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ARTICLES OF ASSOCIATION

FULL AMENDED TEXT OF THE ARTICLES OF ASSOCIATION

GENERAL PROVISIONS

Article 1

- 1) Name of the organisation:
 - A) In Hungarian: CEEweb a Biológiai Sokféleségért
 - B) In English: CEEweb for Biodiversity
 - C) Abbreviation: CEEweb
- 2) Headquarters and branch office:
 - A) Headquarters: Széher út 40, Budapest H-1021 Hungary.
 - B) Branch office: Kossuth st. 13, Miskolc H-3525 Hungary.

Article 2

- 1) The organisation is a voluntarily established, self-governed professional organisation, covering European regions and founded for public benefit. The activities of the organisation are carried out accordingly.
- 2) The organisation is a legal entity.
- 3) Legal supervision over the organisation is exercised by the competent court and the legal control is exercised by the prosecution office.
- 4) The organisation operates on Hungarian and international levels.

THE AIMS, TASKS AND PUBLIC BENEFIT ACTIVITIES OF THE ORGANISATION

Article 3

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

1) The aims of CEEweb:

- Formation of joint strategies and programmes for the enhancement of biodiversity in the Central and Eastern European region.
- Promotion of enforcement of international conventions for nature and biodiversity conservation, with special regard to the Convention on Biological Diversity.

- Promotion of the concept of sustainable development and contribution to its implementation.
- Rising of public awareness about the importance of biodiversity and its protection.

2) Public benefit activities and activities with public benefit features carried out by CEEweb:

- Research in the field of nature conservation, animal welfare, environmental protection and sustainable development theories, gathering related scientific results, data, case studies and practices in order to summarize them in publications, present them in conferences and make them accessible to the public.
- Promotion of scientific knowledge from international organisations and our own network (e.g. scientific data on species, population data and conservation status of habitats) related to the necessity of biodiversity conservation as well as promotion and dissemination of methods on biodiversity conservation. Promotion of animal welfare, nature and environmental protection and sustainable development through regional and European media.
- Contribution to the conservation of common natural assets of the Central and Eastern European region. Formation of joint strategies and programs in order to protect biodiversity in the Central and Eastern European region.
- Lobbying activity, campaigning and consultancy. Contacting with the European Commission, the Council, the European Parliament and the legislative and executive bodies of the countries in the region. In order to influence the legislation and the political and economic decision-making processes in line with the aims of the organisation, CEEweb prepares position papers, expert opinions and channels them to the European and national legislative bodies.
- Environmental education. Among others, participation in relevant public events and thematic days with leaflets, publications, posters and so on, and organisation of international cartoon-, photo- and film festivals and contests on nature conservation.
- Information and expertise exchange. Networking between local and CEE region organisations and other stakeholders (e.g. local governments, business sector), which support sustainable development and biodiversity. Channelling the latest information on biodiversity (e.g. decisions of the Council, strategies of the European Commission, latest decisions related to the international conventions) to our members and other stakeholders. Besides, dissemination of the national and regional information related to nature conservation on national and EU levels. Knowledge exchange between experts through the information channels of the organisation (e.g. website, social media, newsletter) during working group meetings, annual meeting and other meetings. Establishment of other possible forums for the better fulfilment of these aims.
- Capacity building. Provide education and training opportunities (e.g. during the annually organised CEEweb Academy) on the international and European environmental policy processes for our members and other stakeholders to enhance the practical implementation of these policies in the region.

3) Public duties and their legal background in connection with CEEweb's public benefit activities:

CEEweb carries out public benefit activities for the local governments as described in the Act CLXXXIX of 2011 on local governments article 13 section 1 subsections 11 and 19 concerning 'local environmental and nature protection'.

CEEweb carries out public benefit activities for the governmental institutions as described in the Act LIII of 1996 on nature conservation in Hungary article 64 section 1 subsection 1 concerning 'improvement of public knowledge on nature conservation and education of nature conservation issues'.

CEEweb carries out public benefit activities for the responsible minister of environmental protection and for other governmental institutions as described in the Act LIII of 1995 on the general rules of environmental protection articles 10, 12, 13 section a, d, f, g, h, i, article 41 sections 4, 5 subsections a, b, articles 42, 46 section d, articles 48, 53 section 1, articles 54, 98, 99.

The organisation specifically makes its public benefit services available for everyone, even besides its members.

PRINCIPLES OF OPERATION

Article 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 financial benefits generated by economic activities of the organisation shall not be distributed but dedicated to the public benefit objectives defined in the Articles of Association.
- 4) Others than its members can also benefit from the public benefit services of the organisation.
- 5) The organisation, in order to ensure the economic conditions to reach its goal, carries out economic-entrepreneurial activities without threatening the accomplishment of its public benefit activities defined in the Articles of Association.

MEMBERSHIP

Article 5

1) Members of the organisation can be:

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

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

2) Types of membership:

- Full members can be non-governmental organisations 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 or NGOs on whom the association wishes to confer this status in consideration of their voluntary work and professional or other support they have provided.

- Supporting members are NGOs or individual members who support the organisation with financial contribution, but do not wish to take part in the activities of the organisation as a full member.

