

STATUTE

OF THE

RÁKÓCZI ASSOCIATION

**APPROVED BY RESOLUTIONS 9/2018 (V. 26.) and 11/2018 (XI. 19.) ADOPTED BY THE GENERAL
ASSEMBLY OF THE RÁKÓCZI ASSOCIATION ON 26TH MAY 2018 AND 19TH NOVEMBER 2018**

STATUTE OF THE RÁKÓCZI ASSOCIATION

Part I General provisions

Name of the society: Rákóczi Association (*Rákóczi Szövetség*)

Seat of the society: H-1027 Budapest, Szász Károly u. 1. IV./1., Hungary

Seal of the society: Circular inscription "*Rákóczi Szövetség, Alapítva 1989, Budapest*", with the Rákóczi family crest in the middle

The Rákóczi Association is a legal entity active in the domain of culture, minority policy and advocacy. While its scope of operation covers the entire area of Hungary, its activity extends to the entire Carpathian Basin.

As a civil society organization, the Rákóczi Association is politically unaffiliated, does not receive financial support from political parties, does not nominate or support candidates for the National Assembly and shall continue to exclude this from its sphere of activity in the future.

Part II Objectives of the Association

(1)

The Association seeks to continually inform both domestic and international public opinion of events in the life of Hungarian communities in the Carpathian Basin, with special regard to the historical regions of Upper Hungary (Slovakia) and Subcarpathia (Ukraine), as well as to maintain interest in the fate of Hungarian minority communities.

(2)

Reinforcement of the sense of togetherness of the Hungarian populace in the Carpathian Basin.

(3)

Assistance of educational and cultural activity, as well as the transfer of shared cultural knowledge, among Hungarians in the Carpathian Basin and the allocation of scholarships.

(4)

Providing advocacy and legal counselling services in the Carpathian Basin to Hungarians forcibly expelled from or compelled to flee their homeland, as well as those having suffered impairment of rights due to their Hungarian identity.

(5)

Arousal of interest in the objectives pursued by the Association and seeking to reach out to as many members of the public as possible, with special emphasis upon young people.

(6)

Tendence of the memory and legacy of Ruling Prince Francis II Rákóczi.

Part III

Activity and tasks of the society

(1)

In performing its activities in the public interest, the Rákóczi Association exercises a public function provided for by ministers of the Government of Hungary under the provision of Government Decree 152/2014 (VI. 6.):

- Cooperation with Hungarian youth from outside the country's borders (55. § (c));
- Preservation and presentation of relics of Hungarian cultural heritage located outside of the country's borders to the young generation.

(2)

Support for the educational structure and culture of minority Hungarian communities in neighbouring countries, as well as reinforcing the sense of togetherness of the Hungarian people in the Carpathian Basin and the *Diaspora*, is of paramount importance.

(3)

Non-members of the Association may also be afforded public benefit services by the Association.

(4)

The Association does not engage in direct political activity, its organization is independent parties and does not provide financial support thereto.

(5)

In order to realize the objectives laid out in Part II, the Association carries out the following tasks:

- a) Regular and systematic monitoring and analysis of the social, political, cultural and economic situation of minority Hungarian communities and the presentation of its experiences to a broad audience;
- b) Maintenance of constant relations with Hungarian community organizations and movements in the Carpathian Basin, with special regard to Upper Hungary (Slovakia) and Subcarpathia (Ukraine); cooperation with all domestic and foreign-based organizations that facilitate the realization of the Association's objectives;
- c) Support for Hungarian minorities in the vindication of their human, individual and collective rights; providing expert assistance to the work of municipalities and expending effort against forced assimilation;
- d) Facilitation and occasional organization of meetings among writers, artists and scholars living in *the Carpathian Basin and the Diaspora*;
- e) Advocacy for the establishment of Hungarian-language education at all levels in the Carpathian Basin, with special regard to Upper Hungary (Slovakia) and Subcarpathia (Ukraine) and support for Hungarian schools with all means at its disposal;
- f) Monitoring developments in the political, economic and cultural life of neighbouring countries' majority populations, with special regard to the Slovaks and the Ukrainians, and informing Hungarian public opinion thereof; in parallel, providing encouragement and support to forward-looking endeavours towards coexistence based on equal rights;
- g) Seeking to preserve and strengthen affection towards the motherland among those relocated forcibly or voluntarily to the area of present-day Hungary;

- h) Contribution to the protection of *Hungarian* national traditions, strengthening Hungarian identity and deepening friendship between the Hungarians and other peoples, especially the Slovaks and the Ukrainians through personal encounters, various events and publications;
- i) Maintenance of professional contact with domestic, foreign and international human and minority rights organizations, and supporting the unabridged materialization of the rights of minorities in Hungary;
- j) Taking a stand on all issues pertaining to minorities and informing the general public thereof;
- k) Regular publication of a newsletter and operation of a self-contained website;
- l) Announcement of scholarship programmes.

