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## ARTICLES OF ASSOCIATION

FULL AMENDED DRAFT TEXT OF THE ARTICLES OF ASSOCIATION

### General provisions

#### § 1.

##### Name of the organisation

- a) *In Hungarian:* CEEweb a Biológiai Sokféleségért
- b) *In English:* CEEweb for Biodiversity
- c) *Abbreviation:* CEEweb

##### Headquarters and branch office

- a) Headquarters: Kuruclesi út 11/A, Budapest H-1021 Hungary
- b) Branch Office: Kossuth utca 13. Miskolc H-3525 Hungary

#### § 2.

- 1) The organization is a voluntarily established, self-governed professional organization covering European regions, which is founded for public benefit, and the activities of the organization are carried out accordingly.
- 2) The organization is a legal entity.
- 3) Legal supervision over the organization is exercised by the Prosecution Office.

### The aims and tasks of the organisation

#### § 3.

The activities of the organisation are considered public benefit according to 3, 4, 8, 9 points of c) §. 26. of CLVI. Law of 1997 on public benefit organisations of the Republic of Hungary, and they are tasks targeting nature conservation and environment protection, as well as related scientific, education, awareness-raising and instructional activities pursuant to LIII. Law of 1995 and Governmental Decree 165/2006.(VII.28.).

The mission of CEEWEB is the conservation of the biodiversity through the promotion of sustainable development.

The aims of CEEWEB:

- to form common strategies and programs for the enhancement of biodiversity in the Central and East European region;

- to promote the enforcement of international conventions for nature and biodiversity conservation, with special regards to the Convention on Biological Diversity;
- to promote the concept of sustainable development and contribute to its implementation;
- to raise public awareness about the importance of biodiversity and its protection.

In order to meet the above aims, the following tasks are undertaken by the organisation:

- research in the field of nature conservation, animal welfare, environment protection and sustainable development theories;
- the use of relevant scientific results in order to conserve the natural and built environment of the region;
- promotion of scientific knowledge;
- contribution to the conservation of the common natural assets of the Central and East European region;
- lobbying activity and campaigning;
- environmental education;
- information and expertise exchange;
- capacity building.

The organization carries out public duties, which pursuant to provisions of the following laws or other legal regulations should be carried out by a governmental body or local government.

It carries out tasks as determined in the LIII. Law of 1995 on the general rules of environmental protection in line with the:

- 10.§ regarding cooperation,
- 12.§ regarding information,
- f), g) and h) points of the 38.§,
- b) and c) points of paragraph (5) of 41.§ regarding the environmental tasks of the Government,
- b) and d) points of 42.§ regarding the tasks of the minister responsible for environment,
- 53.§ regarding environmental, research and technical development activities,
- 54.§ regarding environmental education, training and awareness raising.

It exercises the rights according to the 98.§ of the same law.

It carries out tasks as determined in the d) point of 9.§ paragraph (1) of the XXI. Law of 1996 about spatial development and spatial planning.

It carries out tasks as determined in the LXV. Law of 1990 about local governments in line with the:

- 8.§ paragraph (1) about the protection of the built and natural environment as prescribed for municipalities,
- c) point of the 70.§ paragraph (1) regarding the tasks and competence of the county government.

## **Principles of operation**

### **§ 4.**

- 1) CEEWEB is an independent, non-profit, non-political organisation.

- 2) CEEWEB has no direct political activities, it is independent from any political party, does not provide financial support to and is not supported by any of them.
- 3) The organization carries out entrepreneurial activities only in order to accomplish its public benefit objectives, not endangering these objectives.
- 4) The financial benefits generated by economic activities shall not be distributed, but dedicated to the objectives defined in the Articles of Association.
- 5) Others than its members can also benefit from the public benefit services of the organisation.

## Membership

### § 5.

1) Members of the organisation can be:

- a. NGOs from the Central and East European region,
- b. NGOs from any other country actively working in this region, and
- c. individuals

acquainted with and obeying the Articles of Association of the organization.

2) Types of membership:

*Full members* can be non-governmental organizations that are legal entities in their own right, active in the field of environmental protection and nature conservation aimed at the public good with a view to sustainable development.

*Honorary members* are individual members on whom the association wishes to confer this status in consideration of the professional or other support they have provided. The Annual Meeting is deciding by recommendation of the Board or any member of CEEWEB about the approval of an honorary status.