3) Becoming a member:

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

The membership starts with the approval of the candidate member's application by the Annual Meeting.

The approval of the applications of full member candidates is the jurisdiction of the Annual Meeting of CEEweb by open voting, simple majority. The application contains an intention statement and enclosed documents describing the professional activities of the organisation or individual. These documents should clearly contain the aims and organisational structure of the organisation. 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.

The Annual Meeting is deciding by recommendation of the Board or any member of CEEweb about the approval of the honorary and supporter status. To establish membership the member's declaration on the acceptance of the membership is also required besides its approval by the Annual Meeting.

4) Termination of membership:

A) RESIGNATION

Any member organisation and individual may at any time tender its resignation by sending its declaration of resignation in a registered letter or in any other written format verifiably sent by the member. Such resignation will become effective on the day of the verifiable deliverance of the declaration on resignation.

B) EXPULSION

If a member does not comply with the obligations laid down in the laws, in the Articles of Association or in the decisions of the Annual Meeting, 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 its expulsion 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, and the member shall have been given the opportunity to put forward its defence. The decision on the expulsion shall be sent to the member in registered regular mail at least three months before the Annual Meeting. 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 decision on the expulsion of the member must be written with justifications given. The justification shall contain the facts and evidences by which the member is expelled as well as information on the opportunities for legal remedy according to article 6. The decision on the expulsion shall be sent to the member via registered regular mail.

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 organisation 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 termination of membership.

5) Rights of full members:

- A) Participation at the Annual Meeting through legal representative or delegate, to initiate discussion regarding any issues relevant to the objectives and tasks of the organisation, and to take part in the decisions through voting right.
- B) Active/passive voting right. In case the member delegates more than one delegate, the document verifying the delegated person's legitimacy must state the name of the delegated person who is entitled to vote. The delegate can be delegated by an authorization from the legal representative of the member organisation 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 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 or it is found by an official document (e.g. notarial document, private document with full probative value) that the right of representation of the representative terminated.
- C) The representative or delegate of a full member can be elected to the Board and the Supervisory Committee.
- D) Participation in the activities, professional and other events of the organisation.
- E) Inspection of records and documents of the organisation.

These rights shall be equally entitled to all full members.

6) Rights of supporting and honorary members:

Participation in the activities of the organisation and usage of the provided services.

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

These rights shall be equally entitled to all supporting and honorary members.

7) Obligations of full, supporting and honorary members:

All members of the organisation 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 members shall pay the membership fee determined by the Annual Meeting, while the honorary members and supporting members 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.

The members, the members of Board and the members of Supervisory Committee are obliged to expose their notification addresses (postal and e-mail address) to the General Secretary in a verifiable way, personally or by registered mail with a proof of receipt. The General Secretary has confirmatory obligation. Any change in the notification address is in force only from the notice of the organisation.

8) MEMBERSHIP FEE

The membership fee is calculated by the average of the previous 3 years' operational cost from the Association's current year. The operational cost contains the salaries and other human resource costs, office maintenance costs, cost of the accountant, audits, and all the decisions which are obligatory by the law (annual meeting, board meeting) and other costs which are connected to the operation of the Association.

According to the above the membership fee categories are the following:

- 0 - 10.000 EUR operational cost	- 40 EUR
- 10.001 - 50.000 EUR operational cost	- 65 EUR
- 50.001 - 100.000 EUR operational cost	- 120 EUR
- 100.001 - 300.000 EUR operational cost	- 200 EUR
- 300.000 EUR above operational cost	- 300 EUR

The membership fee needs to be paid till the 31st of December of the current year. In case that the membership created during the year the first membership fee will be proportional by time.

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 ORGANISATION

Article 6

The decision-making body of the organisation is the Annual Meeting. The management tasks are executed by the Board. The meetings of both bodies are public. The publicity of the meetings can be restricted in certain cases defined by law.

1) THE ANNUAL MEETING

A) The Annual Meeting consists of the members.

All members have the right to attend at the meeting, provide comments according to the agenda, ask questions and provide suggestions and observations.

The supporting and honorary members are not eligible to vote.

The representation of members at the meeting by their legal or authorized representative shall follow the rules in article.

Each full member has one vote.

The Annual Meeting convenes at least once a year.

B) Jurisdiction and operation of the Annual Meeting:

The meeting is the main decision-making body and the highest organ of CEEweb.

The meeting shall decide with open voting by simple majority of present and represented members.

- The modification of the Articles of Association requires the votes of the two-third majority of present or represented members, who have a right to vote. The decision on the modification of the aims of the organisation, and on the cessation of the organisation (including its fusion with other association) also requires the votes of the two-third of the present or represented members, who have a right to vote.

