STATUTES

CENTRAL-EUROPEAN SERVICE FOR CROSS-BORDER INITIATIVES

Consolidated and amended

CENTRAL-EUROPEAN SERVICE FOR CROSS-BORDER INITIATIVES

STATUTES

- Consolidated and amended -

Preamble

The founding members, by exercising their right to the freedom of association enshrined as a fundamental right in the Fundamental Law of Hungary, form an association in accordance with the following:

I

General provisions

1. Name of the association: Határon Átnyúló Kezdeményezések Közép-Európai Segítő Szolgálata
   Abbreviated name of the association: CESCI
   The English name for the association: Central-European Service for Cross-border Initiatives

2. Form of the association: non-profit association

3. Registered office: Abbreviated name of the association: CESCI
. In order to fulfil its tasks the association may operate sites of work both in Hungary and abroad.

4. The area of 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 donations of natural persons and legal entities.

7. The association shall not engage in direct 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 its borders, in order to continuously and sufficiently perform the state-level public tasks stemming from the responsibility felt for the fate of Hungarians living beyond the borders, as per Article D) of the „Foundation" section of the Fundamental Law of Hungary. Furthermore, 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.

   More particularly:

   - to provide professional support for cross-border cooperation through preparing and compiling specialist supporting materials, 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 the exchange of expertise, easing and eliminating obstacles of cross-border cooperation, carrying out the necessary basic and applied research;

   - to participate in the preparation and implementation of European-level projects, in cooperation with other organisations involved in cross-border activities;

   - to strengthen the professional network between the various organisations and institutions involved in cross-border cooperation established in the Central-European region, promoting further networking;

   - to develop durable and institutional collaboration with professional organisations involved in the same field within the EU, as well as with EU institutions;

   - to ensure Hungary's successful participation in the European Union; furthermore, to support 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 to any Hungarian or a foreign natural person who is 18 years of age at least, or is a Hungarian or foreign legal entity or economic organisation without legal entities, official body, national professional institute or public body, participating or engaging in cross-border projects and development, and at the same time agrees to be bound by the provisions of the statutes and undertakes to cooperate in the interest of achieving the objectives of the association and to pay the membership fees.
b/ the recommendation of at least 3 members is required to become a member. The person applying for membership shall submit a declaration of entry to the Board of the Association. Membership, which shall be proposed by the Board, shall be established based on the decision of the General Assembly. Where appropriate, the involvement of the Board of the membership admission process may be omitted.

2. Rights and obligations of members:

2.1 Rights of members:
a/ To 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.
b/ The possibility to vote and to be voted for within the framework of the association.
c/ The freedom of expressing an opinion or making a recommendation in regard to any questions concerning the association, and to initiate the discussion of issues related to the objectives and responsibilities of the association.
d/ To accept various benefits provided by the association.
(Membership rights on behalf of legal entity members may be exercised by their appointed representatives. The membership rights on behalf of both legal entities and natural persons may be exercised by other representatives as well).

2.2. Obligations of members:
a/ To comply with the Statutes and to participate in the activities of the organisation and, in case of being elected to office, fulfilling the tasks to the best of their abilities.
b/ To carry out the decisions of the governing bodies of the association.
c/ The regular payment of the undertaken membership fees. The membership fee, an amount which is set by the resolution of the General Assembly, shall be paid annually in advance in a lump sum, not later than 31 March of a given year. 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/ To carry out their duties in accordance with the objectives and the activities of the association and the legal regulations relevant to such, and conduct themselves in a way that promotes the overall acceptance of the association.
(Membership obligations on behalf of legal entities shall be fulfilled by their appointed representatives.)

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

3. Supporting member of the association can be a person who is elected by the Board upon the recommendation of the President and based on a considerable financial assistance to the association. Supporting members may take part in the meetings of the General Assembly in an advisory capacity, and they shall be bound to comply with the Statutes as well.

4. Honorary members are elected by the Board of the association upon the recommendation of the President and based on their high-level activities consistent with the objectives of the association. Honorary members may take part in the meetings of the General Assembly in an advisory capacity, and they shall be bound to comply with the Statutes as well.

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 a legal successor;
e/ upon the termination of membership of the legal entity without a legal successor.

