

STATUTES

CENTRAL-EUROPEAN SERVICE FOR CROSS- BORDER INITIATIVES

Consolidated version with amendments

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Preamble

The founding members, by exercising their rights of freedom of association set as a fundamental right by the Fundamental Law of Hungary, form an association according to the following:

I

General provisions

1. Name of the association: [Határon Átnyúló Kezdeményezések Közép-Európai Segítő Szolgálata](#)~~Central European Service for Cross-Border Initiatives~~
Abbreviated name of the association: CESCO
The English name for the association: Central-European Service for Cross-~~b~~Border Initiatives
2. Form of the association: non-profit association
3. Registered office: H-1067 Budapest, Teréz krt. 13. In order to fulfil its tasks the association ~~can may maintain and~~ operate sites of work both in and outside the country where its registered office is located.
4. The scope of the operation of the association in addition to Hungary is extended to other Member States of the European Union, as well as to non-EU countries of Central Europe.
5. Official language [of the association](#): Hungarian, English
6. The activities of the association shall be primarily financed by membership fees, funds obtained through calls for tenders as well as from the donations of natural and legal personalities.
7. The association does not ~~carry engage in directout~~ political activities; its organisation is independent of, and does not provide any financial support for, any political parties.

II

Objectives and responsibilities of the association

1. The objectives of the association are:

To assist social and economic cooperation between Hungary and the communities or territorial units populated by Hungarians outside our borders, in the interest of performing, continuously and at adequate levels, the state-level public task stemming from the responsibility felt for the destiny of Hungarians living outside ~~our~~the borders, stipulated in Article D) of the „Foundation” section of the Fundamental Law of Hungary. Further, to assist the performance of state-level public tasks resulting from Hungary’s contribution to create European unity and from Hungary’s European Union membership status and institutional relations, both referred to in Article E) of the „Foundation” section of the Fundamental Law of Hungary.

Within these, in particular:

- Providing professional support for cross-border cooperation through, preparing and compiling specialist supporting material, legal consultation and advice, organisation development, strategic planning and consultation, training, organising conferences, project development and management, liaising with foreign project partners, transfer of know-how, promoting exchange of experiences, easing and eliminating obstacles for cross-border cooperation, carrying out basic and applied research necessary for this;
- Participating in the preparation and implementation of European-level projects, in cooperation with other organisations involved in cross-border activities;
- Strengthening the professional connections between the various organisations and institutions involved in cross-border cooperation established in the Central-European region, promoting further development of the networking;
- Developing sustainable and institutional collaboration with professional organisations involved in the same field within the EU, as well as with EU institutions;
- Ensuring Hungary’s ~~the~~ successful participation ~~of Hungary~~ in the European Union, furthermore supporting the recognition and preserving the prestige of expert activities associated with calls for tenders and contributions.

III

Provisions associated with membership status

1. Members of the association:

a/ membership in the association is open for any person who is 18 years of age or over, is a Hungarian or a foreign natural person, Hungarian or foreign legal personality or economic organisation without legal personality, official body, national professional institute or public body, ~~–~~participating or involved in cross-border projects and development, as well as agrees to be bound by the provisions of the statutes and

undertakes to cooperate in the interest of achieving the objectives of the association as well as to pay the membership fees.

~~Bb/~~ for membership the recommendation of at least 3 members is required. The person applying for membership shall submit a declaration of entry to the Board of the Association. Membership, proposed by the Board, shall be established based on the decision of the General Assembly. If appropriate, the involvement of the Board of the membership admission process can be omitted.

2. Rights and responsibilities of members:

2.1 Rights of members:

~~aA/~~ Participate at the decision-making process of the General Assembly. All members of the association have equal voting rights and may participate in the decision-taking of the General Assembly authorised to decide about any questions concerning the operation of the association.

~~bB/~~ Possibility to vote and being voted in the frameworks of the association.

c/ Freedom of expressing an opinion or making a recommendation in regard to any questions concerning the association, initiate discussion of issues within the scope of the objectives and responsibilities of the association.

~~dD/~~ Accept various benefits provided by the association.

(Membership rights on behalf of legal persons are exercised by their appointed representatives authorised by them to exercise those rights. The membership rights on behalf of both legal persons and natural persons can be exercised through other representatives as well).

2.2. Obligations of members:

~~aA/~~ Comply with the Statutes, participation in the activities of the organisation and, in case of being elected to office, fulfilling the tasks to the best of their abilities.

b/ Implement the decisions of the governing bodies of the association.

c/ Regular payment of the undertaken membership fees. The membership fee, the amount of which is set by the resolution of the General Assembly, shall be paid annually in advance in a lump sum, not later than 31st March of the year for which the membership fee is due. Newly joining members shall pay their membership fee calculated pro rata for the remainder of the year of admission, within 15 days of admission.

d/ Carry out their activities in accordance with the objectives and the activities of, and the legal regulations relevant to, the association and act in a way that promotes the overall acceptance of the association.

