

Annex No. 1 to Resolution No., made with Record No. of of Plovdiv Municipal Council, amending and supplementing a Memorandum of Association, adopted with Resolution No. 262, made with Record No. 17 of 14 July 2011 of Plovdiv Municipal Council, modified and amended with Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No. 143, made with Record No. 7 of 12 April 2012, Resolution No. 323 /p/, made with Record No. 14 of 2 August 2012 and Resolution No. 11, made with Record No. 1 of 28 January 2016 of Plovdiv Municipal Council.

MEMORANDUM OF ASSOCIATION

OF PLOVDIV 2019 MUNICIPAL FOUNDATION

On this,2016, in the city of Plovdiv, on the grounds of Article 21, paragraph 1, item 23, in connection with item 14 of the Local Self-government and Local Administration Act, a resolution was made for the modification and amendment of the Memorandum of Association of Plovdiv 2019 Foundation, adopted with Resolution No. 262, Record No. 17 of 14 July 2011 of Plovdiv Municipal Council, modified and amended with Resolution No. 37, made with Record No. 1 of 19 January 2012 of Plovdiv Municipal Council, Resolution No. 143, made with Record No. 7 of 12 April 2012 of Plovdiv Municipal Council, Resolution No. 323 /p/, made with Record No. 14 of 2 August 2012, Resolution No. 11, made with Record No. 1 of 28 January 2016 of Plovdiv Municipal Council.

I. GENERAL PROVISIONS

Status

Article 1. /1/ The Foundation is a legal entity, incorporated in compliance of the provisions of the Non-profit Legal Entities Act, this Memorandum of Association and the Resolution of the founder.

/2/ The founder of the Foundation is the Municipality of Plovdiv, acting and expressing its will by virtue of the law through Plovdiv Municipal Council.

Name

Article 2. /1/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No. 143, made with Record No. 7 of 12 April 2012). The name of the Foundation is **PLOVDIV 2019 MUNICIPAL FOUNDATION (ОБЩИНСКА ФОНДАЦИЯ ПЛОВДИВ 2019)**. The name of the Foundation, along with reference to its seat, address, court of registration of the Foundation, court registration number and BULSTAT, must be specified in the correspondence documents of the Foundation.

/2/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No. 143, made with Record No. 7 of 12 April 2012). The name of the Foundation may also be spelt in English as follows: **PLOVDIV 2019 MUNICIPAL FOUNDATION**.

Seat and registered office

Article 3. (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012) The seat and registered office of the Foundation are in the city of Plovdiv, 4000, Central Residential Area, Municipality of Plovdiv, 6 Arch. Hristo Peev Street.

Time term

Article 4. The Foundation shall not be limited by time term or any other termination condition.

Scope of activity

Article 5. (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No. 143, made with Record No. 7 of 12 April 2012, Resolution No., made with Record No. of2016). **PLOVDIV 2019 MUNICIPAL FOUNDATION** is an organization which shall perform activities to the public benefit, directed towards the implementation of the European Capital of Culture 2019 project, supporting the sustainable development of the city of Plovdiv, promoting the development of cultural tourism and integration among culture, tourism, education, science and business, putting into practice a long-term strategy for a comprehensive cultural policy of the city of Plovdiv, improving and encouraging international exchange and collaboration in the field of culture, enhancing the capacity in the cultural sector and improving the access of citizens to culture, increasing citizens' participation in local self-government and dialogue on strategic priorities for the development of the city of Plovdiv.

II. OBJECTIVES AND MEANS OF THEIR ACCOMPLISHMENT

Principal objectives of the Foundation

Article 6. The principal objectives of the Foundation are:

- /1/ (Modified - Resolution No., made with Record No. of2016) Implementation of the European Capital of Culture 2019 project;
- /2/ (Modified - Resolution No., made with Record No. of2016) Development of culture in the city of Plovdiv and in the country. Development of audiences and modern artistic forms. Promotion of Bulgarian cultural content outside the country, supporting joint projects and co-productions between Bulgarian and foreign cultural operators. Attracting quality international content in all aspects of cultural life.
- /3/ (Modified - Resolution No., made with Record No. of2016) Development of the city of Plovdiv as a tourist destination.
- /4/ (Modified - Resolution No., made with Record No. of2016) Encouraging education and training in the field of culture, cultural management and tourism for improving the cultural sector capacity;
- /5/ (Modified - Resolution No., made with Record No. of2016) Expanding the role of creative work and innovations in sustainable urban development; Mediation in developing urban environment and urban spaces;
- /6/ (Modified - Resolution No., made with Record No. of2016) Increasing citizens' participation in local self-government and stimulating public commitment in the dialogue on strategic priorities for the development of the city of Plovdiv and the region, and in their putting into practice;
- /7/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) Encouraging the creation of diverse cultural content in the field of arts and dialogue among cultures through initiating, organising and participating in significant international events and initiatives and exchange of cultural content;
- /8/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) Provision of assistance for the creation of conditions for improving artist status through establishing conditions for creative mobility and their successful implementation;
- /9/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) Encouraging integration among culture, tourism, education, science and business;
- /10/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) Organising and conducting, in partnership

with the Municipality of Plovdiv, public campaigns in Bulgaria and abroad, aimed at more efficient exchange and transfer of good practices for sustainable regional development and sustainable tourism; attracting support among European institutions and countries, among cultural institutes and renowned artists from all over the world in protection of the interest and ideas of the city of Plovdiv and Bulgaria.

/11/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) Protecting and promoting European democratic values; stimulating civil participation in cultural and public processes.

/12/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) Creating new opportunities for development of cultural and artistic industries, tourism and entrepreneurship.

Means for accomplishing the objectives of the Foundation

Article 7. The means through which the Foundation will accomplish its objectives are:

/1/ (Modified - Resolution No., made with Record No. of2016) Planning and elaborating an artistic programme of the city of Plovdiv for the European Capital of Culture 2019 project, organising and coordinating the implementation of the projects of the programme;

/2/ (Modified - Resolution No., made with Record No. of2016) Organising and coordinating the monitoring of cultural events in the city, of the European Capital of Culture 2019 project, and of the public and economic effect thereof;

/3/ (Modified - Resolution No., made with Record No. of2016) Collaboration with educational institutions in Bulgaria and abroad, aimed at improving capacity;

/4/ Collaboration with other organisations with similar objectives in Bulgaria and abroad;

/5/ (Modified - Resolution No., made with Record No. of2016) / Organising cultural events, marketing and advertising campaigns;

/6/ Printed material publishing and distribution of electronic publications;

/7/ (Modified - Resolution No., made with Record No. of2016) preparation of projects and all necessary documents related to the implementation of the European Capital of Culture 2019 project;

/8/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No. 143, made with Record No. 7 of 12 April 2012, Resolution No., made with Record No. of2016) Attracting partners and expert assessment of projects related to the preparation of the city of Plovdiv for a European Capital of Culture;

/9/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) Initiating and organising various forms of training and qualification (seminars, qualification courses, workshops);

/10/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) Organising and coordinating cultural and educational and scientific events;

/11/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) Initiating, designing, developing and participating, in partnership with the Municipality of Plovdiv, in the implementation of the advertising and marketing strategy of the city of Plovdiv and the region for its promotion as a tourist centre and European Capital of Culture.

/12/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) Initiating and supporting the raising of funds under programmes, and from partners, sponsors, etc.;

/13/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) Participation in the initiating and development of legislative initiatives, preparation of strategic norms at a national and regional level; participation in the process of strategic planning of the long-term development of the city of Plovdiv through registration of data, analysis of tendencies in the development of creative and cultural industries; organising public consultations and discussions on strategic priorities;

/14/ (Repealed - Resolution No., made with Record No. of2016)

/15/ (Repealed - Resolution No., made with Record No. of2016)

Scope of additional economic activity

Article 8. /1/ The Foundation may perform additional economic activity related to the objectives specified in this Memorandum of Association, and the income from such activity shall only be used for the accomplishment of these objectives.