The Annual Meeting exclusive responsibilities are the following:

- modification of the Articles of Association,
- stating the fusion of the organisation with other organisation or the cessation or disunion of the organisation,
- the approval of the annual report including the annual public benefit report and the organisation's financial report prepared by the Board,
- the approval of other reports of the managing organs and officers,
- the discussion and approval of annual work programme,
- the approval of annual budget,
- the determination of membership fee,
- the election and recall of the members of the Board and determining their remuneration,
- the election of the members of the supervisory committee, their recall and determining the level of their benefits,
- the decision on the settlement of claims for restitution against the former or current members of the association, the executive officers and the members of the supervisory committee,
- the designation of liquidator,
- the decision about the new applicant's membership and the expulsion of members,
- the decision about the establishment and dissolution of working groups and their work programme,
- exercising employer's rights on the member of the board being employed by the organisation,
- decision-making on any other issues that belongs to the exclusive jurisdiction of the meeting by the law or the Articles of Association.

The participants with the right to vote on the meeting elect the members of the Board and Supervisory committee for a two-year term.

Knowing the rights and obligations connected to these positions, the attendees of the meeting with rights to vote elect the President and the Vice-President (one by one and directly to the President and the Vice-President positions).

The full members of the meeting are entitled to dismiss these persons under the following terms. The dismissal (recall) of the officers of the organisation, the Board 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 meeting sends a written call for carrying out the tasks within a 15-day deadline giving justifications. In case the officers of the organisation, the Board or the Supervisory Committee fail to carry out the tasks within this deadline, the convened meeting decides about the dismissal under

the general procedure rules. The convocation, the quorum, the decision-making and all other related issues of the meeting to dismiss officers are governed by the general rules.

The convocation of the 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) CONVOCAATION OF THE ANNUAL MEETING:

The members of the association hold a meeting at least once a year with their personal presence.

If the legislation or the Articles of Association do not decide otherwise, The Secretary General convenes the meeting at least once in a year by sending the invitation in a verified way, via postal services or e-mail, to the notification address of the members, including the official name of the organisation, its headquarter, the agenda and the planned date and place of the meeting at least 21 days before the date of the meeting. The meeting shall be held at the headquarters or any other suitable place within Hungary. Divergence from this regulation allowed only if ...% of the members agree in advance. The date, place and agenda of the meeting shall be decided by the Board. The invitation also contains the date and place of a re-convened meeting necessary because of a possible inquorate meeting. Based on the invitation the members are entitled to decide whether they intend to attend the meeting or re-convened meeting or not. The 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.

The agenda in the invitation shall be detailed enough to ensure the members are able to create their own perspective regarding each field. The members of the organisation are entitled to ask the Secretary General (or the alternate body convening the meeting) to modify or extend the agenda within 7 working days by the delivery of the invitation to the meeting by giving reasons to the modification or extension. The Secretary General (or the alternate body convening the meeting) has the right to accept or decline the modification requests. If the Secretary General (or the alternate body convening the meeting) do not decide on the requests or rejects them, the meeting has the right to decide before adopting the agenda.

The illegally convened meeting might be held only if all the members with participative rights are present and unanimously agree on holding the meeting. Decisions shall be made only in the fields covered by the agenda as it was announced in the invitation, except all the members with participative rights are present and unanimously agree on discussing the extraordinary question.

Extraordinary meeting shall be convened within the shortest time possible upon the decision of the Board and the Supervisory Committee,
Extraordinary meeting shall be convened upon the proposal of at least 10% of the members indicating the reason and the purpose, within 30 days by its receipt,

Extraordinary meeting shall be convened upon the order of courts.

The members of the Board are obliged to convene the meeting giving due justification in writing for taking appropriate measures in case of:

- the assets/reserve of the organisation does/do not cover its debts,
- the organisation expected to be unable to pay off its debts full when due, or
- the aims of the organisation are under threat.

The members with voting right presented at the meeting must take actions in order to eliminate the above-mentioned reasons or decide about the cessation of the organisation.

D) QUORUM OF THE ANNUAL MEETING:

The meeting is quorate if minimum simple majority of full members with voting right are present. If the inquorate meeting is dissolved and re-convened, it is quorate on the original agenda, regardless of the number of participants, which fact is contained in the invitation. The re-convened meeting shall be convened one hour after the dissolved meeting.

If a member is not entitled to vote in a certain question, he/she shall be ignored when estimating the quorum in connection with that certain question.

Not entitled to vote when coming to a decision:

- a) whom the decision decontaminates from an obligation or liability, or benefits any other way on the burden of the organisation,
- b) with whom, according to the decision, the organisation shall make a contract,
- c) against whom, according to the decision, litigation must be initiated,
- d) whose relatives share interest in the decision, if the relative is not a member of the organisation,
- e) who is in a controlling majoritarian connection with the organisation sharing interest in the decision,
- f) those who shares personal interest in the decision any other way.

E) EXECUTION AND REPORT OF THE ANNUAL MEETING:

The Secretary General – if incapacitated, any other Board member – has the right to open the meeting and to estimate the quorum. Next, the members with a minimum of simple majority shall elect the Presiding Chair, the Report Certifier and two Tellers, and shall vote on the approval of agenda. The Presiding Chair must be a Board member, the Report Certifier and the Teller might be any member.

The meeting comes to a decision with open vote, with a minimum of simple majority, except in the undermentioned cases:

Amending of Articles of Association requires the minimum of three-fourth majority of present members with voting rights.