*Supporting members* are NGOs or individual members who support the organisation with voluntary work or donations, but do not wish to take part in the activities of the organization as a full member.

3) Becoming members:

Joining and leaving the organisation (with the exception of expulsion) is voluntary under the following terms.

All members are endorsed by the Annual Meeting of CEEWEB by open voting, simple majority. All applicants must submit an intent statement and documents describing the professional activities of the organisation or individual. These documents should clearly contain the aims and organisational structure of the organization. After deliberation, the Board proposes the approval or rejection of the applicant's membership to the Annual Meeting. The Annual Meeting is not bound to explain its decision.

4) The ending of membership:

- a) By resignation

Any member organisation and individual may at any time tender its resignation by sending a registered letter, telefax or any other reproducible and verifiable message to the General Secretary. Such resignation will become effective on the ninetieth day after the first day of the month following the submission of the request.

b) By expulsion

If a member does not comply with the obligations laid down in the Articles of Association, or its behaviour makes the maintenance of its membership impossible, the Annual Meeting can expel the member from its membership.

A member organisation or individual member can be expelled, if a Board member or a member organisation proposes this at the Annual Meeting, and the members agree with a majority vote. No member may be expelled without having been informed in writing of the reasons behind such expulsion. Such notification shall be given at least three months before the date of the Annual Meeting required to decide on the matter, and the member shall have been given the opportunity to put forward its defence. The member affected cannot vote on the matter. Other issues (convocation, quorum, decision-making and any other related issues) are governed by the general rules.

The member can be expelled also on the following grounds (the list is not exhaustive):

- The activities carried out by the member are incompatible, and/or contrary to the aims of CEEWEB,
- The non-profit nature of the organization is lost or terminated,
- Failure to comply with the obligation to pay membership fee for three years,
- Failure to comply with obligations arising from the decisions of the Annual Meeting or the Board during the period defined by the decision,
- The occurrence of conditions which would not allow the establishment of such membership.

c) With the death of the individual member, or the winding up of the organisation, without any legal successor.

The General Secretary keeps record of the establishment and the ending of membership.

5) Rights of full members:

- a) Participate at the Annual Meeting through representative or delegate, initiate discussion regarding any issues relevant to the objectives and tasks of the organization, and take part in the decisions through voting right.
- b) Active/ passive voting right, i.e. they can vote and can be elected. In case the member delegates more than one delegate, the person exercising the voting right shall be appointed by a document verifying the legitimacy of the participant.

The delegate can be delegated by an authorization from the legal representative of the member organization with an authentic act or a documentary legal proof. Such authorization shall contain the duration of the mandate or delegation, the possible restraints and all issues with a relevance to the procedure.

The representative registered with a copy of the document verifying the representative right shall be considered as the representative of the member, as long as no other person announces his/her representative right in the same form.

c) The representative or delegate of a full member can be elected to the Board, the Advisory Committee and the Supervisory Committee.

d) Participate in the activities, professional and other events of the organization.

e) Have right of inspection of records and documents of the organization.

6) Rights of supporting and honorary members:

Participate in the activities of the organisation and use the provided services.

Participate at the Annual Meeting with a right of opinion and right of motion, but without voting right.

7) Obligations of full, supporting and honorary members:

They shall comply with the obligations laid down in the Articles of Association.

The members shall contribute to the positive image of the organisation.

The full member shall pay the membership fee determined by the Annual Meeting, while the honorary member and supporting member are not obliged to pay membership fee.

The full member, as an elected officer shall comply with the obligations of the position in question, and carry out the tasks using her/his best knowledge and skills.

8) Membership fee

The amount of annual membership fee is decided by the Annual Meeting in line with the types of membership defined under (2), i.e. only full members are bound to pay membership fee. The Annual Meeting may allow the deferment of payment, the partial or full remission of the membership fee on valid and equitable ground.

## **Structure and operation of the organization**

### **§ 6.**

1) The managing organs of the organization are the Annual Meeting and the Board.

By the 7§ (1) point of the CLVI. Act of 1997, the meetings of the highest organ, as well as of the management and representative organs of the organisation are public.

2) The Annual Meeting

a) Participants are the members

All members have the right to send a representative or delegate pursuant to § 5. 5) b) to the Annual Meeting. Each full member can cast one vote.