(Membership obligations on behalf of legal persons are fulfilled by their appointed representatives.)

The rules referring to the rights and obligations of ordinary members do not apply to members with special rights (supporting member, honorary member.)

3. As Supporting member of the association can be a person who is elected by the Board upon the recommendation of the Chairman, based on a considerable financial assistance to the association. Supporting members ~~are not subject to the rules applicable to regular members of the Association; however, they~~ may take part in the meetings of the General Assembly in an advisory capacity and compliance with the Statutes shall be still binding in their case, too.

4. Honorary members are elected by the Board of the association, upon the recommendation of the Chairman, based on their high-level activities consistent with the objectives of the association. Honorary members ~~are not subject to the rules concerning the regular members of the association; however they~~ may take part in the meetings of the General Assembly in an advisory capacity and compliance with the statutes shall be still binding in their case, too.
5. The legal status of membership terminates in the following cases:
 - 5.1. a/ upon resignation;
b/ upon termination of membership by the association;
c/ upon exclusion;
d/ upon the death of a member or termination of activities without legal successor;
e/ upon the termination of membership as legal personality without legal successor.
 - 5.2. A member can notify their intention of resignation to the Chairman at any time, without the obligation to explain or justify ~~his~~their resignation; this intention, however, shall be submitted to the Chairman in writing, along with the relevant authorisation of the exiting legal person's supreme body. The Chairman will immediately act upon the matters concerning the financial settlement associated with the resigning member, as well as the resigning member's exit, and will inform other members about the resignation and its circumstances at the next General Assembly ~~due~~. Membership rights of members communicating their intention of resignation will be ceased immediately upon receipt of the declaration by the Chairman on condition that all outstanding payments be settled by the day of the General Assembly's notification on the exit.
 - 5.3. In case a member does not fulfil the membership requirements according to the Statutes, the association may terminate the membership in writing within thirty days, which must be communicated to the ~~member concerned, informed~~ in writing; in a verifiable manner ~~objectively justified way, within a thirty day deadline~~. ~~There is no legal possibility to appeal against this resolution.~~
 - 5.4. Members who regularly or permanently do not fulfil their obligations and seriously hinder the operation of the association or achieving its objectives, as well as otherwise showing a behaviour based on which they are not worthy of membership, shall be excluded from the membership of the association.
 - 5.5. A member shall cease to be a member of the association under the exclusion decision of the General Assembly, if the member repeatedly and seriously violates the provisions of any law, infringes the provisions of the Statutes or the resolutions of the General Assembly.
 - the exclusion procedure shall be initiated with the Board by any member or by a body of the association within 15 days of their first becoming aware of the cause providing a basis for it
 - the member concerned shall be informed of the meeting held by the Board in respect of the exclusion in a way that the notification is delivered to the member concerned at least 15 days prior to the meeting
 - the member concerned shall present their defence verbally at the meeting of the Board held in respect of the exclusion or in writing not later than the date of the Board meeting, and is allowed to request the omission of a personal hearing

- the Board, following the personal hearing or receiving the written defence and conducting the investigation, shall deliver an opinion on the exclusion and the Chairman shall arrange a meeting for the General Assembly in accordance with the Statutes, as well as ensuring the submission of the exclusion proposal to the General Assembly
- the member concerned shall be informed of the decision taken in respect of the exclusion in writing in an objectively ~~justified-verifiable~~ way, within fifteen (15) days of taking this decision. The letter will contain all facts, evidence, line of justification relating to the exclusion and the possibilities of legal remedy
- the member concerned may submit an appeal against the decision to the competent court in writing within 30 days of notification of the decision
- the membership of the member concerned shall terminate on the day when the decision enters into force, or in case an appeal is ~~lodged~~submitted, and the court confirms the exclusion decision made by the General Assembly on the day the decision is taken by the General Assembly.

5.6 ~~The association keeps a register about the list of the members which is considered to be an appendix to these Statutes. In case of cancellation of the membership, data of the member are deleted from the register and the General Assembly must be informed about it. In the case of termination of membership, the member is deleted from the register and the General Assembly is informed by the Chairman regarding the deletion.~~

IV

Bodies of the association, its organisational unit and outside organisation

1. General Assembly

- 1.1. The highest decision-taking authority of the association is the General Assembly, which is made up of the members. The General Assembly is convened, headed and closed by the Chairman. In his absence the relevant regulations of Point 2.5 prevail.
- 1.2 Convening and quorum of the General Assembly
 - a/ The General Assembly, disregarding mandatory convocations, shall meet as required, but at least once a year.
 - b/ Convocation of the General Assembly to take necessary measures is mandatory if
 - ba/ the association's assets do not cover due outstanding debts;
 - bb/ the association will most likely not be able to settle outstanding debts as they fall due; or
 - bc/ reaching the association's goals is endangered.