Part IV

Organizational structure and operation of the society

(1)

Bodies of the Association:

- General Assembly;
- Presidium;
- Supervisory Board;
- *Honorary Chairman*;
- *Advisory Committee*;
- working groups;
- local organizations;
- youth organizations.

(2)

Senior office-holders of the Association:

- Chairman;
- Eight Vice Chairmen.

(3)

Individuals may not take part in the General Assembly's or the Presidium's decision-making if they, or a member of their immediate family, are according to the resolution:

- a) Exempted from obligation or liability; or
- b) Are afforded any other advantage or are otherwise concerned in the transaction to be concluded.

(4)

In relation to targeted benefits of public benefit organizations, non-monetary services open to all without restrictions and targeted benefit provided by the society to its members based on the legal status of membership as corresponds to the founding statute shall not be considered an advantage;

(5)

Senior office-holders and candidates for such a position are obliged to notify the General Assembly in advance of a similar position simultaneously held in another public benefit organization.

Individuals of legal age whose capacity to act within the domain necessary to exercise their activity is not under constrain shall be eligible as senior office-holders.

Senior office-holders are obliged to perform their management tasks in person.

(6)

Individuals sentenced to imprisonment as legally-bound due to having committed a criminal offence are ineligible for senior office until negative consequences resulting from a previous criminal conviction remain in place.

Individuals prohibited from bearing such a role by a legally binding *court ruling* are ineligible for senior office.

Individuals having previously served as a senior office-holder of a public benefit organization are ineligible for senior office in the Association as a public benefit organization if, for at least one year during the two years prior the dissolution of the former:

- Having been terminated without succession without covering its tax and customs arrears as registered at the state tax and customs authority;
- Having been subject to a large tax deficit disclosed by the state tax and customs authority;
- Having been subject to closure of business or a fine substituting closure by the state ta and customs authority;
- Having had its tax number suspended or deleted by the state tax and customs authority following the law on the order of taxation.

(7)

Senior office-holders shall exercise their activity in the framework of a commission or employment. The Chairman's remuneration is specified by the Presidium.

(8)

The Association shall administer records (*Archive of Resolutions*) laying bare the substance, date and validity of decisions passed by the Presidium *and all other bodies competent of deliberation*, as well as the proportion of those supporting and opposing the given decision. *The Association shall preserve documents located in the Archive of Resolutions for at least 10 years.*

Meetings of the Presidium shall be open to the public; its decisions, *together with those of all other bodies competent of deliberation*, shall be published on the Association's website. *The Association shall inform those concerned of the decisions passed by the Presidium and all other bodies competent of deliberation electronically.*

With the exception of data classified as confidential by law, documents arising in connection with the Association's activity to the public benefit are open to inspection by the general public and may be duplicated at one's own expense. Requests pertaining to consultation and duplication of documents shall be addressed to the Presidium of the Association. The Association is obliged to provide the applicant consultation of documents as well as the emission of copies thereof at the Association's head office within 8 days of the request having been filed.

The Association's operation, method of access to its services and disclosure of its reports are open to the public and published on the Association's website.

The Association shall publish the chief data pertaining to its operation and finances as laid out in the Statute, together with its annual report and the public benefit annex thereof, on its website and shall deposit these at the National Office of the Judiciary.

Part V

The General Assembly

(1)

The Association's chief decision-making body is the General Assembly, comprised of the entirety of the membership.

(2)

The General Assembly shall convene as necessary, but at least once in a year.

The General Assembly is convened by the Chairman based on the Presidium's resolution.

It shall be convened also if ordered by a court or upon the initiative of at least one hundred (100) members, or ten (10) local organizations, or a simple majority of the Presidium's membership, with an indication of the convocation's ground and purpose.

Based upon the Presidium's resolution, the Chairman is obliged to convene the General Assembly in order to take the necessary measures if the Association's assets do not cover its due debts; if the Association will foreseeably be unable to perform debts by due date; or if meeting the Association's objectives has fallen under threat.