Amending of goals of the organisation or ceasing of the organisation (as well as merging with other organisations) requires the minimum of three-fourth majority of members with voting rights.

The general rules shall be applied when approving the annual report or the annual public benefit report.

The Presiding Chair estimates any voting and notifies the present members about the result. The notification shall be taken as a declaration of the decision for the present members.

Report must be taken from the meeting and it shall be signed by the Secretary General, the Reporter and the Report Certifier. The report shall contain the place and date of the meeting, the number of members present, the estimation of quorum, the agenda,

the comments and the main decisions. The report shall reflect the number (and preferably the name) of supporters and opponents in connection with the main decision.

F) DECISION-MAKING WITHOUT HOLDING A SESSION:

Articles of Association – with regard to the international scope of the organisation – enables the members to come to a decision without holding a session.

The Secretary General – or when the Board decides otherwise the President or Vice-President – initiates the decision-making by sending the draft decision and the related information and documents to the members' notification addresses. The members shall send their vote to the Secretary General within 15 days by the receipt of the draft.

The general rules of quorum and voting shall be applied, except the voting is successful when minimum as many votes arrives to the Secretary General as number of members with voting right would be necessary to reach the quorum in a session.

The Secretary General shall convene the meeting if any of the members intend to hold a session.

The Secretary General estimates the result of voting within 3 days – if every vote arrives before the official end of voting, the Secretary General estimates the result within 3 days by the arrival of the last vote – and notifies the members within 3 more days. The notification shall be taken as a declaration of the decision. The date of coming to a decision is the official end of voting. If every vote arrives beforehand, the date of coming to a decision is the arrival of the last vote.

G) ELECTRONIC ANNUAL MEETING:

Considering the international scope of the organisation, the members are entitled to vote in an electronic way. The discussion of the agenda and the voting are carried out via e-mail exchange.

The members with voting right, the members of the Board and the members of the Supervisory Committee must send their official e-mail address to the Secretary General in an official form (an official statement personally delivered to the Secretary General or delivered via registered regular mail). Changes of this official e-mail address must be reported to the Secretary General in the above described forms immediately, or within maximum 8 days by the changes occurred. No objections can be raised in the event of contacting through an incorrect e-mail address with the member due to the non-compliance of its above described reporting obligation on the changes of the official e-mail addresses due time.

The members, the members of the Board and the members of the Supervisory Committee have the responsibility to ensure that during the voting period these official e-mail addresses are used by only the persons with right to attend the electronic annual meeting.

The Secretary General convenes the electronic meeting by sending the invitation that includes the agenda and the necessary background documents at least 15 days before the date of the meeting. The invitation also contains the date of the re-convened meeting in case of an inquorate meeting. The meeting re-convened because of being inquorate is quorate on the original agenda items contained in the invitation, regardless of the number of participants, which is detailed in the invitation.

The members of the organisation, the members of the Board and the members of the Supervisory Committee have the opportunity to ask the Secretary General – giving its

reasons – to modify or extend the agenda within 7 working days by the delivery of the invitation to the meeting. The Secretary General has the right to accept or decline the modification requests. If the Secretary General does not decide on the requests or rejects them, the meeting has the right to decide before adopting the agenda.

The general rules of convening a meeting, the content of invitation, the amendment of agenda, the re-convening of a meeting and the quorum shall be applied accordingly.

The electronic meeting starts with the identification of the participants. At the beginning, the participants must send an e-mail to all registered attendants and state the names of the legal or authorized representatives exercising the members' voting right. Based on the e-mails, the Secretary General registers the names and number of the participants and by the number of the participants declares the status of the meeting (quorum or no quorum).

The meeting re-convened because of being inquorate is quorate on the original agenda contained in the invitation, regardless the number of participants.

Thereupon the Secretary General calls the full member participants of the meeting to vote on the adoption of the agenda. According to the replies, the Secretary General states the adoption of the agenda. Otherwise, the full members presented at the electronic meeting discuss which agenda they accept. After the agenda accepted, the meeting can commence.

All participants have the right to express their opinion during the electronic meeting, which shall be sent via e-mail to all participants registered.

The votes of the participants on the agenda shall be sent via e-mail to the Secretary General. The Secretary General is obliged to wait until all of the votes arrive from all participants. The votes can be 'yes', 'no' or 'abstention'. Before the voting, the attendees can request for an open vote by roll-call.

The results of voting received via e-mail are aggregated by the Secretary General, who also states the proportion of the 'yes', 'no' and 'abstention' votes and sends the results to the participants via e-mail. In case of a roll-call vote, the Secretary General also pairs the names together with the type of the vote given by the person.

The meeting can be closed after the discussion of all agenda points and receiving no requests from participants to express further opinion. Before closing the meeting, the Secretary General notices his/her intention to close the meeting.

Reports of the meeting must be taken by the Secretary General. The reports must record every incidents of the meeting. Within 8 days by the meeting, the report must be sent to the attendees, who have 8 more days to provide comments or objection. During the same period full members attending the meeting are entitled to notify the Secretary General if the person communicating through the registered e-mail address was not authorized to participate. If objections affect any resolution of the meeting, the affected resolutions must be voided, and the meeting shall be convened again to decide on the voided agenda point.