At the mandatory assembly, members are required to take measures against the reason of the convocation, or else decide on the discontinuance of the association.

c/ The duly convened General Assembly shall have a quorum when more than half of its members authorised to vote are present.

d/ The General Assembly is convened by the Chairman in writing or electronically at least ~~eight-fifteen~~ days prior to the meeting in an objectively ~~justified-verifiable~~ way. The invitation shall include the venue and date of the General Assembly meeting, the agenda and any written material associated with it. If the General Assembly meeting convened this way has no quorum, the General Assembly meeting shall be reconvened after a period of not less than three days and not more than fifteen days for a date within

~~fifteen days of the original date~~ (with no change to the agenda), it shall have a quorum irrespective of the number of those present, provided that the members have been informed of this in the invitation.

e/ By indicating the reason and purpose, at least half of the members are authorised at any time to initiate in writing the convening of the General Assembly to the Chairman. If the Chairman takes no action within fifteen days of receiving the motion, the members concerned are authorised for convening the General Assembly.

f/ The members and the different bodies of the association may request from the Chairman, within three days of having received the formal invitation to the meeting of the General Assembly, the completion of the agenda by supplying the reasons for completion. In case the Chairman takes no decision about the request for completion or he refuses the request for completion the General Assembly takes a separate decision, prior to approving the agenda of the General Assembly meeting, about completing the original agenda. The extended agenda shall be sent to the Members in writing or electronically in an objectively justified-verifiable way.

g/ The members of the association may exercise their rights, arising from their membership, at the meeting of the General Assembly by using electronic means of communication instead of their personal participation (hereinafter: online General Assembly), if the identification of the members with voting rights, as well as mutual and unrestricted communication between them is ensured. In this case:

ga/ detailed information about the agenda and proposals for decision, sent electronically, or available detailed information cannot be left out;

gb/ in addition to the publication of the invitation on the website of the association, the invitation must be sent to the members applying at least a document authentication service that ensures identification, while the ~~submissions~~ motions can be downloaded from the website of the association;

gc/ in the invitation, the members shall be informed about the available electronic means of communication at the online General Assembly, about the conditions and modalities of their application.

1.3 The nature of decision taking

a/ The decisions of the General Assembly, including the approval of the decision for the annual report, are taken by open voting, with simple majority, except if a qualified majority is required by the Statutes. In the event of a tie the proposed resolution is to be considered rejected. At the General Assembly, each member has one vote.

b/ The expressed information at the online General Assembly and the manner of voting through electronic voting interface, provided by the association, shall be recorded in a form which can be verified afterwards. A decision about an issue that requires a vote may be taken only if, in addition to the identification of the voting member, the purity of the vote and, if necessary, a secret ballot can be ensured by using the electronic means of communication. In this case, the election of tellers is not necessary, the Chairman is responsible for the procedure.

1.4 The General Assembly has exclusive competence for:

- Decisions in respect of the formation, termination, transformation of the association, grouping or merger with, or separation from other associations, or breaking down the association into several other organisations;
- Approval of and amendments to the Statutes;
- Approval of the annual report on budgetary and financial management, within this the report about the properties and possessions of the association prepared by the Board and, further more, the approval of the public utility report of the association;

- Approval of the annual report on the activities of the Board;
- Open-ballot election of the leading officers of the association including the Chairman, Vice-Chairmen and the ordinary members of the Board and decision on their remuneration. In other personal questions, with the exception of the election of leading officials, voting is by secret ballot in which case the General Assembly appoints two ad-hoc main tellers out of its members with a right to vote.
- Withdrawal of leading officials, acceptance of their resignation;
- Decision making in all matters which are referred to the exclusive competence of the General Assembly by the Statutes;
- Decision on the admission, exclusion of members and the rate of membership fees
- Approval of contracts made by the association with its own members, leading officials, members of the Supervisory Board or their relatives;
- Decisions on indemnity charges against present and former members of the association, leading officials and members of the Supervisory Board or other bodies of the association;
- Election and recall of the members of the Supervisory Board, decisions on their remuneration;
- Election, recall and decision on the remuneration of the auditor selected;
- Selection of liquidator;
- Decisions in all other matters referred to the exclusive competence of the General Assembly by legal regulations in force in general and by the Statutes of the association in particular.