5.2 A member may notify the President of their intention to resign at any time, without the obligation to explain or justify their resignation; this intention; however, shall be submitted to the President in writing, or in the case of legal entities, along with the relevant authorisation of the resigning legal entity's supreme board. The President shall immediately ensure the arrangement of the matters concerning the financial settlement of the resigning member, as well as the resigning member's resignation, and shall inform other members of the resignation and its circumstances at the next General Assembly. Membership rights of members communicating their intention to resign shall be terminated immediately upon receipt of the declaration by the Chairman on condition that all due payments be settled by the day of the General Assembly's notification on the resignation.

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 in writing in a verifiable manner. The concerned entities may not seek redress against this resolution.

5.4 Members who regularly or permanently do not fulfil their obligations and severely hinder the operation of the association or jeopardises the achievement of its objectives, or otherwise conducts themselves in a way that is not compatible with the association, shall be excluded from the association.

5.5 Membership shall cease under the exclusion decision of the General Assembly if the member repeatedly and seriously violates the provisions of any legislation, the Statutes, or the resolutions of the General Assembly.

- the exclusion procedure may be initiated at the Board by any member or 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 Board meeting held on 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 may present their defence verbally at the Board meeting held on the exclusion or in writing not later than the date of the Board meeting, and shall be allowed to request the omission of a personal hearing;
- the Board, following the personal hearing or the receipt of the written defence and its investigation, shall form an opinion on the exclusion, and the President shall arrange a meeting for the General Assembly in accordance with the Statutes and shall ensure the submission of the exclusion proposal to the General Assembly;
- the member concerned shall be informed of the reasoned decision of exclusion in writing in an objectively verifiable way, within 15 days after the decision has been made. The letter shall contain all facts, evidence, related to the exclusion and the option to seek redress;
- the member concerned may seek redress against the decision before 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 comes into force, or in case redress is sought and the court upholds the exclusion decision made by the General Assembly, on the day when the decision is taken by the General Assembly.

5.6 The association keeps records of the list of members, which is to be considered an appendix to the present Statutes. In case of the termination of the membership, the data of the member shall be deleted from the records and the General Assembly shall be informed.

IV

Bodies, organisational unit, and outside organisation of the association

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 President. In his absence, the regulations of point 2.5 are relevant.

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 jeopardised.

At the mandatory assembly, members are required to take measures against the reason of the convocation, or else take decision 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 President in writing or electronically at least fifteen days prior to the meeting in an objectively verifiable way, together with the written materials related to the agenda, sent either along with it or separately. The invitation shall include at least the venue and date of the General Assembly meeting and , the agenda~~, and any written material associated with the agenda~~. If the General Assembly meeting convened thusly 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 (should there be no changes to the agenda), it shall have a quorum irrespective of the number of those present, provided that the members have been informed of the fact 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 President. If the President takes no action within fifteen days of the receipt of the motion, the members concerned are authorised for convening the General Assembly.

f/ The members and the different bodies of the association may request the amendment of the agenda from the President by presenting the reasons within three days of the receipt of the formal invitation to the meeting of the General Assembly. In case the President takes no decision regarding the request of the amendment or refuses the request of the amendment, the General Assembly takes a separate decision, prior to approving the agenda of the General Assembly meeting, about the amendment of the original agenda. The amended agenda shall be sent to the members in writing or electronically in an objectively 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 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 regarding the invitation and the proposed resolutions sent either together with it or separately ~~detailed information about the agenda and proposed decision sent and available electronically~~ cannot be neglected;
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 attributed to identification, while the motions can be downloaded from the website of the association;
gc/ in the invitation, the members ought to be informed about the available electronic means of communication at the online General Assembly and 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 information disclosed at the online General Assembly and the manner of voting through the 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 voting and if necessary, a secret ballot are ensured by using the electronic means of communication. In such cases, the appointment of tellers is not necessary, and the President shall be responsible for the procedure.

1.4 The General Assembly has exclusive competence for:

- Decisions regarding of the formation, termination, transformation of the association, or mergence with or separation into other associations.
- Approval of and amendments to the Statutes.
- Approval of the annual budget and financial management report, including the Board report on the financial position of the association and the approval of the public utility report of the association.
- Approval of the annual report on the activities of the Board.
- Open-ballot election and decision on the remuneration of the leading officers of the association, including the President, Vice President and the full members of the Board. In other questions regarding personnel, with the exception of the election of leading office holders, voting is done by secret ballots~~,~~ – except for the case outlined in point 1.3 b) – in which case the General Assembly appoints two ad-hoc main tellers from its members eligible to vote.
- Recalling of leading office holders, acceptance of their resignation.