At a General Assembly convened for the *latter reason*, members are obliged to take measure in the interest of abolishing the circumstance necessitating the convocation or decide on the termination of the Association.

(3)

The invitation shall be published at a time providing for an interval of at least 14 days between the publication and the date of the meeting. The invitation shall be sent in a verifiable manner either via mail or electronically, as well as *published on the website*.

The invitation shall include the location, date and agenda to be negotiated at the meeting. Members and bodies of the society may request the amendment of the agenda, together with a justification thereof, from the body or individual convening the General Assembly within 5 days of the invitation's delivery or publication.

The body or individual convening the General Assembly is authorized to decide on the amendment of the agenda. Should the body or individual convening the General Assembly not decide or reject the request on the amendment of the agenda, the General Assembly shall decide at its own discretion on the amendment of the agenda prior to adopting the resolution on its approval.

(4)

The default location of the General Assembly shall be the Association's head office. Should the General Assembly be held at a different location, this will be referenced in the invitation.

The General Assembly is open to the public. The quorum of the General Assembly's meeting is attained if the number of those present eligible to vote corresponds to over half of castable votes. The quorum shall be examined during all deliberations. Any given member unauthorized to vote on a certain issue shall be disregarded when establishing the quorum during the adoption of the resolution in question.

Should the failure to attain the quorum necessitate the General Assembly's postponement, the General Assembly convened for the second time is quorate irrespective of the number of those present on issues pertaining to the original assembly. Members shall be advised of this in the invitation.

(5)

The General Assembly is chaired by the Association's respective *Chairman*. In the absence of the Association's Chairman, the Vice Chairmen of the Association are eligible to chair the General Assembly based on the Assembly's open-ballot, simple-majority vote. Barring exceptions specified in the Statute, the General Assembly adopts its resolutions by open ballot and simple majority. A proposal on tellers shall be made by the Assembly's presiding chairman. Tellers are elected by a simple majority of the General Assembly.

All regular members of the Association have the right to vote. When voting to adopt any given resolution, the following shall not vote:

- Those exempted from obligation or responsibility, or afforded any other advantage to the burden of the legal entity by the resolution;
- Those with whom a contract shall be concluded under the resolution;
- Those against whom a lawsuit shall be filed under the resolution;
- Those with a relative without membership in the *Association* concerned by the decision;
- those with an interest based on majority influence in another organization concerned by the decision;
- Those otherwise personally concerned by the decision.

(6)

Members of the Presidium and the Supervisory Board shall be elected by the Assembly's secret ballot based on a list of candidates compiled by the Nomination Committee. The three-member Nomination Committee shall be elected ad hoc by the Presidium's simple majority vote. Members of the Presidium cannot be elected to the Nomination Committee.

In the course of voting on candidates, members may strike out or affirm candidates proposed by the Nomination Committee on the *ballot sheet*, as well as enter other individuals onto the ballot sheet *and vote for them*. Those having collected the largest number of votes shall be considered elected. Members of the Nomination Committee, which shall transform into a Counting Committee for this purpose, are authorized to count votes.

(7)

In order to amend the Statute of the Association, a resolution passed by three quarters of members present is necessary. In order to modify the objective of the Association and pass a decision on the cessation of the Association in the General Assembly, a majority of three quarters of members with the right to vote is necessary. *Members present at the General Assembly shall vote to approve the report by simple majority.*

(8)

The following shall pertain to the exclusive competence of the General Assembly:

- Election and dismissal of members of the Presidium and the Supervisory Board;
- Approval of the annual work plan and the annual budget;
- Approval of the annual report and the public benefit annex;
- Ascertainment and amendment of the Statute;
- Suspension of the Association's operations, as well as the dissolution or merger with another civil society organization thereof and the use of its assets;
- Negotiation and approval of the report put forward by the Supervisory Board;
- *Election of the Honorary Chairman;*
- Election of honorary members.

The deposited report and public benefits annex shall be disclosed by the Association in accordance with the law on its court registration and the rules of procedure connected thereto and enables access to its data for the Civil Information Portal.

The Association runs a self-contained website. The obligation of disclosure shall extend to the publication of the report and the public benefit annex on the Association's own website. The Association shall provide for the continuous accessibility of data on its own website pertaining to at least the second business year following publication.

The Presiding Chairman shall orally promulgate the General Assembly's resolutions at its venue and provide for the notification of member(s) concerned in a written, verifiable manner within 8 days of the adoption of the resolution.

Part VI The Presidium

(1)

The Presidium is the executive organ of the Association.