A resolution based upon the verbal majority of three-quarters of the members present is required for the amendment of the Statutes of the association, for the election of officials and for withdrawing the Chairman, Vice-Chairmen from ~~his~~-their position.

A resolution based on the verbal majority of three-quarters of the members with voting rights is required for modifying the basic aims of the association and for terminating the activities of the association.

- 1.5 The sessions of the General Assembly are public. The participants of the General Assembly sessions are the members of the association, the management, those invited by the competent person or body authorised to convene the meeting, and those with advisory rights based on the resolution of the General Assembly. Ordering a closed session is only possible for reasons of damages to personal rights or data protection or other legitimate reasons (e.g. economic interests of the association). Minutes shall be taken at the General Assembly recording the decision taking.

The following persons are not allowed to vote for adopting a resolution:

- a) who are exempted from their obligation or liability, or are placed in a privileged or advantageous situation at the expense of the legal person, by the resolution in question;
- b) with whom a contract is to be made as set out by the resolution;
- c) who is to be sued as set out by the resolution;
- d) whose relative, not being member or founder of the legal person, holds an interest in the outcome of the resolution;
- e) who is in relationship based upon majority influence with another organisation holding an interest in the resolution in question; and, finally,
- f) who holds any other forms of personal interest in taking this resolution.

Non-cash services, within the framework of the targeted benefits of the public benefit organisation, available to all with no special conditions attached, as well as any targeted benefit provided by the association to its members, on the grounds of membership, in compliance with the constituent instrument, shall not be regarded as an advantage.

- 1.6 Those concerned shall be informed in writing of the decisions of the General Assembly and the Board within 15 days of taking the decision in an objectively justified-verifiable way.
- 1.7 The decisions of the General Assembly and the Board and the Statutes are published ~~by displaying them on the notice board of the registered office as well as~~ on the website of the association. The annual report, as well as the public benefit report shall be and deposited and published by sending them to the body which is designated for this purpose by law.
- 1.8 The association ensures the possibility for any persons, in addition to authorised third parties, to inspect its public documents, with the exception of sections associated with personal rights and confidentiality obligations specified in other legislation, provided that they indicated their intention to do so and specified the selected documents they intend to inspect in advance in writing in a letter addressed to the Board. Inspection of the files is only possible by a pre-arranged appointment, on a previously indicated topic.

2. Board of the association:

- 2.1 The Board is the body managing the association.
- 2.2 The Board is made up of the Chairman, two vice chairs and, ~~in addition,~~ not less than three and not more than four-six additional full members. The term of office for the members of the Board, as leading officials of the association, is for a definite period of three years. The members of the Board are to be elected primarily from among the members of the association, however, one-third of them can be elected from among persons outside the association as well.
- 2.3 In the periods between the general assemblies, the association is managed by the Board. The Board is convened, headed and closed by the Chairman of the association.
- 2.4 The convening and quorum of the Board
 - a) The Board shall be convened as appropriate, but at least once a year.
 - b) The duly convened Board has a quorum, if more than half of its members are present. Members may also exercise their rights at the meeting by using electronic means of communication instead of attending in person, in which case the rules of the online General Assembly are applied.
 - c) The Board is convened by the Chairman in writing or electronically in an objectively justified-verifiable way, delivered at least eight days prior to the meeting. The invitation shall include the venue and date of the Board meeting, the agenda and any written material associated with it. If the Board meeting convened has no quorum, it shall be reconvened for a date within fifteen days of the original date (with no change to the agenda), and it shall have a quorum irrespective of the number of those present, provided that the members have been informed of this in the invitation.

2.5 The decisions of the Board are made by open voting and are based on simple majority of the votes. In the event of a tied vote the proposed resolution is to be considered rejected. In the absence of the Chairman, the Chairman is represented by the senior vice chair, in the absence of the senior vice chair he is represented by the second vice chair. In case of the absence of both vice chairs, the meeting will be chaired by the person elected by the members present, from amongst each other by verbal majority vote.

2.6 The responsibilities and authority of the Board are as follows:

- Manages the administration of the association;
- Prepares reports and the annual budget and submits them to the General Assembly;
- Makes the preparations for forming various bodies of the association and for the selection and election procedure of officials;
- Convenes the General Assembly and decides upon its agenda;
- Ensures the implementation of the decisions of the General Assembly;
- Acts in membership matters, administers member registration, notifies membership and different bodies of the association of the relevant developments;
- Ensures to keep records about resolutions, official documents and other books of the association;
- Facilitates the preservation and inspection of files and documents associated with the operation of the association at a previously agreed appointment and topic;
- Its members participate at meetings of the General Assembly and give account, in a previously arranged manner, about the activities, economic and financial situation of the association and reply to questions raised by members and officials present at the General Assembly sessions;
- ~~Arranges for the publication of the operations, ways for accessing the services and reports of the association at six monthly intervals, carried out by displaying them on the notice board at the registered office as well as on the website of the association;~~
- Examines continuously any reasons concerning the possible termination of the activities of the association and in such cases convenes an extraordinary meeting of the General Assembly.