The Annual Meeting convenes at least once a year.

b) The jurisdictional scope and operation of the Annual Meeting

The Annual Meeting is the main decision-making body and the highest organ of CEEWEB.

The following issues are in the exclusive jurisdiction of the Annual Meeting:

- The Annual Meeting approves the Articles of Association and its amendments by two-third majority of the full members present or represented, who are entitled to vote.
- The full members of the Annual Meeting decide about the dissolving of the organisation and merging with other organization by two-third majority.
- In any other cases the full members of the Annual Meeting shall decide with open voting by simple majority (50%+1) of the present or represented, who are entitled to vote, unless stated otherwise in the Articles of Association.
- The Annual Meeting:
  - approves the financial report, the annual report and the public benefit report.
  - approves the reports of the managing organs and officers,
  - discusses and approves the annual work programme of the organization.
  - determines the membership fee,
  - carries out all tasks determined by the Articles of association and by law.
- The full members of the Annual Meeting elect the President, the Vice-President and the additional member of the Board, as well as the members of the Advisory Committee and the Supervisory Committee for a two-year period. The first Annual Meeting following the second calendar year following the election of the Board, the Advisory Committee and the Supervisory Committee is an electorate Annual Meeting, when the election of the given officers (of the Board, the Advisory Committee, the Supervisory Committee) is an obligatory item on the agenda.
- The full members of the Annual Meeting are entitled to dismiss these persons under the following terms:

The dismissal of the officers of the organisation, the Board, the Advisory Committee and the Supervisory Committee is possible if significant obligation arising from their tasks is intentionally or with gross negligence to a significant extent not complied with, or their behaviour makes the keeping of that position impossible and through this greatly threatens the achievement of the aims of the organisation. The Annual Meeting sends a written call for carrying out the tasks within a fifteen-day deadline. After this deadline in case of a failure to carry out the tasks, the convened Annual Meeting decides about the dismissal under the general procedure rules. The convocation, the quorum, the decision-making and all other related issues of the Annual Meeting to dismiss officers are governed by the general rules.
- The full members of the Annual Meeting decide about the applicant's membership and the expulsion of members, and take notice of the resignation of members.
- The full members of the Annual Meeting approve the establishment of Working Groups, their work programme and decide about their dissolution.

The convocation of the Annual Meeting with the endorsement of the annual report and the public benefit report on its agenda, the ways of decision-making and all other related issues are governed by the general rules.

c) The convocation of the Annual Meeting:

- i The General Secretary convenes the Annual Meeting at least once a year by sending the invitation that includes the agenda and the planned date and place of the Annual Meeting at least 21 days before the date of the meeting. The invitation also contains the date of the re-convened Annual Meeting in case of an inquorate meeting. The Annual Meeting re-convened because of being inquorate is quorate on the original agenda items contained in the invitation, irrespective of the number of participants, which is also informed about in the invitation. In addition, the invitation should include the fact of the conviction of the Annual Meeting, and if necessary, of the re-convened Annual Meeting, and its ways, date and circumstances, on the basis of which the members can decide if they want to participate at the Annual Meeting, as well as the re-convened Annual Meeting or not. The Board informs the members without delay via fax, e-mail or phone about the fact of the Annual Meeting being inquorate and about its re-conviction. The Board shall decide on the venue, date and agenda of the regular Annual Meeting.

- ii. Extraordinary Annual Meeting shall be convened within the shortest time possible upon the decision of the Board and the Supervisory Committee.
- iii. Upon the proposal of at least 10% of the members indicating the reason and the purpose, within 30 days after making the decision or receiving the written proposal.

#### d) Quorum of the Annual Meeting

The Annual Meeting is quorate if at least half of the registered full members (50%+1) are present. If the inquorate Annual Meeting is dissolved and re-convened, it is quorate on the items listed on the original agenda irrespective of the number of the member organisations present, which is also contained in the invitation. The re-convened Annual Meeting can be convened one hour after the dissolved Annual Meeting.

#### e) Minutes of the Annual Meeting

Minutes of the Annual Meeting must be taken and signed by a minute-taker and certified by another person, both of whom are elected by the Annual Meeting.

#### f) Rules of an electronically convened Annual Meeting

Considering the international nature of the organisation, the members can deliberate and vote in an electronic way (via e-mail), via fax or mail without the convocation of the Annual Meeting.

