of members;
3. additional and designated-purpose contributions of members;

4. membership fees paid by members;
5. income from activities;
6. loans;
7. donations;
8. other sources;

MEMBERS' CONTRIBUTIONS

Art. 31. (1) Each member of the Cooperative shall make a mandatory admission fee, share contribution, and membership fee.

(2) The admission fee is mandatory, equal for every cooperative member, amounts to EUR 150 (one hundred and fifty euros), and shall be paid in cash at the offices of the Cooperative or by bank transfer to the Cooperative's accounts upon submission of the membership application. Payment of the admission fee is an element of the factual composition of the procedure for admitting a new member by the Management Board of the Cooperative. In the event of refusal to admit the new member, the admission fee paid shall be refunded to the applicant for membership after expiry of the period under Art. 8, para. 3 of the Articles of Association. In the event of expulsion/withdrawal of a cooperative member, the admission fee shall not be refunded.

(3) The share contribution is mandatory and variable in amount. It determines the cooperative member's share participation in the capital of the Cooperative and, respectively, their participation in the distribution of capital, dividends, any increase in their share contribution by decision of the General Assembly, their right to a liquidation share, etc. The minimum share contribution is EUR 500 (five hundred euros). The amount of the share contribution must always be a multiple of EUR 50 (fifty euros) if it is contributed or increased after June 28, 2026. There is no maximum limit on the amount of the share contribution.

(3a) An initial payment or increase of the share contribution may be made by a cooperative member at any time in accordance with Art. 8, by submitting a membership application or, respectively, an application for an increase of the share contribution, accompanied by a payment document (cash receipt order or bank transfer document). Payment of the initial share contribution or, respectively, the additional payment for the increase of the share contribution is an element of the factual composition of the procedure for admitting a new member by the Management Board of the Cooperative or, respectively, for increasing the share contribution. Where the share contribution is non-monetary, it shall be valued by three experts appointed by the Management Board of the Cooperative. The application shall be considered by the Management Board of the Cooperative in accordance with the procedure and within the time limits under Art. 8. In the event of refusal to admit the new member, or refusal to increase the share contribution of a member, the share contribution paid shall be refunded to the applicant for membership after expiry of the period under Art. 8, para. 3 of the Articles of Association in the case of refusal to admit the new member, or within fourteen days of the Management Board's refusal to increase the share contribution of an existing member. The total amount of the share contributions forms the share capital of the Cooperative.

(3b) Share contributions may be reduced at any time upon a written application by the cooperative member to the Management Board, subject to a notice period as

follows:

1. where an application is made to reduce the share contribution by up to and including 10 (ten) %, in total for one financial year, the reduction shall be effected by decision of the Management Board after the expiry of 14 (fourteen) days from submission of the application;

2. where an application is made to reduce the share contribution by up to and including 20 (twenty) %, in total for one financial year, the reduction shall be effected by decision of the Management Board after the expiry of 30 (thirty) days from submission of the application;

3. where an application is made to reduce the share contribution by up to and including 30 (thirty)% in total for one financial year, the reduction shall be effected by decision of the Management Board after the expiry of 90 (ninety) days from submission of the application;

4. where an application is made to reduce the share contribution by up to and including 50 (fifty) %, in total for one financial year, the reduction shall be effected by decision of the Management Board after the expiry of 180 (one hundred and eighty) days from submission of the application;

(3c) A reduction of the share contribution by more than 50% (fifty percent), in total for one financial year, as well as a reduction below the minimum amount of the share contribution under Art. 31, para. 3, shall not be permitted. An application with such content submitted to the Management Board shall constitute grounds for refusal of the request to reduce the share contribution.

The amount corresponding to the reduction of the share contribution shall be paid to the cooperative member in cash or to a bank account specified by them.

(4) By decision of the General Assembly, members of the Cooperative may make additional and designated-purpose contributions that do not affect their share contributions. The decision shall determine the purpose and procedure for making such contributions, as well as the period for their repayment.

(5) The membership fees of cooperative members are mandatory, annual, and are determined as a percentage of the cooperative member's share contribution. The membership fee amounts to 2 (two) percent of the cooperative member's share contribution for the respective financial year. The initial annual membership fee, or the additional membership fee payable in connection with a requested increase of the share contribution, shall be paid by the cooperative members upon submission of the membership application or, respectively, the application for an increase of the share contribution. The membership fee is non-refundable.