The comments and objections must be registered by the Secretary General, who shall rectify the accidental shortcomings.

If the legislation orders the submission of reports to the relevant authorities, the following actions must be taken: At the beginning of the meeting the participants must elect the President or Vice-President to Report Certifier. After the collection and rectification of all the obligations and comments, the Secretary General shall recreate the appropriate number of the reports and sign them. The Certifier shall sign them as well.

Coming to a decision during the electronic meeting requires a minimum simple majority voting of members. Electronic meeting can be held to modify the Articles of Association and the goals of the organisation, but it requires a minimum three-fourth majority voting of present or represented members.

H) DECLARATION OF THE DECISIONS

When holding a session for decision-making, the Presiding Chair's notification on the result of voting shall be taken as a declaration of the decision for the present members. In case of the unrepresented members the Secretary General shall send the report within 8 days via postal services. The decision shall be taken as declared by the receipt.

When holding an electronic meeting, the Secretary General shall send the report to the members within 8 days, who are entitled to comment or object on the content. Within 8 more days, the Secretary General incorporates all the comments and objects and sends the final report to the members. The receipt of the final report shall be taken as a declaration of the decision for the members. The Secretary General shall publish the decision on the organisation's website within the same amount of time, which shall be taken as a declaration of the decision for third parties.

The Secretary General shall publish the decisions made without holding a session on the organisation's website within 15 days, which shall be taken as a declaration for third parties.

I) JUDICIAL REVIEW OF THE DECISIONS

The full members, the members of the Board and the members of the Supervisory Committee, furthermore in case of involvement the honorary and supporting member are entitled to initiate the repeal of any decision at the courts if it infringes the law or the Articles of Association.

The initiative must fall within 30 days by the recognition of the decision or the possibility to recognize the decision. After one year, initiatives cannot be accepted.

Those who supported the decision during the voting are not entitled to initiate its repeal, except when their voting was influenced by deception, delusion or illegal threat.

If the decision infringes the law or the Articles of Association, the court rules on the repeal and – if necessary – the adoption of a new decision. If the infringement is not significant and do not endanger the lawful operation of the organisation, the court declares the mere fact of illegality.

BOARD

Article 7

Meetings of the Board are public

1) Members of the Board:

- the President,
- the Vice-President,
- seven additional members.

2) Jurisdictional scope and operation of the Board:

The Board holds meetings if necessary, but minimum twice a year.

The President informs the Board members minimum 21 days before the date of meeting in written form. The invitation shall contain the date and place of the meeting, as well as the date and place of the re-convened meeting in case of being inquorate, as well as the agenda.

The Secretary General shall convene an extraordinary meeting on the request of any Board member, Advisory Committee member or Supervisory Committee member with an indication of the reasons and purposes. The convocation, quorum and decision-making at the meeting are governed by the rules of ordinary meetings.

The meeting is quorate if minimum two-third of its members are present.

The Board shall decide by open voting and simple majority, except when decide on a secret voting.

The Secretary General is an invited participant at meetings.

The Board approves the organisational and operational regulations of the organisation. The Board defines the professional and financial strategies of the organisation. Every other aspect of the Board's jurisdiction is regulated by the Act V of 2013 on the Hungarian Civil Code book 3 article 80.

Reports shall be taken on the meetings, authenticated by a Board member.

The Board members shall be provided with the written form of every decision, policy and report within 1 month by the meeting. The parties concerned by the decisions and policies shall be informed in a written form.

Considering the international scope of the organisation, the Board is entitled to consult and vote electronically. In this case the rules of electronic Annual Meetings shall be applied.

The reports shall contain at least an information on the starting and finishing time of the meeting, the list of participants presented personally and electronically, the agenda of the meeting, the number and content of decisions made at the meeting, the personal jurisdiction of the decisions, the number of participants supporting and opposing the decisions, the number of abstaining members – in case of a public voting the names of supporting and opposing members, and the names of abstaining members as well –, and every other detail requested by the participants to be recorded in the report.

The Board is entitled to publish policies on nature protection and to make statements in the name of the organisation respecting its mission and spirit.

3) Members of the Board:

Board members shall be primarily full members. However, in accordance with the Act V of 2013 on the Hungarian Civil Code book 3 article 79 section 3, the Articles of Association enables that maximum one-third of the Board members might be third party person.

a) The President

The President has the right to represent the organisation, in accordance with the regulations of Hungarian civil law. The President coordinates the work of the Board and prepares the strategic decisions concerning the activities of CEEweb. Any member of CEEweb can be authorised to exercise the rights of the President on a case-by-case basis, except the right to represent the organisation which cannot be transferred.

b) The Vice-President

The Vice-President has individual right to represent the organisation.

- c) Members of the board shall be person of full age with legal capacity to perform the functions deriving from the Board membership.