/2/ (Modified – Resolution No. 143, made with Record No. 7 of 12 April 2012, Resolution No., made with Record No. of2016) The Scope of additional economic activity referred to in the previous paragraph shall include: Organising and conducting paid forums, programmes, courses, symposia, seminars, lectures, discussions and other forms of training; organising and conducting cultural events and activities; advertising activity; elaboration, distribution and publication of materials related to the objectives of the Foundation; manufacturing and sale of

various kinds of advertising materials and souvenirs, promoting the activity of the Foundation, the European Capital of Culture project and the city of Plovdiv as a cultural and tourist destination.

/3/ The Foundation shall not make any distribution of profit.

III. PROPERTY OF THE FOUNDATION

Article 9. For the accomplishment of its objectives, the Foundation uses property which is acquired from:

/1/ initial donation in the size of 100 000 BGN, made by the Founder;

/2/ (Modified - Resolution No., made with Record No. of2016) Donations from the Founder, Bulgarian and foreign natural persons and legal entities, supporting the objectives and the activity of the Foundation;

/3/ Wills of Bulgarian and foreign citizens to the benefit of the Foundation;

/4/ Income from additional economic activity associated with the objectives of the Foundation, formulated in this Memorandum of Association.

/5/ (New - Resolution No., made with Record No. of2016) Funds from the state budget and/or the budget of the Municipality of Plovdiv .

IV. AUTHORITIES AND MANAGEMENT

Article 10. The management authorities of the Foundation are:

/1/ The Founder.

/2/ The Board of Directors (BD).

/3/ The Chairperson of the Board of Directors.

/4/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012) The Executive Director.

Article 11. The Founder:

/1/ amends and supplements the Memorandum of Association;

/2/ (Repealed - Resolution No., made with Record No. of2016)

/3/ elects and dismisses the members of the Board of Directors;

/4/ (Modified - Resolution No. 11, made with Record No. 1 of 28 January 2016) elects and dismisses the Chairperson and Vice-Chairperson of the Board of Directors;

/5/ defines a licenced chartered accountant to certify the annual financial statement of the Foundation each year within the time term stipulated by the law;

/6/ makes resolutions for the transformation or termination of the Foundation;

/7/ (Modified - Resolution No., made with Record No. of2016) adopts the annual programme for the activity of the Foundation;

/8/ adopts the budget of the Foundation;

/9/ makes resolutions for the disposal of the immovable property of the Foundation and the free-of-charge use of the property of the Foundation;

/10/ (Modified - Resolution No., made with Record No. of2016) adopts the annual report on the operations of the Foundation and approves the annual financial statement;

/11/ repeals resolutions of other authorities of the Foundation, which contradict the law, the Memorandum of Association or other internal deeds regulating the activity of the Foundation;

/12/ makes resolutions for opening and closing of branches, for the participation of the Foundation in other non-profit organisations;

/13/ makes other resolutions as foreseen in the Memorandum of Association.

/14/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No. 143, made with Record No. 7 of 12 April 2012, Resolution No., made with Record No. of2016) participates with its representatives in the Control Council.

Article 12. The resolutions of the Founder shall be binding for the other authorities of the Foundation.

Article 12a. (New - Resolution No. 37, made with Record No. 1 of 19 January 2012, Modified - Resolution No. 143, made with Record No. 7 of 12 April 2012, Modified - Resolution No. 323, made with Record No. 14 of 2 August 2012, Resolution No., made with Record No. of2016) (1) The Founder elects a Public Council whose members are prominent public figures and renowned professionals in different areas. The Public Council is elected for a term of 5 /five/ years. Members of other authorities of the Foundation and/or employees of the Foundation may not be elected as members of the Public Council.

(2) (Modified - Resolution No. 143, made with Record No. 7 of 12 April 2012, Resolution No., made with Record No. of2016) The Public Council shall discuss the strategic priorities for the preparation of the city of Plovdiv for successful implementation of the European Capital of Culture 2019 project. The Public Council may make recommendations on the activity of the Foundation/the preparation and/or implementation of the European Capital of Culture project. These recommendations shall not be binding and they shall be submitted by the Board of Directors to the Foundation for discussion.

(3) (New - Resolution No., made with Record No. of2016) The Public Council shall elect its Chairperson among its members.