The General Secretary shall send the proposal for decision in an electronic way (via e-mail), via fax or mail to the full members of the organisation. In this he/she calls the members to exercise their voting right before an appropriate (min. seven-day) deadline.

The members can vote in an electronic way (via e-mail), via fax or mail. Each member within their jurisdiction and own responsibility shall ensure that the voting can be only exercised by the person entitled to do so.

The results of the voting received in an electronic way (via e-mail), via fax or mail are aggregated by the General Secretary, who also informs in a verifiable way those members participating in the voting and others affected about the decisions made.

The General Secretary keeps record of the voting and the informing about the results. The printed texts of the e-mails sent electronically, the faxes or the documents sent by mail shall be attached and registered.

The proposal can be considered approved, if more than half of the full members (50%+1) have approved.

It is responsibility of the members to inform the organisation about their telephone number, fax number, e-mail and mail address and the changes thereof.

The members shall convene personally at least once a year at an Annual Meeting.

## **Board**

### **7. §**

By the 7§ (1) point of the CLVI. Act of 1997 the meetings of the Board are public.

#### 1) Members of the Board:

- a) the President,
- b) the Vice-president,
- c) an additional member.

#### 2) The jurisdictional scope and operation of the Board

- The Board holds meetings if necessary, but at least twice a year.
- The General Secretary informs the Board members at least 21 days before the date of the meeting in written form. The invitation shall contain the date and venue of the Board meeting, as well as the date and venue of the re-convened Board meeting in case of being inquorate, as well as the agenda items.
- The General Secretary shall convene a Board meeting on the basis of the request of any member of the Board, the Advisory Committee and the Supervisory Committee with an indication of the reasons and purposes. The conviction, quorum and decision-making of the extraordinary meeting are governed by rules of the ordinary meeting.
- The Board meeting is quorate if at least two-third of its members are present.
- The Board shall decide by open voting and simple majority, but can also decide about secret voting.
- The General Secretary and the members of the Advisory Committee are invited participants of the Board Meetings.
- The Board is entitled to decide on all issues that arise between Annual Meetings, except for the issues in the exclusive jurisdiction of the Annual Meeting.
- The Board decides on the allocation of resources.
- Minutes shall be taken of the Board Meeting, authenticated by a Board Member.
- The Board members shall be provided with the decisions, positions and minutes of the Board Meeting in writing within a month after the meeting. Concerned parties shall be informed on the decisions and positions in writing.
- Considering the international nature of the organisation, the Board can consult and conduct voting electronically (by e-mail) or by post. In such case the results of voting shall be compiled by the General Secretary, who shall inform in a verifiable way the participants of the voting as well as others affected by the decision about the decisions made.
- The Board is entitled to publish their standpoint for the protection of nature, and in the spirit of the mission of the organisation they can make a statement in its name.

#### 3) Members of the Board

##### a) The President

The President has the right for representing the organisation in accordance with the Hungarian general civil law. The President coordinates the work of the Board and is responsible for preparing the strategic decisions concerning the activities of CEEWEB. Any member of CEEWEB can be authorised to exercise the rights within the jurisdiction of the President on a case-by-case basis, however the right for legally representing the organisation cannot be transferred.

The President exercises the employment rights over the General Secretary.

##### b) The Vice-President

The Vice-President has no legal representation right, but can substitute the President in any other matters.

In case of prolonged incapacitation or resignation of the President, the organization shall be represented by the Vice-President authorized by the Board. The Board members are entitled to decide on whether the upcoming Annual Meeting decides on the election of the new President, or an extraordinary Annual Meeting shall be convened on the issue. In such case mandate of the "new President" (the Vice-President substituting the President) shall be aligned with the duration of the other Board members' mandate.

#### 4) Dissolution of the Board

The Board can be dissolved, if:

- a) More than 2/3rd of the CEEWEB member organizations request the dissolution of the Board due to a valid reason or to a serious management failure,
- b) 2/3rd of the Board requests its dissolution due to a valid reason,
- c) three consecutive regular meetings of the Board are inquorate, or unable to make a decision due to any reasons.

The members shall submit the motion to dissolve the Board in writing to the General Secretary with detailed arguments, and at least three months in advance before the regular Board Meeting.

The decision on the dissolution of the Board shall be made on the regular Board Meeting following the submission of the motion.