The Presidium is a body comprised of the Chairman and *eight* Vice Chairmen elected by the General Assembly for a four-year term among members of the Association.

Between meetings of the General Assembly, the Presidium and the *Chairman* are authorized to make decisions on all issues not pertaining to the exclusive competence of the General Assembly.

(2)

Chief principles governing the operation of the Presidium:

- Its work is overseen by the Chairman;
- The Presidium is obliged to provide an account of its activity to the General Assembly and, if necessary, to the Supervisory Board;
- Meetings of the Presidium are held when necessary but at least at quarterly intervals;
- Meetings of the Presidium are convened by the Chairman. The invitation shall include the location and date of the meeting, as well as the agenda to be negotiated together with written submissions. The invitation shall be sent to members of the Presidium at a date allowing for an interval of at least 5 working days between its reception and the meeting.

In duly justified cases, an extraordinary meeting may also be convened upon the initiative of at least 4 members of the Presidium.

- The chairman of the Supervisory Board may attend meetings of the Presidium in an advisory capacity;
- Meetings of the Presidium are open to the public;
- The Presidium may adopt its decisions with or without holding an in-person meeting (via remote vote).

Meetings of the Presidium are quorate if the number of those present with the eligibility to vote corresponds to over half of castable votes. The quorum shall be examined during all deliberations. The Presidium adopts its resolutions *in the presence of the majority of its members* by a simple majority and open ballot. Any given member or founder unauthorized to vote on a certain issue shall be disregarded when establishing the quorum when adopting the resolution in question. Minutes shall be drawn up of the Presidium's sessions, which are to be sent to members of the Presidium for information purposes no later than 5 working days after the date of the Presidium's meeting. The minutes shall include:

- Location and date of the meeting;
- Name of the presiding chairman, the authenticator and the registrar,
- Data pertaining to the establishment of the quorum,
- Agenda items, as well as the substance of questions, comments and remarks expressed in relation to them;
- Result of voting, as well as the proportion of those supporting and opposing the decision;
- Text of adopted resolutions;
- Deadline and name of the person responsible for implementation.

Only complete draft resolutions fully appropriate for deciding upon shall be put forward for remote voting. Remote voting shall be ordered and initiated by the Chairman or his trustee by electronically sending the draft resolution to all members of the Presidium in a verifiable manner, through an electronic mailing list containing the e-mail address of every Presidium member. The electronic mailing list provides for members' identification and mutual and unrestricted communication among one another.

Members of the Presidium may cast their vote to the sender of the draft resolution within a deadline indicated in the appeal that shall be no shorter than 8 days starting from the reception of the draft. The appeal shall also include the method of casting votes. Within 3 working days of the final day of the interval allotted for voting (or, provided that all members' votes arrive prior to the deadline, within 3 working days of the reception of the final vote), the Chairman or his trustee shall establish the result of voting and inform members thereof within a further 3 working days. Voting shall be considered valid if at least as many votes are returned as the number of present members representing voting rights would be necessary to achieve quorum were an in-person meeting held. The day of deliberation corresponds to the final day of the voting deadline or the reception of the final vote if all votes are received prior to the deadline. Successfully adopted resolutions shall be registered in the Archive of Resolutions enclosing received electronical votes. The Chairman or his trustee is obliged to convene a meeting of the Presidium with the item mandatorily on the agenda thereof if any member initiates the convocation of a meeting within the voting interval.

- *Remote voting* may not be ordered to approve the annual report and the draft of the annual budget;
- *The Presidium shall establish its rules of procedure at its own discretion.*

The Presidium shall orally promulgate its resolutions during the Presidium meeting and, concurrently with resolutions' publication on the Association's website, shall verifiably inform member(s) concerned in writing within 8 days after the adoption of the resolution.

The Chairman is obliged to enter resolutions adopted by the General Assembly, the Presidium, the Supervisory Board and other organs with the competence of passing decisions into the Archive of Resolutions.

(3)

Chief tasks and competences:

- Elaboration and advancement to the General Assembly of annual work plans and financial perspectives, as well as reports and public benefit annexes;
- Right to establish working groups in the field of culture, education and youth affairs, advocacy and the media within the framework of working groups;
- Decision-making related to applications for membership and the exclusion of members; suspending the operation of any group pertaining to the Association; making decisions on proposals of building external relations;
- *Based on* decisions adopted by simple majority, the Association may establish legal entities and exercise the rights of the founder thereon as related to the Foundation of the Association;
- Making decisions on the bestowal of recognitions and awards;
- Approval of the Association's internal rules of procedure, including *investment guidelines*;
- The right to establish an Advisory Committee.

