

Articles of Association

I General provisions

Par 1

- 1 Name of the **Association**: Humusz Szövetség
- 2 This **Association** is a **company of private individuals and environmental social organizations**
- 3 Operational territory of the **Association** is the Hungarian Republic
- 4 Address of **Association** Headquarter is 1111 Budapest, Saru u. 11.
- 5 This **Association** is an independent legal entity

II Objectives and responsibilities of the Association

Par 2

1 A general objective of this Association is to co-ordinate and make more effective the work of private individuals and civil environmental organizations, who wish to take active part in evolving an ecologically oriented system for waste management (and its related consumer protection). Through its activity it aims to make an active contribution to the development of environment conscious management and citizen behaviors.

Driven by the above recognition resulting from Act LIII of 1995, the **Association** declares to achieve its objectives in

- (a) nature conservation
- (b) environment protection
- (c) health promotion
- (d) consumer protection
- (e) education and training
- (f) interest advocacy

in the form of a non-profit organization (to meet regulations specified in *Act CLVI of 1997*)

2 The basic and general purpose of the Association is to help and co-ordinate the independent and effective professional activity of its members. So in particular to:

- (a) communicate various domestic and foreign professional information, experiences, methods, scientific findings **and implement model programs**,
- (b) organize professional events, conferences, further education and training courses,
- (c) keep connection with competent ministries, represent the professional standpoints of its **members** in national environmental interests reconciliations and in the process of making law,
- (d) develop and propagate professional aids, information brochures, environment training and teaching materials in the areas of sustained production and consumption, and ecologic consumer protection
- (e) initiate to publish joint position papers, recommendations, press release and organize nationwide actions,
- (f) give professional information and consultative assistance as required,
- (g) help develop a general domestic environmental and an environment-conscious consumer culture, popularize sustained life models, lifestyle patterns, alternative modes of production and consumption, environment philosophies (e.g. by calling for tenders, giving supports and target aids),
- (h) render practical help and interest advocacy of service framework and character on their member's request to solve waste management tasks,
- (i) work out professional projects as state responsibilities overtaken independently and take part in their implementation,

- (j) give support to the activity of public advisory services of environmental movements and authorities in the topic of waste management, **sustained production and consumption** and ecological consumer protection,
- (k) set up and maintain connection with foreign environmental organization as well as associations and institutes doing similar activities,
- (l) **marketing and sale environment-friendly products in order to evolve an environment-conscious culture and behaviour.**

Par 3 This Association is not interested in any political activity, has an organization independent of parties and does not give any support to them. It does not put up or support a candidate

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III Organization of the Association

Par 4

- 1 The Association was established by the following social independent organizations registered at the Registry Court:
 - (a) BME Green Circle, Budapest
 - (b) Göncöl Alliance, Vác
 - (c) Community Waste Utilization Association, Budapest
 - (d) REFLEX Environmentalist Association, Győr
 - (e) Szalamandra Association, Szentendre
- 2 **The Association is an open organization and as a sponsor any other social environmentalist organization or private individual may join up with it, if agrees on the Association objectives and incurs any obligation the becoming to the association involves.**
- 3 The **Association** may set up a commercial enterprise to continue its activities in the form of a business organization.

IV Members of the Association

The Association consists of ordinary and supportive members.

Par 5

- 1 **An ordinary member of the Association may be any registered domestic or foreign environmentalist social organization or any private individual with Hungarian or foreign citizenship, who makes representations in an application for admission put in to the Managing Body whether he/she/it**
 - (a) **agrees upon Association objectives and organize/help the members' activity in order to achieve such objectives,**
 - (b) **is aware of and accepts the Articles of Association and undertakes to pay membership fee.**

Another condition of the admission is for the candidate to submit written supporting statements of at least two ordinary members of the Association simultaneously with the candidate's application for admission (supporter of a private individual may be another private individual or a social organization, while that of a social organization may be another social organization).