(4) (New - Resolution No., made with Record No. of2016) The activity of the Public Council shall be assisted by a Technical Secretary, appointed on orders of the Executive Director of the Foundation.

Article 13. /1/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No. 143, made with Record No. 7 of 12 April 2012, Modified - Resolution No. 323, made with Record No. 14 of 2 August 2012, Resolution No. 11, made with Record No. 1 of 28 January 2016). The Board of Directors consists of 9 members elected by the Municipal Council for a term of 5 /five/ years.

/2/ (Modified - Resolution No., made with Record No. of2016) The Board of Directors shall be convened once a month and at least once every three months by the Chairperson of the Board of Directors or upon request by 2/3 of its members.

/3/ If the Chairperson does not convene a session of the Board of Directors within one week, it can be convened by any of the interested members of the Board of Directors.

/4/ The Board of Directors may make resolutions if more than half of its members are present in the session.

/5/ Present shall also be considered any person who has a two-way telephone or other connection, ensuring the establishing of their identity and allowing their participation in the discussions and resolution making. Such member's vote shall be recorded in the minutes of the session.

/6/ Resolutions shall be made by open vote with a majority of the persons present.

/7/ The Board of Directors may also make a resolution without convening a session if the minutes of the resolution made are signed without any remarks and objections thereto by all members of the Board of Directors.

/8/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No. 143, made with Record No. 7 of 12 April 2012, Resolution No., made with Record No. of2016) A member of the Board of Directors of the Foundation is not entitled to vote on matters related to such member, this member's husband or wife, or relatives of direct line of descent (without limitations), relatives from the lateral branch of the family (to the fourth degree) or relatives by marriage (to the second degree - including); legal entities in which this member is a manager or may impose or obstruct the resolution making.

Article 14. The Board of Directors:

/1/ (Modified - Resolution No., made with Record No. of2016) Monitors and controls the execution of the resolutions of the Founder;

/2/ (Modified - Resolution No., made with Record No. of2016) Approves the draft budget and annual programme of the Foundation, prior to their submission for approval by the Founder;

/3/ (Modified - Resolution No., made with Record No. of2016) Approves the annual report on the operations of the Foundation and the annual financial statement, prior to their submission for approval by the Founder;

/4/ (Modified - Resolution No., made with Record No. of2016) Reviews, at least once in every three months, the report on the utilisation of the budget, presented by the Executive Director;

/5/ (Modified - Resolution No., made with Record No. of2016) Approbates tender procedures, related to the implementation of projects for the art programme of the Foundation for the European Capital of Culture 2019 event, and approves the results thereof;

/6/ (Modified - Resolution No., made with Record No. of2016) Approbates the job table and job descriptions of the employees of the Foundation;

/7/ Makes resolutions on all matters that by virtue of the law or according to the provisions of the Memorandum of Association are not within the legal power of another authority.

/8/ (Modified - Resolution No., made with Record No. of2016) Elects and dismisses the Executive and Art Director/s/ of the Foundation, according to the procedure established by the Board of Directors, and determines their remuneration;

/9/ (Modified - Resolution No., made with Record No. of2016) May address proposals to the Founder on matters within its competence;

/10/ (Modified - Resolution No., made with Record No. of2016) Gives guidance and directions to the Executive Director on matters related with the performance of economic activity of the Foundation, activities for attracting sponsors and volunteers, utilisation of the budget.

/11/ (Modified - Resolution No., made with Record No. of2016) Approbates the procedures under the Financial Management and Control System and the internal regulatory documents of the Foundation.

/12/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No. 143, made with Record No. 7 of 12 April 2012, Resolution No., made with Record No. of2016) Appoints an employee of the Foundation to act as temporary substitute for the Executive Director in their absence.

/13/ (Repealed - Resolution No., made with Record No. of2016)

Article 15. The members of the Board of Directors are dismissed by resolution of the Founder, at the Founder's discretion, and in the following cases:

/1/ Upon their request made in writing;

/2/ In the event of effective sentence for committed crime of general nature;

/3/ In case of lasting factual impossibility to fulfil their obligations for more than 6 months;

/4/ (Modified - Resolution No., made with Record No. of2016) When they have suspended their participation in the work of the Board of Directors, by not taking part in more than 3 (three) successive sessions, without a reasonable cause for that;

/5/ When they have caused material damages to the Foundation through their fault.