Those concerned may appeal against the resolution to the General Assembly within 15 days of its publication.

(4)

Members of the Presidium:

NAME	Function	Residential address
Csongor CSÁKY	Chairman	H-1026 Budapest, Herman Ottó út 41.
Ferencz KUN	Vice Chairman	H-1122 Budapest, Maros utca 29.
Csaba MAKLÁRY-SZALONTAI	Vice Chairman	H-2800 Tatabánya, Paletta utca 7. I./2.
Árpád MARTÉNYI	Vice Chairman	H-1124 Budapest, Kiss János altábornagy utca 84.
Zsolt Attila NÉMETH	Vice Chairman	H-1221 Budapest, Kova utca 16.
Péter ŐRY	Vice Chairman	SK-99040 Csallóközrárnok, Mérey M. utca 588/2.
Dr. Barnabás Bence ŐSI	Vice Chairman	H-1052 Budapest, Károly körút 22.
Dr. Balázs TÁRNOK	Vice Chairman	H-2091 Etyek, Sánc utca 13.
Róbert Mihály VARGA	Vice Chairman	H-6728 Szeged, Hídverő utca 25.

Part VII

Chairman and Vice Chairman

(1)

The Chairman:

The Association is legally represented by the Chairman, elected to this office by the General Assembly for a four-year term. The Chairman serves as the general leader of the Association.

In doing so:

- Between General Assemblies for the re-election of officials, the Chairman continually governs the work of the Association, represents and portrays the Association, or entrusts a member of the Presidium to act accordingly;
- The Chairman sets the date of Presidium meetings, chairs meetings and determines their agenda, and provides for the implementation resolutions adopted at these;
- The Chairman ensures the elaboration of proposals advanced to the General Assembly and the Presidium, the preparation of board meeting records, as well as their safekeeping and administration;
- *The Chairman governs the Association's work organization;*
- *The Chairman maintains contact with the leaders of local and youth organizations;*
- *The Chairman is responsible for the Association's finances;*
- The Chairman makes decisions and take measures in all issues not pertaining to the competence of the General Assembly, the Presidium or another body.

(2)

The Vice Chairmen:

- Assist the Chairman's activity;
- *Participate in the Presidium's work;*
- *Represent the Association in specific instances and matters in accordance with decisions made by the Presidium and the Chairman.*

Part VIII

Supervisory Board

(1)

The Supervisory Board is a body of five members elected by the General Assembly for a four-year term. The Chairman of the *Supervisory* Board shall be elected among its members by itself at its inaugural meeting. Members of the Supervisory Board are obliged to take part in its work in person. Members of the Supervisory Board are independent of the management of the legal entity and may not be bound by instructions during their operations.

(2)

Individuals of legal age whose capacity to act within the domain necessary to exercise their activity is

not under constrain shall be eligible for membership in the Supervisory Board. Membership in the Supervisory Board shall come into existence by approval.

(3)

The following shall be ineligible for membership or chairmanship of the *Supervisory Board*:

- Those against whom a ground for refusal concerning senior office-holders is present;
- Chairman or member of the Presidium;
- Those with an employment relationship or other legal affiliation not pertaining to the appointment that is directed at carrying out work, unless legislation prescribes otherwise;
- Those receiving targeted benefit from the Association, with the exception of non-monetary services available to all without restrictions and targeted benefit provided by the Association to its members based on the legal status of membership as corresponds to the Statute;
- Those related to individuals outlined above.

(4)

General tasks of the Supervisory board: Obligation to examine proposals put forward to the *General Assembly* and to disclose its remarks related thereto at the meeting of the decision-making body.

- Ability to access the Association's documents, accounting records and books, and request clarification from senior office-holders and employees of the *Association*;
- Ability to examine the *Association's* payment account, treasury, holdings of securities, inventory and contracts, and to have these examined by an expert.

(5)

Extraordinary tasks of the Supervisory Board:

- *Conducting procedures pertaining to the Association's ethical matters;*
- *Ability to propose a member's exclusion to the Presidium.*

In ethical issues, the Supervisory Board shall inform those concerned by its decision in writing. Those concerned may seek legal remedy against decisions passed by the Supervisory Board at the Presidium, or the General Assembly in the case of a proposal of exclusion, within 15 days. A final decision shall be reached by the latter bodies.