- 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 office holders, members of the Supervisory Board or their relatives.
- Decisions on the enforcement of indemnity charges against current and former members of the association, leading office holders and members of the Supervisory Board or other bodies of the association.
- Election and recalling of the members of the Supervisory Board, decisions on their remuneration.
- Election, recalling and decision on the remuneration of the selected auditor.
- 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 office holders and for withdrawing the President and Vice President from their position.
A resolution based on the verbal majority of three-quarters of the members eligible to vote is required for modifying the basic aims of the association and terminating the activities of the association.

a. The meetings of the General Assembly are public. The participants of the General Assembly meetings 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 meeting is only possible for reasons of damages to personal rights or data protection or other legally legitimate reasons (e.g., the 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 the adoption of a resolution:

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

Non-cash services, within the framework of the targeted benefits of the public benefit organisation, available to any and 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 articles of association, 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 verifiable way.

1.7 The decisions of the General Assembly and the Board and the Statutes are published on the website of the association. The annual report, as well as the public benefit report shall be deposited and published by sending them to the competent body.

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 intended to inspect in advance in writing 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 President, two Vice Presidents and not less than three and not more than six additional full members. The term of office for the members of the Board, as leading office holders of the association, is for a definite period of three years. The members of the Board are to be elected primarily from the members of the association, but one-third of them may be elected from persons outside the association as well.

2.3 In the period between the General Assemblies, the association is managed by the Board. The Board is convened, headed and adjourned by the President 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 apply.

c) The Board is convened by the President in writing or electronically in an objectively verifiable way, delivered at least eight days prior to the meeting. The invitation shall include at least the venue and date of the Board meeting and~~,~~ the agenda~~ and any written material associated with it~~ which are sent either together with it or separately. If the Board meeting convened has no quorum, it shall be reconvened at a date within fifteen days of the original date (with no changes 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 taken by open voting and by a simple majority. In the event of a tied vote the proposed resolution is to be considered rejected. In the absence of the President, the President is represented by the senior Vice President, and in the absence of the senior Vice President, they are represented by the second vice chair. In case of the absence of both Vice Presidents, the meeting will be chaired by the person elected by the present members, from among each other, by a verbal majority vote.

2.6 The responsibilities and powers 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;
- decision on investment, with the prior approval of the Supervisory Board;
- makes the preparations for forming various bodies of the association and for the selection and election procedure of office holders;
- convenes the General Assembly and decides 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 office holders present at the General Assembly meetings;
- examines from time to time any reasons concerning the possible termination of the activities of the association and in such cases convenes an extraordinary meeting of the General Assembly.

If needed, the duties of the Board are performed and carried out by its own interior organisational unit (work organisation) set up and working within the association.

2.7 A record of the proceedings and the approved decisions of the General Assembly and the Board will be signed 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 meetings. The minutes of the meeting attended exclusively by online participants are prepared and signed by the President. 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 the content, time, effectiveness of the decisions, the ratio of those in favour and against, and, in case of an open voting, the identity of the voters as well.

2.8 The Board shall ensure the publicity of the association's activities in accordance with the point 1.7.

2.9 The leading office holder is a person over the age of 18, whose capacity to act in the scope of activities necessary for their actions is not limited. The leading office holder is obliged to perform their management tasks in person.
Persons definitively sentenced to imprisonment for committing criminal offence may not be leading office holders until being exempt from the unfavourable consequences of the criminal record.
Persons banned by the law to undertake this profession cannot be leading office holders of the association until the ban is in effect.

2.10 When the decision is taken at the Board meeting, exclusion from voting is governed by the provisions of point 1.5.

2.11 A person who had been the leading office holder of a public benefit organisation for at least one year in the two years prior to the organisation's dissolution cannot become the leading office holder of another public benefit organisation for three years after the termination of activities of a public benefit organisation
a) which had been dissolved without a legal successor in a way that its tax and custom duties registered at the state tax and customs authorities had not been settled;
b) against which considerable tax duty obligations have been discovered by the state tax and customs authorities;
c) against which business dissolution measures have been applied or fines replacing dissolution of business have been imposed by the state tax and customs authorities;
d) whose tax number has been suspended or deleted from the tax register, according to the stipulations of the act on the rules of taxes by the state tax and customs authorities.