(5a) The membership fee shall be paid by applicants for membership in the Cooperative, or respectively by members wishing to increase their share contribution, in cash at the offices of the Cooperative or by bank transfer to the Cooperative's accounts upon submission of the membership application or, respectively, the application for an increase of the share contribution. Payment of the membership fee is an element of the factual composition of the procedure for admitting a new member or, respectively, increasing the share contribution, by the Management Board of the Cooperative.

(5b) In the event of refusal to admit the new member, or refusal to increase the share contribution of a member, the membership fee paid or the overpaid portion of the membership fee shall be refunded to the applicant for membership after expiry of the period under Art. 8, para. 3 of the Articles of Association in the case of refusal to admit the new member, or within fourteen days of the Management Board's refusal

to increase the share contribution of an existing member.

(5c) In the event of expulsion of a cooperative member, membership fees shall not be refunded.

(5d) Members of the Cooperative shall pay their annual membership fees for the following financial year by 30 December of the current year. Failure to pay the membership fee within the prescribed period shall constitute grounds for expulsion of a cooperative member by decision of the General Assembly. The membership fee may be offset against profit and, in the absence of profit, against the share contribution of the respective cooperative member.

(6) A member of the Cooperative shall choose how to use their land by:

1. leasing or renting it to the Cooperative or to other individuals or legal entities;
2. cultivating it independently and using production services provided by the Cooperative or other associations and individuals;
3. providing it to the Cooperative for joint cultivation under a written agreement subject to notarization and registration.

(7) A cooperative member's share contribution shall not be subject to attachment or enforcement for their obligations.

(8) Members of the Cooperative may provide funds to it in the form of loans, which shall not affect their share contributions.

(9) The interest rates on loans under para. 8 shall be determined by the General Assembly of the Cooperative.

(10) The Cooperative may provide funds to its members in the form of loans. The interest rates on loans under this paragraph shall be determined by the General Assembly of the Cooperative.

PROPERTY LIABILITY OF THE COOPERATIVE

Art. 32. (1) The Cooperative shall be liable for its obligations with its property.

(2) The members of the Cooperative shall be liable for its obligations up to the amount of their share contributions.

DISTRIBUTION OF PROFIT AND LOSSES

Art. 33. (1) The accounting activities of the Cooperative shall be carried out in accordance with the Accountancy Act.

(2) The General Assembly of the Cooperative, upon a proposal by the Management Board, shall distribute the profit and losses and determine the types of monetary funds and the amounts of allocations to them, as well as the procedure and manner for their accumulation and expenditure.

(3) The amount of the profit shall be reduced by the amount of allocations to the funds of the Cooperative. The remainder of the profit shall be distributed by decision of the General Assembly, upon a proposal by the Management Board, as dividends to the members and for other purposes related to the activities of the Cooperative.

FUNDS OF THE COOPERATIVE

Art. 34. (1) The Cooperative shall mandatorily establish a "Reserve" Fund and an "Investment" Fund. It may also establish other funds by decision of the General Assembly.

(2) The amount of the "Reserve" Fund may not be less than 20 percent of the

share capital. The specific amount, the manner of its formation, and the amount of annual allocations to it shall be determined by the General Assembly.

(3) Where the Cooperative ends the calendar year with a loss, the loss shall, by decision of the General Assembly of the Cooperative, be covered with funds from the "Reserve" Fund or carried forward for settlement in subsequent years.

Art. 35. The amount of the "Investment" Fund may not be less than 10 percent of the share capital. The specific amount, the manner of its formation, and the amount of annual allocations to it shall be determined by the General Assembly.

MUTUAL ASSISTANCE FUND

Art. 36. (1) By decision of the General Assembly, a mutual assistance fund may be established for the members of the Cooperative.

(2) The organization and activities of the mutual assistance fund shall be governed by rules adopted by the General Assembly.

(3) By decision of the General Assembly and with the authorization of the Bulgarian National Bank, under the conditions and procedure established by a special law, the Cooperative may carry out deposit-taking and lending activities.

SECTION VII REORGANIZATION, TERMINATION, LIQUIDATION

REORGANIZATION

Art. 37. (1) The terms and conditions for the merger or consolidation of cooperatives shall be agreed upon by their Management Boards and approved by their General Assemblies.

(2) The division of the Cooperative, as well as the separation of part of it into a new cooperative, shall be decided by the General Assembly.

MEMBERSHIP BY OPERATION OF LAW

Art. 38. The members of cooperatives that have merged or consolidated shall become members of the new cooperative, while the members of a cooperative that has been divided or from which a new cooperative has been separated shall become members of one of the newly established cooperatives.