### **Advisory Committee**

#### **§ 8.**

The Advisory Committee is an opinion forming and advisory body of the organisation.

The Advisory Committee is comprised of three members and the Chairs of the Working Groups. The three regular members of the Advisory Committee are elected by the full members of the Annual Meeting by simple majority for a two-year term.

The jurisdiction of the Advisory Committee includes the previous commenting of all decisions of the Board.

The Advisory Committee can participate at the Board meetings with a right of opinion. The invitations to the Board meeting shall be sent to the members of the Advisory Committee in line with the rules related to the Board members.

All members of the Advisory Committee have the right to initiate the convocation of the Board through a statement addressed to the General Secretary. The General Secretary shall convene the Board immediately after receiving the statement.

Rules of procedure:

Considering the opinion forming and advisory jurisdiction of the Committee, it shall convene as necessary. All members have the same rights.

Minutes are taken of the Advisory Committee meetings, which is authenticated by one member. The General Secretary shall keep records of the opinions expressed by Committee members via e-mail or in other way.

If the Advisory Committee members personally participate at the Board meetings, it is sufficient to indicate their presence as invited participants in the Board meeting minutes. In the minutes their opinion shall be also indicated. However, only Board members can participate in making decisions.

## **General Secretary**

### **§ 9.**

- a) The General Secretary is responsible for the administrative tasks related to the operation of the organisation. He/she leads and organises the so called Central Office operating at the Headquarters of the organisation and exercises the employment right over CEEWEB employees pursuant to the conditions defined in legal regulations. Within this jurisdiction he/she is entitled to act on behalf of the organisation in front of tax and other authorities, and can represent the organisation.
- b) The General Secretary manages the economic activity of CEEWEB, he/she is responsible for the decisions made with regards to economic and financial issues, and for the execution of the decisions.
- c) Without specific authorisation from the President, he/she can represent the organisation with full rights in the course of preparing applications, he/she can sign them and in the name of and representing the organisation.
- d) The General Secretary is entitled to sign contracts in individual legal cases up to the limit of 25.000.000 HUF.
- e) The General Secretary has the right of signature within the jurisdictional scope specified by the President.
- f) The General Secretary is responsible for convening the Annual Meetings, the Board and the Advisory Committee meetings, taking and distributing the minutes, as well as for passing on the obtained information and other important documents to the Board, the Advisory Committee and the CEEWEB network.
- g) The General Secretary participates in the Board and Advisory Committee meetings with the right of opinion and right of motion.
- h) The General Secretary prepares the Annual Meetings, the Board and Advisory Committee meetings, ensures the implementation of the decisions of the Annual Meeting and Board.
- i) By the 7§ (3) paragraph a) point of the CLVI. Act of 1997 the General Secretary shall keep record in the Central Office, which includes the content, date and effect of the decisions of the managing bodies, and also the proportion (if possible, also identity) of those in favour and against the decisions. The detailed regulations of this record shall be included in the by-laws of the organisation.
- j) The General Secretary ensures through the Central Office that the parties concerned are informed by registered mail, verifiable electronic or regular mail about the decisions of the Board and that these decisions are published.
- k) The General Secretary is appointed by the Board. The employment rights over the General Secretary are exercised by the President. It is the responsibility of the General Secretary to act in the interest of CEEWEB.
- l) The General Secretary has to work for the CEEWEB network on a daily basis.

- m) The General Secretary reports at least once a year to the Board on his/her activities.
- n) The General Secretary acts as a secretary for the Board, and as an intermediary between donors, governments, ministries, international organizations and CEEWEB.
- o) Within the jurisdictional scope specified by the President he/she is entitled to represent the organisation towards state and civic organizations and in international relations.
- p) The General Secretary is responsible for delivering appropriate information to the members of the CEEWEB network, and that the CEEWEB' website is regularly updated with information.
- q) The General Secretary participates in other events related to the work program of CEEWEB.
- r) The General Secretary lobbies for the realisation of the policies determined by the CEEWEB network and the Board.
- s) On the first working day of each month between 10 and 12 o'clock at the Headquarters of CEEWEB, the General Secretary ensures the right of inspection of the records and reports on CEEWEB activities and ensures the publicity of the operation, the ways of using the services provided and the reporting.