The leading office holder or the person nominated to become a leading office holder is obliged to inform all relevant public utility organisations in advance that they are simultaneously fulfilling such a position at other public utility organisations.

2.12 The provisions of the general rules on the termination of the mandate of senior officials and, where appropriate, the rules on the civil organisation form shall be applied to the termination of the mandate of the board members.

2.13. After the termination of the mandate of the senior official, the new senior official must be elected within 60 days.

3. President:

3.1 The President is an office holder elected by the members of the General Assembly by open voting with a simple majority, for a period of three years.

3.2 The competences and responsibilities of the President:
- the operational manager of the association;
- represents the association before Hungarian and foreign parties in a manner agreed with the Secretary General and the Director;
- represents the association before the 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 the election of the two main tellers;
- exercises the legal rights of employers over the Secretary General and the Director.

3.3. The President 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.

3.3 If the President is prevented from attending, the Vice Presidents may replace him in order of seniority and may exercise full powers, excluding certain competences of representation transferred by authorisation from the President to the Secretary General and the Director.

3.4 The President 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 jeopardises the objectives of the association or are otherwise incompatible with the values of the association.

4. Honorary President:

4.1 The General Assembly elects the Honorary President of the association on the move of the President. The Honorary President may only be a natural person.

4.2 The powers and responsibilities of the Honorary President:
- supports the work of the Board;
- may take part in the meetings of the General Assembly and the Board in an advisory capacity;
- may participate in liaising with the Hungarian and foreign partners of the association;
- may take part in the events organised by the association, and through 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 office holder but instead carries out their responsibilities as an employee of the association. The President of the association exercises employer rights over the Secretary General.

5.2 The 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 their tasks by consulting with and if necessary, by reporting to the President, and by consulting the Director as well.

5.3 The Secretary General, or a person appointed by them, may take part at the meetings of the Board and the General Assembly with the right to submit proposals, to undertake a consultative role, and to make suggestions.

6. Director:

6.1 The Director is not an elected office holder and carries out their duties as an employee of the association.

6.2 The Director's duties and responsibility is the daily management of the work organisation, which includes in particular the responsibility to ensure effective professional work, the regularity of human and financial administrative management, as well as the exercising of employer authority over employees. Additional duties and powers may be defined in employment contracts or authorisations.

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

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

7. Supervisory Board

7.1 The establishment of a Supervisory Board consisting of three members is ordered by the members or the founders in articles of association. Its task is, in order to safeguard the interests of the legal entity, 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.

7.2 The Supervisory Board is authorised to inspect the documents, accounting records, and books of the legal entity, and it may request information from its leading office holders and other employees to examine or have an expert examine the payment accounts, cash register, stock of securities and goods, and contract documents of the legal entity. 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 meeting of the decision-making body.

7.3 The Supervisory Board consists of 3 members elected by the General Assembly for a term of three years by a secret ballot. Membership of the Supervisory Board is established upon acceptance.

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.

7.4 The President 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 to all meetings of the elected bodies of the association to exercise consultation rights.

7.5 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 verifiable way, also attaching the agenda of the meeting and the written materials related to the agenda sent either together with it or separately, by the President of the Supervisory Board at least 8 (eight) days prior to the planned date of 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 shall hold its first session and shall approve of its own rules of procedure within three months of its election.

7.6 The members of the Supervisory Board are obliged to take part in the activities of the Supervisory Board in person. If all members are present, the decisions of the Supervisory Board shall be taken by the verbal majority of those present; with two members present, decisions are taken unanimously. The resolution of the articles of association ordering a lower proportion of decision-taking shall be considered void. In case of a tie, the proposed resolution is to be considered rejected.
The following persons are not allowed to vote for adopting a resolution:

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

7.7 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 entity, they are not to be instructed in their activities.

7.8 The Supervisory Board is obliged to inform the competent body of the association that is authorised to act and initiate the convening of its meeting upon becoming aware of the following:

a) There was a breach of law or an event seriously damaging the interests of the association (failure to act), whose elimination or the prevention or mitigation of its consequences require the convening of the competent body of the association.
b) A fact establishing the responsibility of leading office holders of the association emerged.

7.9 The meeting of the competent leading body of the association is to be convened on the initiative of the supervising body within 30 days of the initiative taken. In case this deadline is not met, the Supervisory Board shall also be authorised to convene the meeting of the same leading body. In the absence of necessary measures by the competent body 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.