The tasks of the Board if needed are performed and carried out by its own organisational unit (work organization) set up and working within the association.

2.7 A record of the proceedings and the decisions of the General Assembly and the Board will be ~~signed~~kept by the Presiding Chairman, a member of the Board as Attestor of the Minutes and a person as the Recorder of the Minutes elected at the start of the sessions. The minutes of a General Assembly attended exclusively by online participants are prepared and signed by the Chairman. If a General Assembly is partially attended in person, the personal data of the members participating online is stated on the attendance sheet, otherwise in the Minutes. The Board's record of the decisions of the General Assembly and the Board contains~~above including~~ the content, time, impact of the decisions, the ratio of those voting for or against and, in case of an open voting, also the identity of the voters.

2.8 The Board shall ensure the publicity of the association's activities in accordance with point 1.7.~~make the Statutes public, setting out the operations of the association; the ways for accessing the services provided by the association and its reports, by displaying them on the notice board at the registered office as well as on the website of the association.~~

2.9 The leading official is an adult person whose capacity to act in the scope of activities necessary for ~~his~~-~~their~~ actions is not limited. The leading official is obliged to perform ~~his~~-~~their~~ management tasks in person.

Persons whose sentence to imprisonment for committing a crime has become final cannot be leading officials until being exempt from the unfavourable consequences of criminal record.

~~Persons banned by the law to undertake this profession cannot be leading officials of the association till the ban is in effect. Persons banned by the law to undertake this profession cannot be leading officials of the association. Those who have been banned by legally binding court judgement to undertake certain professions cannot be leading officials, during the ban being in effect, at a legal personality carrying out the activities indicated in the court judgement. Those banned from pursuing activities of leading officials cannot become such officials throughout the period of time determined in the banning resolution.~~

2.10 The following persons are not allowed to vote for adopting a resolution:

- a) who are exempted from their obligation or liability, or are placed in a privileged or advantageous situation at the expense of the legal person, by the resolution in question;
- b) with whom a contract is to be made as set out by the resolution;
- c) who is to be sued as set out by the resolution;
- d) whose relative, not being member or founder of the legal person, holds an interest in the outcome of the resolution;
- e) who is in relationship based upon majority influence with another organisation holding an interest in the resolution in question; and, finally,
- f) who holds any other forms of personal interest in taking this resolution.

Non-cash services, within the framework of the targeted benefits of the public benefit organisation, available to all with no special conditions attached, as well as any targeted benefit provided by the association to its members, on the grounds of membership, in compliance with the constituent instrument, shall not be regarded as an advantage.

2.11 A person cannot become a leading official of another public benefit organisation for three years after the termination of activities of the public benefit organisation who had been leading official of a public benefit organisation (at least for one year in the two years prior to its cessation)

- a) which had ceased to exist without legal successor in a manner not having paid off its tax and custom duties registered at the state tax and customs authorities; and
- b) against which considerable tax duty obligations have been discovered by the state tax and customs authorities,
- c) in the case of which business closure measures have been applied, or fines replacing closure of business have been imposed, by the state tax and customs authorities,
- d) the tax number of which has been suspended or deleted from the tax register, according to the stipulations of the act on the order of taxes, by the state tax and customs authorities.

The leading official, or the person nominated to become a leading official, is obliged to inform all relevant public utility organisations in advance about the fact of his/her simultaneously fulfilling such position at other public utility organisations.

3. Chairman:

- 3.1 The Chairman is an official elected by the members of the General Assembly by open voting with a simple majority, for a period of three years.
- 3.2 The power-competences and responsibilities of the Chairman:
- The operational controller of the association
 - Represents the association against Hungarian and foreign parties in the manner agreed with the Secretary General and the Director
 - Represents the Association before the ~~courts and~~ authorities
 - Coordinates the operations of the various bodies of the association
 - Chairs the meetings of the Board; counts the votes cast at the meetings, except upon electing the two main tellers;
 - Exercises the legal rights of employers over the Secretary General and the Director.
- 3.3. The Chairman may transfer certain rights of representation to the Secretary General and/or the Director by an authorisation in writing to ensure efficient work. The authorisation is valid until revocation annexed to the Statutes.
- 3.3 If the Chairman is prevented from attending, the Vice-Presidents may replace him in order of seniority and may exercise full powers, excluding certain ~~power-competences~~ of representation transferred by authorisation from the Chairman to the Secretary General and the Director.
- 3.4 The Chairman may revoke the authorisation described in section 3.3 and may immediately remove the Secretary General and the Director from office without compensation if they become unfit to perform their duties, engage in conduct that compromises the objectives of the association or are otherwise incompatible with the values of the association.