(6)

The Supervisory Board shall be obliged to notify the body or individual competent of taking measure and seek the convocation of the body if it becomes aware of the following:

- Occurrence of a legal infringement or other event (malpractice) gravely infringing the Association's interests requiring the decision of a leadership body competent of taking measure in order to avert the occurrence or mitigate the consequences thereof;
- Emergence of a fact giving ground to the liability of senior office-holders.

The leadership body competent of taking measure shall be convened upon the initiative of the Supervisory Board within 30 days of it being made. Should the deadline expire without result, the *Supervisory Board* shall also be authorized to convene the leadership body.

Shall the competent body fail to take the necessary measures towards the restoration of lawful operation, the Supervisory Board shall be obliged to notify the body exercising legal oversight without delay.

(7)

The Supervisory Board shall convene as necessary, but at least once in a year.

Meetings are convened by the Chairman of the *Supervisory Board*.

The presence of at least half of its members is necessary for the Supervisory Board to attain quorum. The Supervisory Board shall arrive at its decision by simple majority and open ballot.

(8)

The Supervisory Board shall outline the detailed rules of its operation and procedure, as well as the Code of Ethics, at its own discretion in observance of the Statute.

The Code of Ethics is subject to approval by the General Assembly.

Part IX

Honorary Chairman

(1)

The Honorary Chairman is elected by the General Assembly for an indeterminate period. The individual qualifying for election shall have selflessly and outstandingly served the Association's objectives for at least two decades in a voluntary capacity.

(2)

Tasks and legal powers of the Honorary Chairman:

- *Representation of the Association at ceremonial events;*
- *Participation in the work of the Presidium in an advisory capacity;*
- *Maintaining contact with members, senior office-holders, Supervisory Board members, as well as leaders of local and youth organizations pertaining to the Association;*
- *Engaging in fundraising activity.*

Part X

Advisory Committee

(1)

The Advisory Committee is comprised of seven members. Members of the Advisory Committee are elected by the Presidium for a five-year term. As to the remainder, rules relevant to senior office-holders are applicable to the establishment and termination of membership in the Advisory Committee, as well as incompatibility.

(2)

Membership in the Advisory Committee requires having exhibited outstanding performance in the field of the arts, culture, education, science or economic life, or having served the Association's mission during its decades-long operation.

Members of the Advisory Committee elect the chairman of the body among one another. The chairman of the Advisory Committee is authorized to participate in meetings of the Presidium. The Advisory Committee shall hold at least two meetings in each year. The body shall elaborate and approve its rules of procedure itself.

(3)

In the course of its operation, the Advisory Committee engages in the following:

- *Elaboration of short-term and long-term strategies for the Presidium;*
- *Promotion of the Association;*
- *Participate in the Association's network of relationships in the Carpathian Basin and the diaspora.*

Part XI

Local and youth organizations ~~groups~~

At least 10 entrants are required to establish a local organization or a youth *organization*.

The Presidium shall be notified of the establishment of a *local or youth organization* together with a statement of purpose.

Within the limits laid out in the Statute, *local and youth organizations* may determine their organizational structure and operation at their own discretion.

Part XII

Working groups

Members may establish working groups in accordance with their respective areas of interest. The establishment of such a group, together with a statement of purpose, shall be announced to the Presidium, which then decides on approval.

Such groups may also be established by the Presidium in order to carry out a certain task.

Part XIII

Establishment and termination of membership

(1)

The Association is comprised of:

- Regular members;
- Sponsoring members;
- Honorary members.

(2)

Membership fees are the following:

- HUF 1000/year;

- Pensioners: HUF 600/year;
- Students/*pupils*: HUF 300/year.

Membership fees may be paid in the following methods:

- Via bank transfer;
- In cash;
 - via postal cheque;
 - via bank deposit;
 - in person at the Association's head office or into deposits administered by leaders of *local and youth organizations*

The deadline of payment is 31st December of the *reference year*.

(3)

Regular membership in the Association is open to all natural persons and legal entities accepting the Association's Statute, paying the membership fee as determined, and ready to contribute to the Association's work.

Supporting membership is open to all natural persons and legal entities accepting the Association's Statute that are declared so by the General Assembly on account of their activity in support of the Association.

Honorary membership is open to individuals declared worthy of this distinction by the General Assembly on account of their extraordinarily outstanding work in accordance with the Association's mission.

Legal entities shall be represented by the natural person designated by them. Their activity may be outlined in a contract concluded with the Presidium of the Association.

Membership in the Association is also open to non-Hungarian citizens and legal entities operating outside of Hungary.