7.10 The following circumstances rule out the possibility of being elected as the President, a member or the auditor of the Supervisory Board:

a) the person in question is not of age or, in case they are, their 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 office holders against this person and, further, their relative is a leading office holder of the legal entity;
c) the person in question is at the same time President or a member of the decision-making body or the management (not including the members of the decision-making body of the association not fulfilling any positions);
d) he/she is in a contractual relationship with the public benefit organisation for purposes other than those resulting from their original position in the association, unless legal regulations provide otherwise;
e) He/she receives benefits from allowances of the public benefit organisation, excluding the non-financial services available to anyone without limitations and the targeted allowances given by the association to one of its members based upon their membership and on its articles of association 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).

7.11 The provisions of point 2.12 shall be applied to the termination of Supervisory Board membership, and the provisions of point 2.13 shall be applied to the election of a new Supervisory Board member.

8. Organisational unit, outside organisation

8.1 The day-to-day administrative activities of the association are performed by a permanent work organisation, consisting of employees and managed by the Director. The tasks and powers of the employees shall be included in the Statutes of the association, in the permanent authorisation, and in employment contract. The organisational and operational order of the work organisation may change according to the activities of the association which, if necessary, shall be defined in the Statutes.

8.2 In order to achieve the aims of the organisation, the organisation may establish other organisational units (sub-institutions) within itself, it is authorised to declare the above bodies legal entities, and, furthermore, it may establish and operate, in line with the relevant legal stipulations, organisations with or without legal entity status outside its own framework, or it may take part in the establishment and operation of such organisations.

8.3 The establishment, transformation, termination, and the approval and amendment of the necessary core documents of the organisational units or outside organisations referred to in point 8.2 falls under the exclusive jurisdiction of the General Assembly.

V

Legal status and representation of the association

1. The association shall assume legal entity status after registration.

2. The association shall be ~~independently~~ primarily represented by the President, Secretary General, and the Directors according to their competences. If necessary, the President may authorize additional persons to represent the association, and will promptly inform the other members of the Board. In the event of an objection by at least two-thirds of the Board members, submitted in writing and confirmed by the President, the President will immediately revoke the authorization, simultaneously the President will handle any activities undertaken under that authorization in accordance with the association's best interests.

3. The President, the Secretary General, ~~and~~ the Directors, as well as the authorized persons have the right to independently dispose of the bank account of the association, which means, in particular, the right to independently dispose of the use of procedures, cash withdrawal, and bank card.

VI

Financial resources and management of the association

1. The main sources of funds of the association are made up in particular of:
   a) membership fees paid by members;
   b) funds obtained through tenders;
   c) income originating from and directly associated with the operation of public benefit activities;
   d) income originating from and directly associated with other activities;
   e) offers and donations of private and legal entities (a declaration of acceptance by the President is required to accept the offers);

f) grants provided by the government;
g) income originating from business activities.

2. The management and liability of the association:
a/ the association operates based on an annual budget;
b/ the association shall be liable for any of its debts with its own assets, and the members shall only be liable for the obligations of the association with the payment of their membership fees, not with their private assets.

3. The association may not divide its assets or the profit achieved through its management, and it is not allowed to allocate any of its profits to its members. Such profit shall only be used for the public benefit purposes enshrined in the present Statutes.

4. The association shall only carry out economic or business activities closely related to the achievement of its public benefit objectives, without jeopardising such.

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 taken in accordance with the point 2 of Chapter VII of the Statutes.

7. In order to carry out management and administrative tasks, a person may be employed by a contract.
In case of such a decision taken by the General Assembly, the auditing the accounts of the association shall be carried out by an independent auditor commissioned by the President and selected through a tender.

8. Account books shall be kept on the operation of the association in accordance with the specific legal requirements, and they shall be balanced at the end of each business year. At the end of the business year, the President shall draw up a balance sheet for the General Assembly about the management of the association and prepare an asset report 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 into several associations;
b) it has realised its original aims or the realisation of its aims have become impossible to reach and no new aims have been set;
c) its dissolution is declared in line with the majority rule laid down in the last paragraph point 1.4 of article IV of the Statutes;
d) its membership does not reach ten 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 after the termination of the association and after the claims of all creditors have been met, shall be offered to other public utility organisations. In case of an unsuccessful offer, the court in charge of the registration of the association shall dispose of the remaining assets.