This will also ensure the publicity of the organisation required by 7.§(3) b. of the CLVI. Act of 1997 towards the public, as well as the publicity of the reports, and that the community can control the activities, economic management, the operation of the organization, etc.

The General Secretary ensures that the most important data of the activities and economic management are made public in the *Reciplika* medium or on the website of the organisation.

The General Secretary shall consider any request about the use of the services provided by the organisation within 60 days, and inform the person requesting in writing immediately.

## **Supervisory Committee**

### **§ 10.**

a) The organization has a Supervisory Committee of three individuals acting as a supervisory body. The Supervisory Committee acts as an organ. The members elect a Chair among themselves. The Supervisory Committee defines its own regulations. The Committee is quorate if two-third of the members are present, decisions are made by open voting and simple majority.

b) The Supervisory Committee meets at least once a year. Members of the Supervisory Committee act on their own behalf, cannot be represented.

Considering the international nature of the organisation, the members of the Supervisory Committee can deliberate and vote in an electronic way (via e-mail), via fax or mail without the personal meeting of the members, the convocation of the Supervisory Committee. In other matters the rules of an electronically convened Annual Meeting as described in 6§ point f) apply mutatis mutandis to the electronically convened Supervisory Committee meeting.

c) The meetings of the Supervisory Committee are convened and chaired by the Chair. The convocation of the Supervisory Committee can be requested in writing from the Chair by any member, indicating the reason and the purpose, who makes necessary steps within eight days as of receipt of the request in order to convene the meeting within 30 days. If the Chair fails to comply with the request, the meeting can be convened by the member as well. The convocation, quorum, decision-making of extraordinary meetings are governed by the general rules of the ordinary meeting.

The Chair sends the invitation, which contains the date and venue of the meeting, as well as the date and venue of the re-convened meeting in case of being inquorate to the members at least eight days before the date of the meeting.

d) The jurisdiction of the Supervisory Committee:

- monitoring the operation and management of the public benefit organization. In this matter, it might request a report from the managing officials, information or clarification from the employees, and can have access to and examine the bookkeeping and other records of the organization.
- it can participate with a right of opinion at the meetings of the Board and the Annual Meeting in line with the 11.§ of the CLVI. Act of 1997,
- under the conditions specified by 11.§(3) of the CLVI. Act of 1997 informs the body entitled to act, initiates its convocation,
- checks the reports of the organisation as often as necessary, but at least once a year, and presents its opinion to the Annual Meeting,
- checks the balance sheet and the operating statement,
- reports to the Annual Meeting once a year (orally or in writing),
- checks the operation of the organisation, management of its assets, economic and financial management in line with its Articles of association,
- shares the experiences of the performed checks with the Board,
- is obliged to carry out all tasks determined as obligatory in legal regulations.

e) The Supervisory Committee is obliged to initiate the convocation of the Annual Meeting, if it becomes aware, that:

- an infraction of law or an event seriously injuring the interests of the organization happened, of which the termination or the mitigation of the consequences is in the jurisdictional scope of the Annual Meeting,
- facts emerge that substantiate the liability of the Board.

f) The members of the Supervisory Board are jointly and unlimitedly liable for the damage caused to the association by failing to comply with their supervisory obligations.

## **Working Groups**

### **§ 11.**

#### **1) Creation of Working Groups**

Working Groups can be created upon the proposals of the member organisations or the General Secretary. A Working Group can become a legitimate CEEWEB Working Group, if it fulfils the following criteria:

- a) there are at least five member organisations participating in the activities,
- b) it has a work programme,
- c) the Annual Meeting approves the creation of the Working Group and approves its work programme by a simple majority,
- d) it has a chair elected by the Working Group.

## 2) Chair of the Working Group

The Chair of the Working Group is elected by the Working Group from among its members. The Chair of Working Group is a member of the Advisory Committee.

The Chair of the Working Group may be dismissed by the Working Group on the following ground:

- a) failure to comply with the general responsibilities deriving from the position, without valid reasons,
- b) absence from two consecutive Advisory Committee meetings without valid reasons,
- c) if the actions of the Working Group Chair causes serious conflict of interest with the CEEWEB Network,
- d) failure to appropriately meet the duties.

3) The Working Group makes its decisions by simple majority with open voting, but it can also decide about secret and qualified majority voting. The Working Group decides about the joining of new members to the Working Group, and it develops its Work Programme, which is endorsed by the Annual Meeting.