(4)

Decisions on the admission of new members are made by the Presidium with the exception of honorary members and supporting members. Honorary members and *supporting members* are elected by the General Assembly. Those concerned may appeal to the *General Assembly* against its decision. Based on declarations of affiliation, the Presidium keeps records of the membership and issues membership cards.

(5)

Membership is terminated with:

- The member's exclusion;
- The member's death or termination without successor;
- Members may terminate their membership at any time and without justification in a written declaration addressed to the Presidium of the Association.

(6)

Exclusion shall be considered if the member in question gives severe grounds for the revocation of membership, with special regard to seriously breaching provisions laid out in the Statute or otherwise

infringing the Association's objectives and activity, or long-term failure to pay the membership fee (for at least six months). *Membership may be revoked on account of failure to pay the membership fee only if, following a period of non-payment lasting at least six months, the Presidium had called upon the member in writing to cover the unpaid membership fee until a second deadline with notice of legal consequence (i. e. exclusion), and the warning had been proven futile also in the additional time limit.* Exclusion may be initiated by any member at the Supervisory Board through the leader of the local organization or the national chairman. The Supervisory Board may recommend the exclusion of a member to the Presidium. Decision on the member's exclusion shall be made by the Presidium. *During the exclusion process, the member shall be invited to the meeting of the Presidium while pointing out that absence in spite of proper invitation does not prevent the meeting from being held and the decision from being passed. The member may also choose to have oneself represented through an emissary. The resolution declaring a member's exclusion shall be expatiated in writing and provided with a justification including facts and evidence serving as the basis of exclusion, together with information on the possibilities of legal remedy. The Presidium shall adopt the resolution on exclusion within 30 days of the membership revocation process being launched and shall verifiably inform the member in concern within 8 days. Following the Presidium's first-instance decision declaring exclusion, the excluded member may submit an appeal to the Association's General Assembly within 15 days of reception. Following the reception of the appeal, the Presidium shall convene an extraordinary assembly with immediate effect but within 30 days at latest. The assembly shall reach its decision by open ballot and simple majority. The assembly shall orally promulgate its resolution and shall also verifiably inform the member concerned in writing within 8 days.*

Part XIV

Rights and obligations pertaining to membership

(1)

The following have the right to vote, make proposals and the right of consultation:

- Regular members;
- Legal entities as regular members through a representative.

(2)

The following have the right to make proposals and appraisals:

- Supporting members;
- Honorary members.

(3)

Regular members' obligations:

- Active contribution to the realization of the Association's objectives and tasks;
- Observation of the Statute and resolutions brought by the Association's bodies;
- Regular payment of the membership fee.

(4)

Regular members' further rights:

- Participation in the Association's events;
- Application to the announced appeals and programmes.

(5)

Supporting members' obligations:

- Promotion of the realization of the Association's objectives;
- Financial support of the Association within capabilities.

Part XV

Financial management of the Association

(1)

The Association is entitled to carry out economic activity immediately related to realize the objective of the society. The Association shall exercise economic and entrepreneurial activity only without endangering the realization of public benefit activity or activity pertaining to the fundamental objective specified in the memorandum; the Association shall not divide payoff reached during its economic operation, instead appropriating it to public benefit activity defined in the memorandum.

(2)

The Association's sources of revenue:

- Financial support or donation from subdivisions of the state budget or other donors for the purpose of public benefit or covering its costs of operation;
- Revenue stemming from and indirectly related to performing activity in the public interest;
- Revenue stemming from and indirectly related to pursuing other activities;
- Revenue stemming from the investment of the organization's assets;
- Membership fees;
- Other revenue as defined in other acts of legislation;
- Revenue stemming from entrepreneurial activity.

(3)

Expenditures of the Association:

- Indirect costs resulting in the interest of public benefit activity (appropriations and costs);
- Indirect costs resulting from activities in the interest of other objectives (appropriations and costs);
- Indirect costs resulting in the interest of entrepreneurial activity (appropriations and costs);
- Indirect costs conveyed in the interest of public benefit and other entrepreneurial activity (appropriations and costs) that shall be divided proportionately to revenue.

(4)

Bookkeeping regulations applicable thereto shall be applied to the Association's records.

Following the closure of books pertaining to the business year, the Association is obliged to elaborate a report in accordance with legislative requirements on its operation and situation regarding assets, finances and revenue with the final day of the year, or the day of termination, as the balance sheet day.