- 2 **A supporting member of the Association may be any domestic or foreign legal entity, an unincorporated organization or a private individual, who**
 - (a) **agrees upon Association objectives undertaken in the Articles of Association and**
 - (b) **undertakes the moral or material support of the Association.**

The supportive members state the mode of such support in a special written agreement made with the Association. The material support may be given equally through working in kind, donation or financial undertaking.

- 3 The admission of ordinary or supportive members falls under the authority of the Managing Body. For any application for membership put in by a person with limited responsibility, it has to be investigated whether the applicant's decision to join up with the association is lawful or not in his decision system.
The subsequent Meeting of Delegates shall be informed about the admission of members.
- 4 In the case of the admission of a member a rejection decision may be brought, if the organization (private individual) applying for membership violates the association members' interests (as specified in the Articles of Association).
- 5 The membership status may cease by:
 - a) a member's death or the termination of a member in case of membership status of legal entities,
 - b) a member's leave notified in writing,
 - c) cancellation: if a member is in a six month default of paying the membership fee or the material support relevant to the current year. The MB (Managing Body) may apply this regulation only if having notify the member in writing to pay the arrears of membership by a specified deadline and if the default may be chargeable to that member,
 - d) exclusion based on a decision by the Meeting of Delegates (Article 8 /4/, Point f.)
- 6 The Meeting of Delegates has authority to exclude any member as follows:
 - (a) Based on a proposal by the Managing Body, the Meeting of Delegates may exclude the member, who caused any moral or material damage to the Association by violating the Articles of Association.
 - (b) The Meeting of Delegates is to exclude the member, who has been sentenced to an executory confinement and prohibited from public affairs by the law-court.

V Members rights and obligations (new)

Par 6

- 1 Ordinary members rights are as follows:
 - a) May take part in any Association Meeting of Delegates and has right to vote there.
 - b) May be elected for any key position of the association - entitled to hold that key position in case of his election.
 - c) May exercise the right to give an opinion, to put forward a proposal or present a comment at dedicated forums of the Association.
 - d) May take part in the activity and at the events of the Association, may share in the benefits given by the Association, or may require the assistance of Association experts.
 - e) May request information from the managers and officers of the organizational bodies.
- 2 Ordinary members obligations are as follows:
 - a) Observe Association regulations, execute the resolutions of Association Managing Bodies.
 - b) Pay the rated membership fee.
 - c) Save the Association property.

d) Work regularly within his power to support the objectives set in the Articles of Association, as well as for the intellectual and material growth of the Association.

3 Supportive members rights are as follows:

- a) May take part in any Association Meeting of Delegates. May make proposals and observations in connection with the operation of the Association, but having no right to vote.
- b) May share in the benefits given by the Association as specified in an agreement for support entered into with the Association without the obligation to pay a membership fee.

4 Supportive members obligations are as follows:

- a) Observe the Articles of Association.
- b) Give moral and material support to Association objectives.
- c) Perform the agreement for support entered into with the Association.

VI Membership fee (new)

Par 7

- 1 An ordinary member of the Association shall pay a membership fee once a year. The Association Meeting of Delegates is to fix the rate of the annual membership fee and may amend it annually in case of any reasonable change to conditions.
- 2 The Association is to invoice the membership fee to all members in the first quarter of each calendar year.

VII Managing Body of the Association

Self-governing bodies of the Association are as follows:

- a) National Meeting of Delegates
- b) Managing Body
- c) Audit Committee

Par 8 Meeting of Delegates

- 1 The supreme body of the Association is the National Meeting of Delegates, consisting of the delegates of ordinary members. A member of private individual is a delegate too, who may exercise his membership rights personally. A member of social organization may exercise its rights through an authorized delegate entitled to representation.
- 2 The Meeting of Delegates shall be convened at least once a year. The Meeting of Delegates shall also be convened if counted from the most possible valid votes, at least one third of the members ask for it with the items on the agenda stated or if the Audit Committee originates it.
- 3 The invitation card for a Meeting of Delegates shall specify the correct place and date, and the items on the agenda planned to discuss. An invitation card shall be mailed so that members could receipt it 6 days before the date of such Meeting of Delegates. An invitation card may be sent in an electronic letter too.
- 4 The National Meeting of Delegates is to:
 - a.) state and amend the Articles of Association,
 - b.) elect members of the Managing Body and the Audit Committee, as well as **approves**