Prohibited to be a Board member:

- who was sentenced to legally binding imprisonment, until the negative consequences of having a criminal record are in charge,
- who was prohibited from professions with managerial functions, if the organisation operates in that certain profession,
- who was prohibited from a certain profession in a legally binding judgment, if the organisation operates in that certain profession,
- who was prohibited from every managerial functions, until the time of prohibition expires.

d) Membership in the Board terminates:

- if the time of assignment expires, in case of definite assignments,
- if the well-defined term fulfils, in case of assignments terminating by the fulfilment of a certain term defined by the parties,
- with the revocation of membership,
- with the resignation of a member,
- with the death or cease without legal successor of any member,
- with the restriction of a member's legal capacity in the field of performing its managerial functions in the organisation,
- if an excluding cause or conflict of interest arises in connection with a member,
- if a member's right to represent its own member organisation expires, by ... days of the expiry.

The Board members are entitled to resign at any time with a statement addressed to the Annual Meeting and delivered to a Board member or the Annual Meeting. The resignation becomes to legally binding within 60 days by the announcement, except the operation of the organisation requires staying in position until the appointment or election of a new Board member.

4) Dissolution of the Board:

The Board might be dissolved:

- a) if a minimum two-third majority of member organisations request the dissolution based on valid reasons or serious managerial failures,
- b) if a minimum two-third majority of Board members request the dissolution based on valid reasons,
- c) if three consecutive regular meetings of the Board are inquorate or unable to approve a decision due to any reasons.

The members shall submit the motion to dissolve to the Secretary General in written form with detailed reasoning and minimum 3 months in advance the next regular Board meeting.

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

The General Secretary

Article 8

- a) The Secretary General is responsible for the administrative tasks during the operation of the organisation. He/she leads and organises the Central Office operating at the headquarters and exercises the employment rights over CEEweb

employees, in accordance with the conditions defined in legal regulations.

- b) The Secretary General manages the economic activity of CEEweb, he/she is responsible for the decisions concerning economic and financial issues and for the execution of the decisions.
- c) The Secretary General is responsible for convening the Annual Meetings, for taking and distributing the reports, as well as for sending the obtained information and other important documents to the Board and the CEEweb network.
- d) The Secretary General participates in the Board meetings with the right of opinion and right of motion.
- e) The Secretary General prepares the Annual Meetings and the Board meetings, ensures the implementation of the decisions of the Annual Meeting and Board.
- f) The Secretary General shall keep a record in the Central Office, which contains the content, date and effect of the decisions of the managerial bodies, and also the proportion (if possible, also identity) of those supporting or opposing the decisions. Every other aspect of this record is regulated by the organisational and operational regulations of the organisation.
- g) The Secretary General through the Central Office ensures that the parties concerned by a decision of the Board are informed via registered mail or verifiable electronic or regular mail, and that the decisions are published.
- h) The Secretary General shall be appointed by the Board. The employment rights (including the definition of the salary) over the Secretary General are exercised by the President. It is the responsibility of the Secretary General to act in the interest of CEEweb.
- i) The Secretary General shall work for the CEEweb network on a daily basis.
- j) The Secretary General reports to the Board minimum annually on his/her activities.
- k) The Secretary General acts as a secretary at the Board, and as an intermediary between sponsors, governments, ministries, international organisations and CEEweb.
- l) The Secretary General is responsible for delivering appropriate information to the members of the CEEweb network, and that the CEEweb website is regularly updated.
- m) The Secretary General participates in events related to the work program of CEEweb.
- n) The Secretary General lobbies for the realisation of policies determined by the CEEweb network and the Board.
- o) On the first working day of each month between 10 a.m. and 2 p.m. at the headquarters, the Secretary General ensures the publicity of records and reports on CEEweb activities, the publicity of the operation, and the ways to use the services provided by CEEweb. By this he/she also ensures the publicity of the organisation required by the Act of Public Benefit Organisations; the publicity of the organisation's reports, and that the community are able to control the activities, operations and economic management of the organisation.
- p) The Secretary General ensures that the most important information on the activities and economic management are made public on the organisation's website.

- q) The Secretary General shall consider every request on using the services provided by the organisation within 30 days and inform the petitioner immediately in a written form.

Followed by the nomination by the Board the General Secretary becomes a comprehensive representative of the Association with two years fixed termed mandate.

The president is authorized to terminate the General Secretariat's representation right (as the general assembly has the same withdrawal right towards the president and the vice-president).

In case of the withdrawal of the General Secretariat's representation right, she/he is still obliged to fulfil the duties fixed in her/his ordinary employment contract.

Any cases in which the General Secretary's conflict of interest appears the general regarding rules of the Articles of Association apply.

Supervisory Committee

Article 9

The Supervisory Committee is responsible for the monitoring on the different bodies of the organisation and the implementation of laws, Articles of Association and resolutions made by the organisation. Members of the Committee shall be individuals delegated by the member organisations of CEEweb without conflict of interest.