4. Honorary Chairman:

- 4.1 The General Assembly elects the Honorary Chairman of the association put forward by the Chairman. The Honorary Chairman shall only be a natural person.
- 4.2 The power and responsibilities of the Honorary Chairman:
- supports the work of the Board
 - may take part in the meetings of the General Assembly and the Board in an advisory capacity
 - may participates in liaising with the Hungarian and foreign partners of the association
 - may takes part in the events organised by the association, furthermore, through his their public activity, whenever possible, promotes the achievement of the objectives of the association.

5. Secretary General:

- 5.1 The Secretary General is not an elected official; carrying out his/her responsibilities as an employee of the association. The Chairman of the association exercises employer rights over the Secretary General.
- 5.2 The ~~responsibility~~ responsibilities of the Secretary General include liaising with the Hungarian and foreign partners of the association and the strategic management of the association in accordance with the decisions of the General Assembly. The Secretary General shall carry out ~~his~~ their tasks after consulting with and, if necessary, reporting to the Chairman, as well as in consultation with the Director. ~~within the activities of the~~

~~association is performing the tasks originating from legislation in general, the Statutes, the decisions of the General Assembly and, further, from rights and obligations of labour law and the law of contract, and ensuring the appropriate operation of the association. The Secretary General exercises employer's rights regarding the employees of the association and is authorised to represent the association alone in cases corresponding to point 3.3 Article IV and point 3. Article V.~~

~~5.3 The Secretary General prepares a monthly written report of his activities, to be submitted to the Chairman by the 10th day of each month.~~

~~5.4 The Chairman may withdraw the Secretary General from his position if the Secretary General becomes unfit for carrying out his tasks, presents a behaviour that may put the aims of the association in danger, or in any other ways is incompatible with the spirit of the association.~~

~~5.53 The Secretary General, or a person appointed by him, may take part at the meetings of the Board and the General Assembly with the right to submit proposals, to consult and to make suggestions in an advisory capacity.~~

~~5.6 The Secretary General participates in liaising with the Hungarian and foreign partners of the association.~~

6. Director:

~~6.1 The Director is not an elected official and he/she carries out his/her duties as a contract employee.~~

~~6.2 The Director's task and responsibility is the daily management of the work organisation, which includes in particular the responsibility for ensuring effective professional work, the regularity of human and financial administrative management as well as they exercise employer authority over employees, and the status of employer. Additional duties and powers may be defined in an employment contract or authorisation.~~

~~6.3 The Director, or a person appointed by him, may take part at the meetings of the Board and the General Assembly with the right to submit proposals, to consult and to make suggestions.~~

~~6.4 In order to ensure the efficient work of the work organisation, more Directors may be appointed at the same time to share the relevant tasks.~~

67. Supervisory Board

~~67.1 The establishment of a Supervisory Board consisting of three members is ordered by the members or founders in the deed of foundation. Its task is, in order to safeguard the interests of the legal person, to exercise control over the management of the association and to continuously supervise its activities, its economic and financial performance and its public benefit activities. The Supervisory Board reports to the General Assembly.~~

~~67.2 The Supervisory Board is authorised to inspect the documents, accounting records, books of the legal person, to request information from its leading officials and other employees, to examine, or letting to be examined by an expert, the payment accounts, cash register, stock of securities and goods and contract documents of the legal person.~~

The Supervisory Board is obliged to examine the proposals submitted to the members or to the decision-making body set up by the founders of the association and to present its position in relation to these proposals at the session of the decision-making body.

~~67.3~~ The Supervisory Board consists of 3 members elected by the General Assembly for the period of three years by secret ballot. Membership of the Supervisory Board is established upon acceptance.~~The contractual relationship related to the membership of the Supervisory Board is established by the membership is accepted.~~

In case the annual report concerning the last business year falling within the 3-year mandate of one or more members of the Supervisory Board is not yet approved by the General Assembly the mandate of this member (or members) will expire, despite the termination of their membership in the Supervisory Board, only after the submitted report has been approved.

~~67.4~~ The Chairman of the Supervisory Board will be elected by and from among the members of the Supervisory Board by open ballot. He/she is to be invited, exercising consultation rights, to all sessions of the elected bodies of the association.