## Conflicts of interest

### § 12.

1) Those persons cannot take part in the decision-making of the Board, who or whose close relative (as defined in point b. of § 685. of the Hungarian Civil Code):

- a) is exempt from obligation or responsibility,
- b) is benefited in any other way, or has an interest in a legal issue to be concluded.

Non-financial support available to anybody without any restriction in line with the objectives of the organisation, and the support given to the members on the basis of their membership in accordance with the Articles of Association, is not considered as benefit.

2) The following persons cannot be the chair or member of the Supervisory Committee, and the auditor of CEEWEB, who

- a) is a member of the Board,
- b) has a contract of employment or any other employment-like connection to CEEWEB in addition to this assignment, unless regulated otherwise by law,
- c) is given a support in line with the aims of the organisation, except for the non-financial support available to anybody without any restriction in line with the objectives of the organisation, and the support given to the members on the basis of their membership in accordance with the Articles of Association,
- d) is a close relative of the above listed persons.

3) For two years following the winding up of a public benefit organization, the person, who has filled a leading position at the public benefit organization – for at least one year during the two years before the winding up – which has not paid its public dues according to the law on taxation, cannot fill a leading position in any other public benefit organization.

The leading officials or the candidates for such position are obliged to inform all public benefit organizations in advance, if he/she fills a similar position in any other organization.

## Management and auditing

### § 13.

#### Management

1) CEEWEB is responsible for its debit with the entire asset of the organisation; the members are not responsible for the debit of CEEWEB beyond paying their membership fee.

2) The assets of the organization mainly originate from the support given for contributing to the implementation of the tasks of state and local governments, from membership fees, as well as from donations, contributions and economic activities of individuals, legal entities or bodies without legal entity.

The acceptance of donations requires the decision by the Board.

3) The liquid assets of CEEWEB are handled on a bank account. Two persons together from the following persons have authority over the bank account:

- General Secretary,
- President,
- Financial manager,
- Office manager of the central office.

4) The leading officials of the association fill their position without remuneration, but can require the reimbursement of their justifiable expenses.

5) In addition to the annual report, the organisation is obliged to prepare a public benefit report at the same time. In line with (5) § 19. of CLVI. Law of 1997 on public benefit organisations, the organisation publishes the report by 30 June in the year following the base year the latest on its website.

The adoption of the public benefit report is the exclusive jurisdiction of the Annual Meeting.

The public benefit report contains:

- a) the financial report,
- b) the use of the support from the state budget,
- c) report on the use of the assets,
- d) the use of support provided by the organisation in accordance with its objectives,
- e) the amount of support received from central budget bodies, separate state funds, local governments, minority governments, the associations of local governments and the bodies thereof,
- f) the value and amount of allowance provided for the leading officials of the public benefit organisation,
- g) a short report on the public benefit activities of the organisation.

## § 14.

### The auditor

- 1) The public benefit organisation should have the report audited by an appointed auditor to check its validity and legal compliance.
- 2) The auditor acts according to relevant regulations, and is liable in accordance with these provisions and those of the Hungarian Civil Code.
- 3) The appointed auditor cannot be a member of the Board or the Supervisory Committee, a close relative thereof, as well as the employee of the association for three years from the termination of the employment.

## Closing provisions

## § 15.

- 1) Any other issue that is not regulated in the Articles of Association are regulated by the following acts: *II Law of 1989* and *CLVI Law of 1997*, as well as relevant regulations of the Hungarian Civil Code and other regulations on civic organisations.
- 2) The organization is created for an indefinite period.
- 3) The organization shall be wound up:
  - a) upon the decision of the Annual Meeting by two-thirds majority,
  - b) if the number of the members is less than ten,
  - c) if it merges with another professional, civic organization,
  - d) if the court decides about its dissolution or winding up,
  - e) any other cases regulated by the Hungarian law.
- 4) If the civil organization is wound up by dissolution or its termination is declared, and no provisions have been made on the use of its assets, the asset shall become state property after credit claims are paid off, and it shall be used for public benefit purposes. The use of the assets shall be published.

According to the decision of the Annual Meeting the assets of the organization shall be distributed among other public foundations, public benefit organizations carrying out similar activities.

Budapest, 29. October 2008.

Imola Fűzi  
Certifier

Veronika Kiss  
Certifier