- a) The Committee has three members and acts as an organ. The members shall elect a Presiding Chair among themselves. The Committee shall decide on its own regulations. The Committee is quorate if a two-third majority of members are present. Decisions are made by open voting with simple majority.
- b) The Committee meets minimum annually. Members of the Committee shall act on their own behalf, they cannot be represented. Considering the international scope of the organisation, members of the Committee are entitled to vote in an electronic way (via e-mail), via fax or mail without the convocation of a session. Every other aspect is regulated by the rules of electronic Annual Meetings.
- c) Meetings of the Committee are convened and chaired by the Presiding Chair. Members of the Committee are entitled to request the convocation of a meeting in a written form, indicating the reason and the purpose. The Presiding Chair shall act within 8 days by the receipt of the request in order to convene the meeting within 30 days. If the Presiding Chair fails to comply with the request, the meeting can be convened by the member. The convocation, quorum and decision-making at extraordinary meetings are regulated by the general rules of ordinary meeting. The Presiding Chair sends the invitation to the members minimum 8 days before the date of the meeting, which invitation contains the date and place of the meeting, as well as the date and place of the re-convened meeting in case of being inquorate.

Reports of the meetings shall be taken by the Presiding Chair. The report shall contain at least an information about the starting and finishing time of the meeting, the list of participants presented personally and electronically, the agenda, the number and content of the decisions made at the meeting, the personal jurisdiction of the decisions, the number of participants supporting or opposing the decision, the number of members abstaining, in case of a public voting the names of participants supporting or

opposing the decision, the name of members abstaining, and every detail requested by the participants to be taken into the report.

The Presiding Chair is obliged to deliver a copy of the report to the Secretary General within 15 days by the meeting, except in case of a closed session.

d) Jurisdiction of the Supervisory Committee:

- Monitoring on the operation and management of the organisation. 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 organisation.
- Participation with right of opinion at the meetings of the Board and the Annual Meetings.
- Checking of the reports of the organisation as often as necessary, but minimum annually, and presenting an opinion to the Annual Meeting.
- Checking of the balance sheet and the operating statement.
- Reporting to the Annual Meeting annually (in an oral or written form).
- Checking of the operation of the organisation, the management of its assets and the economic and financial management in accordance with the Articles of Association.
- Sharing the experiences on the checkings with the Board.
- Carrying out every task determined as obligatory by the law.

e) The Committee is obliged to inform the Board or the Annual Meeting and initiate the convocation of the Annual Meeting:

- if an infringement of law or an event seriously violates the interests of the organisation, and the termination or mitigation of the consequences of such an infraction or event necessitates the decision of the leading body,
- if fact emerges substantiating the liability of an officer, Board or Committee member,
- the assets/reserve of the organisation do/does not cover its debts,
- the organisation is expected to be unable to pay off its debts fully when due,
- the goals of the organisation are under threat.

The Annual Meeting or the Board meeting shall be convened upon the request of the Committee within 30 days, to take the necessary measures. If the deadline expires with no effect, the Committee is entitled to convene the Annual Meeting or the Board meeting. If the Annual Meeting or the Board meeting does not take the necessary measures, the Committee shall notify immediately the authority responsible for legal monitoring.

f) Members of the Committee are responsible for the damages caused by breaching their monitoring obligation according to the regulations on liability deriving from breaching a contract (Act V of 2013 on the Hungarian Civil Code book 3 section 28).

g) The Committee shall be established:

- if the income generated by the organisation is more than 50.000.000 HUF,
- if more than half of the members are not private individuals,
- if the number of members is more than 100.

WORKING GROUPS

Article 10

1) CREATION OF THE WORKING GROUPS:

Working Groups are created upon the proposal of any member or the Board. A Working Group might become a legitimate CEEweb Working Group by fulfilling the followings:

- a) at least five members participate in the activities,
- b) the Working Group has a work programme,
- c) the Annual Meeting approves the creation of the Working Group and its work programme with a simple majority,
- d) the Working Group has an elected Presiding Chair.

2) **PRESIDING CHAIR OF THE WORKING GROUPS:**

Members of the Working Group shall elect one member to Presiding Chair.

Presiding Chair might be dismissed by the Working Group only on the following grounds:

- a) failure to comply with the general responsibilities deriving from the position, without valid reasons,
 - b) the actions of the Presiding Chair causes serious conflict of interest,
 - c) failure to perform the duties appropriately.
- 3) The Working Group is not a legal person. It can approve legally binding decisions on its members only with the consent of all members present. The decision shall enter into force only after the proper signing of all the members.

CONFLICTS OF INTEREST

Article 11

1) The decision-making of the Board and the Annual Meeting is unavailable for those:

- a) is exempt from obligation or responsibility, or
- 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 restriction in accordance 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 are not considered as benefits.

- 2) The Presiding Chair or member of the Supervisory Committee and the auditor of CEEweb cannot be person:
- a) who is Presiding Chair or member of the decision-making body or the managerial body of CEEweb, except those members of the decision-making body who do not have a leading position,
 - b) who has a contract of employment or any other employment-like connection with CEEweb, unless the law regulates otherwise,
 - c) who is given a support in accordance with the goals of the organisation, except the non-financial support available to anybody without restriction in accordance 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) who is a close relative of any abovementioned person.

Furthermore, members of the Supervisory Committee shall be person of full age with legal capacity to perform the functions deriving from the Committee membership. Committee member cannot be person with excluding cause from Board membership.