~~67.5~~ The Supervisory Board shall meet as required but at least once a year. The members shall be invited in writing or electronically ~~in an objectively~~ justified-verifiable way, also attaching the agenda of the meeting, by the Chairman of the Supervisory Board at least 8 (eight) days prior to the planned date of the meeting. At the meeting, the members may exercise their rights by using electronic means of communication instead of their personal participation which shall be governed by the rules of the online General Assembly. The elected Supervisory Board will hold its first session and will approve of its own rules of procedure within three months of its election.

~~67.6~~ The members of the Supervisory Board are obliged to take part in the activities of the Supervisory Board in person. The decisions of the Supervisory Board are taken by the verbal majority of those present at its meeting if all members are present; with two members present, decisions are taken in unanimity. The resolution of the deed of foundation ordering a lower proportion of decision-taking is considered void. In case of a tied ballot the proposed resolution is to be considered rejected.

The following persons are not allowed to vote for adopting a resolution:

- a) who are exempted from their obligation or liability, or are placed in a privileged and advantageous situation at the expense of the legal person, by the resolution in question;
- b) with whom a contract is to be made as set out by the resolution;
- c) who is to be sued as set out by the resolution;
- d) whose relative, not being member or founder of the legal person, holds an interest in the outcome of the resolution;
- e) who is in relationship based upon majority influence with another organisation holding an interest in the resolution in question; and, finally,
- f) who holds any other forms of personal interest in taking this resolution.

~~67.7~~ The Supervisory Board is obliged to inform the General Assembly in writing about its activities and its findings. The members of the Supervisory Board are independent from the management of the legal person, they are not to be instructed in their activities.

- 67.8 The Supervisory Board is obliged to inform the competent body of the association authorised to act, and initiate the convening of its meeting if it becomes aware of the following:
- a) There was a breach of law or an event seriously damaging the interests of the association (failure to act) the prevention or mitigation of the consequences of which requires the convening of the competent body of the association authorised to act.
 - b) a fact establishing the responsibility of leading officers of the association emerged.
- 67.9 A meeting of the leading body of the association authorised to act is to be called on the initiative of the body supervising it within 30 days of the initiative taken. In case this deadline is not met the Supervisory Body is also authorised to convene a meeting of the same leading body. In the absence of necessary measures by the body authorised to take such measures and in order to restore lawful operation of the association the body performing legal control is to be notified without delay by the Supervisory Board.
- 67.10 The below circumstances rule out the possibility of being elected as Chairman, member or auditor of the Supervisory Board:
- a) The person in question is not of full age or, in case this person is of full age, his/her capacity to act has been limited in relation to the scope of activities necessary to this position,
 - b) There are grounds for refusal regarding leading officials against this person and, further, his/her relative is a leading official of the legal person,
 - c) The person in question is at the same time Chairman or member of the decision-making body or the management (not including here the members of the decision-making body of the association not fulfilling any positions)
 - d) He/she is in contractual relationship with the public benefit organisation for purposes other than those resulting from his-their original position in the association, unless legal regulations provide otherwise
 - e) He/she receives benefits from the target-oriented allowances of the public benefit organisation, except for the non-financial services available for anyone without limitations and for the targeted allowances given by the association to one of its members based upon his membership and on its deed of foundation and, finally,
 - f) This person is a close relative of those referred to in any of the headings (c) – e) headings (Civil Law 8:1 § Paragraph (1) Point 1).
- 67.11 The rules applicable to the termination of the mandate concerning leading officials is to be applied to the termination of membership of the Supervisory Board as well, with the stipulation that the statement of resignation from membership in the Supervisory Board is to be issued by the member of the Supervisory Board to the leading official of the legal person.

78. Organisational unit, outside organisation

- 78.1 The day-to-day administrative activities of the association are performed by a permanent work organization, consisting of employees, and managed by the Director. The tasks, competences of the employees are involved in the Statutes of the association, in permanent authorisation and in employment contract. The organizational and operational order of the work organization may change according to the activities of the association, if necessary, it will be defined in the Statutes.

8.2 In order to achieve the aims of the organisation it can establish other organisational units (sub-institutions) within its own organisation, it is authorised to declare these legal personalities, and, further, it can establish and operate, in line with the relevant legal stipulations, organisations with or without legal personality outside its own framework or it may take part in the establishment and operation of such organisations.

87.2 The establishment, transformation, termination and the approval and modification of the necessary basic documents of the organisational units or outside organisations referred to in point 8.27.1 falls under the exclusive jurisdiction of the General Assembly.