Article 16. The Chairperson of the Board of Directors:

/1/ (Modified - Resolution No., made with Record No. of2016) Controls the overall activity, in conformity with the Memorandum of Association, the resolutions of the Founder and of the Board of Directors and assumes responsibility for that;

/2/ Convenes and presides the sessions of the Board of Directors and is responsible for its work;

/3/ Represents the Foundation;

/4/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) The Chairperson of BD may dispose of the bank accounts of the Foundation, in an expedient manner, within the budget adopted, and in compliance with the provisions of this Memorandum of Association, only when no Executive Director has been appointed or the Executive Director is in a state of factual inability to perform their functions /including in case of absence due to leave, business travel or any other sound reason/.

/5/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) For the accomplishment of the objectives of the Foundation, the Chairperson of BD may conclude contracts, only when no Executive Director has been appointed or the Executive Director is in a state of factual inability to perform their functions /including in case of absence due to leave, business travel or any other sound reason/.

/6/ (Modified - Resolution No., made with Record No. of2016) Coordinates, jointly with the Executive and/or Art Director, the relations of the Foundation with other organisations and persons;

/7/ (Repealed - Resolution No., made with Record No. of2016)

Article 16a. (New - Resolution No. 11, made with Record No. 1 of 28 January 2016) In the absence of the Chairperson of BD, the Chairperson's functions may be performed by the Vice Chairperson, after explicit authorisation by the Chairperson of BM in each particular occasion.

Article 17. /1/ The Executive Director shall be appointed after a resolution of BD for the appointment of Executive Director and making a preliminary selection of candidates by BD.

/2/ The rules for making a preliminary selection of candidates for the position of Executive Director shall be determined by BD.

/3/ The Executive Director selected by BD shall be appointed by the Chairperson of BD.

Article 18. /1/ The Executive Director may be dismissed by BD at any time.

/2/ Except in the cases stipulated in the previous paragraph, the powers of the Executive Director shall be terminated: upon submission of resignation to BD, in the event of death, placement under judicial disability, effective sentence for committing a crime of general nature or any other case stipulated by the Non-Profit Legal Entities Act.

/3/ Until the appointment of an Executive Director, as well as in case of dismissal of the Executive Director, their functions shall be taken over by the Chairperson of BD or by an employee of the Foundation appointed by the Board of Directors until another Executive Director is appointed according to the rules contained in this Memorandum of Association.

Article 19. The Executive Director:

/1/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No. 143, made with Record No. 7 of 12 April 2012, Resolution No., made with Record No. of2016) Plans, organises and coordinates the overall activity of the Foundation, in compliance with the provisions of the Memorandum of Association, established priorities, directions and resolutions of the Founder and of the Board of Directors, and assumes responsibility for that. Performs the overall coordination and execution of the preparation for the implementation of the European Capital of Culture 2019 project.

/2/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No. 143, made with Record No. 7 of 12 April 2012, Resolution No., made with Record No. of2016) Performs coordination and harmonises the operations of the Foundation with the relevant state and public authorities and institutions, cultural organisations, natural persons and legal entities for the accomplishment of the objectives and tasks of the Foundation, representing the Foundation personally before the partner organisations and the public.

/3/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) Performs the administrative management of the operations of the Foundation, concludes employment contracts with workers and officers and expresses the employer's will thereto, in compliance with the job table of the Foundation, adopted by BD; prepares and proposes for approbation internal regulatory documents for the activity of the Foundation; concludes contracts with natural persons and legal entities in observance of the requirements of the Bulgarian legislation and of the provisions of this Memorandum of Association.

/4/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) The Executive Director disposes of the bank accounts of the Foundation, in an expedient manner, within the adopted budget, in compliance with the provisions of this Memorandum of Association and the internal rules of the Foundation, adopted by BD. Defines and controls the expenses of the Foundation, and expenses exceeding 5000 BGN are subject to approval in advance by the Board of Directors, unless they are associated with a tender procedure, approved in advance, pursuant to Article 14, paragraph 5 of this Memorandum of Association.