As regards the Association, the business year is identical to the calendar year. With regard to organizations established or terminated during the year, the business year differs from the calendar year in the year of establishment or termination. Barring termination, the balance sheet day shall be 31st December.

(5)

The report's form shall be defined by activity pursued by the Association, the magnitude of the entire annual revenue (the entirety or revenue resulting from activity according to fundamental purpose and the entirety of revenue resulting from economic and entrepreneurial activity) and the method of bookkeeping.

The Association's bookkeeping shall be pursued in the system of double-entry bookkeeping, in the Hungarian language and in Forints.

The Association's report shall include:

- *The balance sheet;*
- *The economic outturn account;*
- *The accompanying annex.*

Parallel to the report, the Association is also obliged to elaborate a public benefit annex. In its accompanying annex, the Association shall denote sums permanently utilized under the given support scheme by allocation. Support schemes designate financial support and donations from central, municipal or international sources, as well as other economic actors, in the interest of sustaining and developing activity. The accompanying annex of the report shall separately denote the aforementioned data pertaining to refundable support (recognized as liability) under the support scheme. In its accompanying annex, the Association shall denote the chief activities and programmes realized by the organization in the given business year.

In the public benefit annex, the Association shall present its activities to the public benefit, as well as the chief target groups and results thereof, together with data and indicators necessary to determine public benefit status in accordance with § 32 of the Civil Code. The public benefit annex shall include a statement of allocations pertaining to the purpose of public benefit, allocations to senior office-holders and a list of senior office-holders receiving allocations.

(6)

The Association shall manage its assets in accordance with valid financial regulations, the Statute and its annual budget.

Part XVI

Legal entities established by the Association

The Association may establish *legal entities* in order to meet its objectives.

Senior office-holders (board members) of such legal entities, together with Supervisory Board members thereof, are elected by the Presidium's simple majority vote in accordance with *legal entities'* memorandum.

Part XVII

Termination of the Association

(1)

Termination by means of succession

The Association shall not transform into another legal entity, shall merge only with another society and shall disband only into societies.

Reasons for termination without succession:

Beyond general cases of a legal entity's termination without succession, the Association shall cease if:

- The Association has realized its mission or the realization of the Association's mission has become impossible and no new mission has been determined;
- The Association's membership fails to reach ten individuals over a six-month period.

(2)

Provision on remaining assets

Should the Association terminate without succession, assets remaining after settlement of creditors' claims

(3)

Senior office-holders' liability in the event of termination without succession

In the event of termination without succession, a claim for damages caused by senior office-holders in this capacity may be enforced within one year of legally binding removal from the register by individuals with membership in the Association at the time of its termination; individuals to whom the remainder of the society's assets had been handed over; or to whom any remaining assets should have been handed over.

Should the Association cease without succession, creditors may claim indemnity against the society's senior office-holders to the amount of their outstanding claims if the senior office-holder failed to consider creditors' interests following the materialization of a situation impeding the society's insolvency. This provision shall not be applicable in the case of termination by liquidation.

Part XVIII

Transitional provisions

The denomination of senior elected office-holders, i. e. members of the Presidium – with the exception of the denomination of the Chairman – is to change and shall hereinafter be referred to as Vice Chairman. This change shall affect neither their tasks, rights and obligations as laid down in legislation nor their liability. The appointment of senior office-holders under the previously applicable Statute is confirmed with the approval of the amendment of the present Statute.

Part XIX

Clause

This present Statute was adopted by the inception meeting held on 20th March 1989.

Amendments to the Statute have been adopted by General Assemblies held on 25th May 1991, 10th June 1995, 27th September 1997, 11th July 1998, 4th December 1999, 9th April 2005, 6th May 2006, 24th May 2009, 21st May 2011, 27th April 2013, 16th May 2014, 14th November 2014, 16th May 2015, 25th May 2016, 22nd May 2017, 26th May 2018 and 19th November 2018.

Issues not regulated by the Statute are governed by Act V of 2013 (the Civil Code of Hungary) and Act CLXXV of 2011 (Civil Act).

Changes to the previously valid text of the Statute are marked with a strike through in the case of substantial deleted elements; newly added provisions of substance are featured in italics. “Parts” of the text originally marked by Arabic numerals have been denoted in Roman numerals and Part 12 has been expanded to form Part XIX. Within certain “Parts”, listings marked with letters or Arabic numerals followed by the punctuation mark “.” have been replaced by Arabic numerals in brackets, these alterations affecting all Parts 12 of the previously valid Statute.

Budapest, 19th November 2018

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Csongor Csáky
Chairman