V

Legal status and representation of the association

1. The association shall assume legal personality after registration.
2. The association shall be independently represented, ~~in line with the stipulations laid down in the Statutes, independently~~ by the Chairman, Secretary General, as well as by the Director and, ~~in cases described in Article IV point 3.3 and Article V point 3, by the Secretary General according to their competences.~~
3. ~~The Chairman, the Secretary General and the Director have the right to independently dispose with the bank account of the association, which means, in particular, the right to have independent procedural, cash withdrawal and credit card use rights. The Chairman and the Secretary General have full authority, each independently, over the bank account of the Association. This authority especially refers to rights of account handling matters, cash withdrawal and use of banking card. The Secretary General is required to send a copy of each monthly bank statement to the Chairman within 8 working days of its arrival.~~

VI

Financial resources and management of the association

1. The incomes of the association are made up in particular of:
 - a) Membership fees paid by the members;
 - b) Funds obtained through aid from calls of tender
 - c) Income originating from, and directly associated with, the continuation of public benefit activity;
 - d) Income originating from, and directly associated with, other targeted activities;
 - e) Offers and donations of private and legal personalities (a declaration of acceptance by the Chairman is required for accepting the offers);
 - f) Grants provided by the state;
 - g) Income originating from business activities;
2. The management and liability of the association:
 - a/ the association manages an annual budget;
 - b/ the association shall be liable for any of its debts by its own assets, the members' liability for the obligations of the association shall only extend to the payment of their membership fees, they shall have no further personal liability.

3. The association shall not divide its assets or the profit achieved through its management, it is not allowed either to allocate any of its profits to its members. Such profits shall be used for aims of public benefit set out in the present Statutes.
4. The association shall only carry out economic or business activities closely related to, achieving its public benefit objectives without putting these objectives in danger.
5. The association shall not issue bills of exchange or other debt securities.
6. In the case of the termination of the association, the decision on the assets shall be done in accordance with ~~the~~ point 2 of Chapter VII of the Statutes.
7. For carrying out management and administrative tasks a person may be employed by a labour contract and a contract for other work.
Auditing the accounts of the association, in case of such a decision taken by the General Assembly, is carried out by an independent auditor commissioned by the Chairman. This task shall be carried out by an auditor selected through a tendering process.
8. Business books shall be kept on the operation of the association in accordance with the specific legal requirements and they shall be closed at the end of each business year. At the end of the business year the Chairman shall draw up a balance sheet for the General Assembly about the management of the association and prepare a statement of assets based on the results of the operations.

VII

Termination of the activities of the association

1. The association terminates its activities, if:
 - a) It merges with another association or splits up to several associations;
 - b) It has realised its original aims or the realisation of its aims has become impossible to ~~realise-reach~~ and no new aims have been set;
 - c) Its dissolution is declared ~~in~~ line with the majority rule laid down in the Statutes;
 - d) Its membership does not reach ten (10) members for the duration of six months;
 - e) It is disbanded by the court or the termination of the association's activities is established by court.
2. Any assets remaining following the termination of the association shall be offered, after the claims of all creditors have been met, to other public utility organisations. In case of unsuccessful offer the court in charge of the registration of the association will decide about the remaining assets.
3. In the case of termination of activities without legal successor (with the exception of the winding up procedure) the responsibilities of leading officials are ruled by the relevant regulations of Act V of the 2013 Civil Code.

VIII

Final provisions

1. The association does not rule out the possibility that others, not only its own members, could also use and benefit from its non-profit services.
2. The present Statutes are to be interpreted by taking into account the aims of the association. Otherwise, as far as the detailed regulations of its operation are concerned ~~by the Act V of 2013 on the~~ Civil Code, Act CLXXV of 2011 on the Freedom of Association, on Public-Benefit Status, and on the Activities of and Support for Civil Society Organizations, and other, relevant regulations or provisions of Hungarian law are appropriately applicable.
3. Attachment no. 1 listing the officials of the association ~~and Attachment no. 2 containing the authorisation referred to in point 3.3 Chapter IV both~~ constitutes an integral part of the present Statutes.

The members of the association accepted the present Statutes at the General Assembly and expressed their consent to be bound by its rules.

Budapest, ~~29th May~~ November, 2021

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Dr. Tamás Tóth
Chairman

Clause

I, the undersigned legal representative, hereby certify that the consolidated version with amendments of the Statutes, which complies with the relevant amendments to the Civil Code, is compliant with existing content according to previous amendments to the Statutes.

Budapest, ~~29th May~~ November, 2021

.....
Dr. Tamás Tóth
Chairman

Witnessed by:

1. (Name)
..... (Address)
..... (Personal identification number)

Signature

2. (Name)

..... (Address)
..... (Personal identification number)

Signature