LIABILITY IN THE EVENT OF REORGANIZATION AND PROTECTION OF CREDITORS

Art. 39. (1) In the event of division, the newly established cooperatives shall be jointly and severally liable for the obligations of the terminated cooperative.

(2) In the event of separation, the newly established cooperative shall be jointly and severally liable for the obligations of the cooperative from which it was separated that arose prior to the separation.

(3) Within one month of its adoption, the decision on merger or consolidation shall be communicated in writing by the Management Board of the newly established cooperative to the creditors of the merging or consolidating cooperatives. Within six months of receiving the notification, the creditors of the Cooperative may demand performance or security in accordance with their rights. The property of the terminated cooperatives shall be managed separately until the expiry of nine months

from the adoption of the decision on merger or consolidation.

(4) The Management Board of the successor cooperative shall bear full property liability toward the creditors under para. 3 where they have not been notified or the property of the terminated cooperative is not managed separately.

TERMINATION OF THE COOPERATIVE

Art. 40. (1) The Cooperative shall be terminated:

1. by decision of the General Assembly;
2. by decision of the District Court at the request of the public prosecutor or at the request of the cooperative union of which the Cooperative is a member, where:
 - a) it pursues objectives prohibited by law or carries out activities prohibited by law;
 - b) the number of its members has fallen below the statutory minimum and its membership has not been restored to the required number within six months;
3. upon expiry of the term for which it was established;
4. upon merger or consolidation with another cooperative;
5. when it is declared insolvent;
6. upon division.

(2) A Cooperative terminated under para. 1, items 1, 2, and 3 shall be placed into liquidation.

LIQUIDATORS

Art. 41. (1) Upon termination of the Cooperative's activities, the General Assembly shall appoint one liquidator or a liquidation committee consisting of three persons and shall determine the liquidation period. Persons who are not members of the Cooperative may also be appointed as liquidators.

(2) In the cases under Art. 40, para. 1, item 2, the Registry Agency shall appoint a liquidator and determine the liquidation period and the liquidator's remuneration.

(3) The persons referred to in Art. 20, para. 1 may not be appointed as liquidators.

(4) The body that appointed the liquidators may replace them.

EFFECT OF TERMINATION AND LIQUIDATION

Art. 42. (1) The decision to terminate the Cooperative and place it into liquidation shall be entered in the Commercial Register.

(2) The termination and placement of the Cooperative into liquidation shall take effect from the moment the decision is entered in the Commercial Register.

RIGHTS AND OBLIGATIONS OF LIQUIDATORS

Art. 43. (1) The liquidators shall have the rights and obligations of a Management Board. The Cooperative shall be represented by the liquidator or, where a liquidation committee has been appointed, by a member thereof designated by the General Assembly or the court.

(2) The liquidators shall complete the ongoing activities of the Cooperative, convert its property into cash, collect its receivables, and discharge its obligations.

(3) The liquidators may terminate contracts concluded by the Cooperative prior to its placement into liquidation by paying compensation for damages. Such

compensation shall be paid together with the satisfaction of the remaining creditors.

(4) The liquidators shall notify the relevant territorial directorate of the National Revenue Agency of the commencement of liquidation within seven days of the date of termination of the Cooperative.

SUBMISSION OF CLAIMS

Art. 44. (1) The creditors of a Cooperative placed into liquidation shall submit their claims, regardless of their origin, security, or maturity, to the liquidators within two months from the date on which the decision under Art. 42, para. 1 is entered in the Commercial Register.

(2) The liquidators shall invite creditors whose addresses are known, by registered letter with acknowledgment of receipt, to submit their claims.

(3) The liquidators shall notify creditors of disputed claims in accordance with the procedure under para. 2. If such creditors bring an action within one month of receiving the invitation, the liquidators shall record the claims in the liquidation balance sheet as disputed.

REPAYMENT OF CONTRIBUTIONS

Art. 45. (1) The claims of cooperative members arising from contributions made under Art. 31, paras. 4 and 8 shall rank equally with the claims of third parties and shall be paid proportionately.

(2) The property remaining after satisfaction of the creditors shall be distributed among the cooperative members.

DISTRIBUTION OF ASSETS

Art. 46. Upon termination of the Cooperative through liquidation, the remaining assets shall be distributed among the members of the Cooperative in proportion to their share contributions, unless otherwise provided in the Articles of Association.

Matters not regulated by these Articles of Association shall be governed by the Cooperatives Act and other applicable Bulgarian legislation.

These Bylaws were amended at a general meeting of COOPERATIVE 'ZASHTITNICITE', held in Neofit Rilski Village, Vetrino Municipality, Varna District on June 28, 2026.