/5/ (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No., made with Record No. of2016) is in charge of the property of the Foundation and its assets, manages the property of the Foundation.

/6/ (Modified - Resolution No., made with Record No. of2016) Prepares a draft project of the Foundation and presents it to BD for approval and to the Founder for adoption.

/7/ (Modified - Resolution No., made with Record No. of2016) Prepares a report on the implementation of the annual programme of the Foundation and presents it to BD for approval and to the Founder for adoption.

/8/ (New - Resolution No., made with Record No. of2016) Presents to BD a report on the costs of the Foundation at least once in every three months.

/9/ (New - Resolution No., made with Record No. of2016) Prepares jointly with the Art Director a draft of the annual programme of the operations of the Foundation and presents it to BD for approval and to the Founder for adoption.

/10/ (Old point 7 Resolution No., made with Record No. of2016) Represents the Foundation.

Article 20. (Modified - Resolution No. 37, made with Record No. 1 of 19 January 2012) the Foundation shall be represented by the Chairperson of the Board of Directors and by the Executive Director, jointly and severally.

Article 20a. (New - Resolution No., made with Record No. of2016) /1/ The Art Director shall be appointed after a resolution of BD for the appointment of Art Director and making a preliminary selection of candidates by BD.

/2/ The rules for making a preliminary selection of candidates for the position of Art Director shall be determined by BD.

/3/ The Art Director develops, organises, coordinates and controls the overall activity on the preparation and implementation of the art programme of the European Capital of Culture 2019 project.

/4/ The Art Director is entitled to make resolutions regarding the content of the art programme.

Article 21. The Foundation shall keep books for recording the minutes of the sessions of collective authorities. The person presiding the session of the collective authority and the minutes maker shall certify and be responsible for the authenticity of the content of the minutes.

Article 23. (New – Resolution No. 37, made with Record No. 1 of 19 January 2012, Resolution No. 143, made with Record No. 7 of 12 April 2012 Modified - Resolution No. 323, made with Record No. 14 of 2 August 2012) /1/ The Founder shall elect a Control Council for the operations of the Foundation, which shall include Municipal Council members and representatives of the municipal administration. The Control Council shall be elected for a term of 3 /three/ years.

/2/ (Modified - Resolution No. 143, made with Record No. 7 of 12 April 2012). The Control Council shall consist of three members and shall convene once a year on the basis of the annual audit and the report on the operations of the Foundation.

/3/ (Modified - Resolution No. 143, made with Record No. 7 of 12 April 2012). The Control Council shall also carry out inspections on the organisation and efficiency of the operations of the Foundation at least once a year.

/4/ (New - Resolution No. 143, made with Record No. 7 of 12 April 2012). Based on the inspections performed, the Control Council shall:

1. express an opinion on the conformity of the resolutions and other acts of the authorities of the Foundation with the Statute and the resolutions and programmes of the Founder;
2. shall report any irregularities found by it in the operations of the members of the Board of Directors and of the Executive Director to the Founder, and of the members of the auxiliary authorities – to the Board of Directors.

/5/ (New - Resolution No. 143, made with Record No. 7 of 12 April 2012). The Control Council shall report to the Founder, presenting annually for approval a report and a statement on its operations during the preceding year.

V. CONCLUSIVE PROVISIONS

1. These provisions of this Memorandum of Association were adopted with Resolution No. 262, made with Record No. 17 of 14.07.2011 of the Municipal Council, city of Plovdiv, and were modified and amended with Resolution No. 37, made with Record No. 1 of 19.01. 2012 of the Municipal Council, city of Plovdiv, and Resolution No. 143, made with Record No. 7 of 12 April 2012 of the Municipal Council, city of Plovdiv, Resolution No. 323 /p/, made with Record No. 14 of 2 August 2012, Resolution No. 11, made with Record No. 1 of 28 January 2016 and Resolution No., made with Record No. of2016

2. For any matters not settled in this Memorandum of Association, and regarding the interpretation and application of its provisions, the provisions of the Non-Profit Legal Entities Act, the effective Bulgarian legislation and the local legislation of the Municipality of Plovdiv shall apply.