- 3) Within 3 years by terminating the organisation, Board members – who hold their position in the preceding 2 years for at least 1 year – cannot perform managerial functions in another public benefit organisation:

- a) if the organisation terminates without a legal successor with unredeemed tax or custom debt,
- b) if the tax and custom authorities decides on the organisation has a significant tax deficit,
- c) if the tax and custom authorities ordered lockdown or lockdown fee on the organisation,
- d) if the tax and custom authorities suspended or deleted the tax number of the organisation in accordance with the Hungarian tax regulations.

The leading officials and the candidates for such position are obliged to inform CEEweb in advance if he/she filled a leading position during the preceding 2 years by his/her election or filling at the time of his/her election in any other organisation.

MANAGEMENT AND AUDITING

Article 12

- 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 organisation mainly originate from the support given for contributing to the implementation of the tasks of European Union, 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 of the Board.
- 3) The liquid assets of CEEweb are handled on a bank account. *The president, the vice president and the general secretary independently and the Financial Manager and the Office Manager together have authority over the bank account: last officers have this permission for an indefinite period but at the most till the end of the contract with this scope of activities.*
- 4) The leading officials of the association, except the Secretary General, perform their tasks related to their position without remuneration. However, their justifiable expenses might be reimbursed on request.
- 5) The organisation, as a public benefit legal entity, must use the double-entry book-keeping method.
- 6) The organisation prepares an annual report, which contains:
 - a) the balance sheet,
 - b) the profit and loss account,
 - c) the notes on the accounts.

As a part of the annual report, the organisation is obliged to prepare a public benefit report, which must be approved, deposited and published the same way as the annual report.

The notes on the accounts of the annual report shall contain:

- main activities and programmes carried out by the organisation in the given business year,
- amount of permanently used money originating from grant schemes (support or donation given by the state, local governments, international organisations or other

economic entities to maintain and develop the operation of the organisation), listing each used schemes separately.

The financial annex must separately indicate detailed data considering any refundable support (shown as liability) given under a grant scheme, listing each used schemes separately.

The public benefit report shall contain:

- activities carried out by the organisation which are beneficial for the public,
- main target groups and results of these activities,
- data and indicators necessary for identifying the public benefit legal status of the organisation, according to the Act CLXXV of 2011 on the Right of Association, Non-profit Status, and the Operation and Funding of Civil Society Organisations article 32.

The public benefit report shall contain furthermore:

- a report on the use of the assets,
 - a report on the allowances compliant with the public benefit goals,
 - the amount of allowance provided for the leading officials, and the list of the leading officials receiving this allowance.
- 7) Every other aspect of the management is regulated by the Act CLXXV of 2011 on Right of Association, Non-profit Status, and the Operation and Funding of Civil Society Organisations articles 17-26. Issues considering book-keeping and reporting rules are regulated by articles 27-30. Issues arising from special management requirements due to the public benefit status are regulated by articles 42-46.

THE AUDITOR

Article 13

- 1) The organisation shall audit the report with an appointed auditor to check its validity and legal compliance.
- 2) The auditor shall act according to the relevant regulations. The auditor is liable in accordance with these provisions and those of the Act V of 2013 on 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 organisation within 3 years by the termination of employment.

TERMINATION OF THE ORGANISATION

Article 14

- 1) THE ORGANISATION SHALL BE TERMINATED:
 - a) if the Annual Meeting decides on the termination with a minimum three-fourth majority,
 - b) if the Annual Meeting decides on merging with an other organisation with a minimum three-fourth majority,
 - c) if the number of members is less than 10 for a period of 6 months,
 - d) if the authorities decides on the termination,

e) in every other case regulated by the law,

on the condition that in each case the Court, following a proper process of termination of the organisation's financial relations, deletes the organisation from the judicial record.

The Annual Meeting cannot decide on the termination of the organisation if the enforcement against the organisation was inefficient or the court identified insolvency.

2) PROVISIONS ON THE REMAINING ASSETS:

If the organisation terminates without a legal successor, the assets remaining after the redemption of credit claims shall become a property of the National Cooperation Fund of Hungary.

The right to decide on the assets transfers upon the delete of the organisation.

CLOSING PROVISIONS

Article 15

- 1) The organisation is created for an indefinite period.
- 2) The following rules are to be defined by the organisational and operational regulations:
 - the additional rules of record keeping, which provide information about the content, the date and jurisdiction of decisions made by the decision-making bodies, including information on the number (and, if possible, name) of those supporting or opposing the decision,
 - the measures to share information with those affected by the decision and with the public,
 - inspection of the records and reports on CEEweb activities,
 - publicity of the operation, the ways of using the services provided and the reporting.
- 3) The Articles of Association must be understood in accordance with the goals of the organisation.
- 4) Every other aspect is regulated by relevant regulations of the Hungarian law, primarily the Act V of 2013 on the Hungarian Civil Code and the Act CLXXV of 2011 on Right of Association, Non-profit Status, and the Operation and Funding of Civil Society Organisations.

Budapest, March 19, 2019.