3. In case of termination of the activities without a legal successor (with the exception of final settlement proceedings), the responsibilities of leading office holders shall be determined by the relevant regulations of Act V of the 2013 Civil Code.

VIII

Final provisions

1. The association shall not preclude that other persons beside its own members may also use and benefit from its non-profit services.

2. The present Statutes are to be interpreted by considering the aims of the association. Otherwise, as far as the detailed regulations of its operation are concerned by the Civil Code, Act CLXXV of 2011 on the Freedom of Association, Public-Benefit Status, and the Activities of and Support for Civil Society Organisations, and other, relevant regulations or provisions of Hungarian law shall be appropriately applicable.

3. Annex no. 1 listing the office holders of the association constitutes an integral part of the present Statutes.

The members of the association upheld the present Statutes at the General Assembly and expressed their consent to be bound by it.

Budapest, 9th May, 20254

.....
Dr. Zsuzsanna Fejes
President

Clause: I, as legal representative, hereby certify that the consolidated and amended Statutes corresponds with the relevant amendments of the Civil Code and complies with the content in force in accordance with the amendments of the Statutes.

Budapest, 9th May, 20254

.....
Dr. Zsuzsanna Fejes

President

Witnessed by:

.....	.....
signature	signature
Name:	Name: .....
Address:.....	Address: .....
ID number:.....	ID number: .....

Annex no. 1 (list of office holders)

of the Statutes of the Central European Service for Cross-Border Initiatives (CESCI)

Board

(Item 2.2/IV of the Statutes)
"The Board is made up of the President, two Vice Presidents and not less than three and not more than six additional full members. The term of office for the members of the Board, as leading office holders of the association, is for a definite period of three years."

Office	Name, nationality	No. of resolution (acceptance of appointment/resignation)	Date of termination
President	dr. Zsuzsanna Fejes (HU) Her mandate expires. The election of a new President will take place at the General Assembly, with effect from May 26, 2025.	General Assembly Resolution No. 13/2022 (V. 25.) (appointed) General Assembly Resolution No. .../2025 (V. 19.)	25th May, 2025 19th May, 2028
Vice Presidents	Zoltán Szögi (HU)	General Assembly Resolution No. 11/2023 (V. 31.) (reappointed)	31st May, 2026
	dr. Tamás Tóth (HU) His mandate expires. The election of a new Vice President will take place at the General Assembly, with effect from May 26, 2025.	General Assembly Resolution No. 14/2022 (V. 25.) (appointed) General Assembly Resolution No. .../2025 (V. 19.)	25th May, 2025 19th May, 2028
Full members	Dr. Jože Gričar (SI)	General Assembly Resolution No. 12/2023 (V. 31.) (reappointed)	31st May, 2026
	István Szabó (HU)	General Assembly Resolution No. 12/2024 (V. 9.) (reappointed)	9th May, 2027.
	Ferenc Ivanics (HU)	General Assembly Resolution No. 24/2023 (X. 12.) (appointed)	12th October 2023
	Dana-Bianca Mitrică (RO)	General Assembly Resolution No. 15/2022 (V. 25.)	25th May, 2025

	Her mandate expires. The election of a new member will take place at the General Assembly, with effect from May 26, 2025.	General Assembly Resolution No. .../2025 (V. 19.) (appointed)	19th May, 2028
	Hynek Böhm (CZ) His mandate expires. The election of a new member will take place at the General Assembly, with effect from May 26, 2025.	General Assembly Resolution No. 16/2022 (V. 25.) (appointed) General Assembly Resolution No. .../2025 (V. 19.)	25th May, 2025 19th May, 2028
	New regular member candidate: Dr. Myroslava Lendel (UA)	General Assembly Resolution No. .../2025 (V. 19.)	19th May, 2028

Supervisory Board

(Item 7.3/IV of the Statutes)
"The Supervisory Board consists of 3 members elected by the General Assembly for a term of three years by a secret ballot."

Supervisory Board members	Appointment	Date of termination
dr. Kocziszky György	General Assembly Resolution No. 14/2023 (V. 31.) (appointed)	31st May, 2026
dr. Attila Tilki	General Assembly Resolution No. 16/2023 (V. 31.) (reappointed)	31st May, 2026
Judit Árvai-Füleki	General Assembly Resolution No. /2024 (V. 9.) (appointed)	9th May, 2027