- the composition of the Advisory Body.** Decide on the dismissal of the above bodies.
- c.) **approve the Association Annual Work Program and Action Plan,**
 - d.) evaluate the report of the Managing Body, the **Advisory Body** and the Audit Committee and make a decision their acceptance,
 - e.) set the amount of the **annual membership fee,**
 - f.) decide on the exclusion of members,
 - g.) decide on the subject of merger of the **Association** with other institute, professional or non-profit organization and termination of the **Association.**
 - h.) decide on the approval of the annual non-profit report (*Act CLVI of 1997, Par 19, Article (3)*).

Points (a), (b), (e), (f), (g), and (h) among the ones in Article /1/ fall within the exclusive authority of the Meeting of Delegates.

- 5 There is a quorum at a Meeting of Delegates, if representatives of at least 50% of all **members** and one more **member** are present. If there is not a quorum, a Meeting of Delegates may be convened again at a date in 8 days and there is already a quorum at that Meeting of Delegates as to the original items of agenda irrespective of the number of those present. Date of the repeated Meeting of Delegates shall be communicated on the invitation card of the preceding Meeting of Delegates.
- 6 The Meeting of Delegates is public, where one vote is due to each ordinary member.
- 7 The Meeting of Delegates is to
 - (a) adopt resolutions by an open vote with a simple majority,
 - (b) elects members of the Managing Body and the Audit Committee with voting by ballot,
 - (c) to adopt Article /1/, Points (a), (g), a resolution of two third (qualified) majority is necessary.
- 8 Minutes shall be drawn up of a Meeting of Delegates, in which any adopted resolution shall be recorded with a continuous serial number. Beyond the content, date and effect of a decision, the representation of supporters and dissidents of any adopted resolution shall appear from the minutes. The rules on communication and publicity of resolutions adopted by a Meeting of Delegates are included in the ORR (Organizational and Operational Rules).

Par 9 The Managing Body

- 1 The Managing Body (**MB**) is an operative administration organ of the National Meeting of Delegates, organizing **Association** activities with good reason and all responsibilities in the period between two meetings of deletages. **To ground its professional work, the MB may take a proposal to the Meeting of Delegates for the composition and the dismissal of the Advisory Body.**
- 2 The Meeting of Delegates elects **3** members of the National Managing Body for two years. It holds a meeting as required but **at least** in each two months.
- 3 From among its members, the Managing Body elect a chairman (with voting by ballot and simple majority) for a two year period.
- 4 **The members of the Managing Body may substitute the chairman in case of any hindrance to him.**
- 5 **They have established rights for representation, making official copies and remittance in the ORR.**
- 6 The body may occasionally assign a professional chargé d'affaires to conduct professionally important discussions and actions, who is entitled to represent the **Association** against third parties.
- 7 The Managing Body is to:
 - a) organize and direct Association activities according to the resolutions and directives of the National Meeting of Delegates,

- obliged to report on his decisions to the body at the next body meeting,
- 4 **keep continuous contact with the Chairmann of the Advisory Body and that of the Audit Committee,**
- 5 exercise employer rights over **Association** employees,
- 6 is substituted by an assigned Managing Body Member in case of any engagement to the former.

Para 11 **Audit Committee**

- 1 Has the responsibility to audit lawful operation and management of the **Association**.
 - 2 Is subordinated directly to the Meeting of Delegates and obliged to report to it.
- This three-member committee is elected for a two-year period by the Meeting of Delegates.
- 3 Any person may not be a chairman or member of the Audit Committee, who
 - a) Is a chairman or member of the Managing Body,
 - b) Has an employment status for an activity other than the engagement or other legal status for working with HuMuSz, unless otherwise stated in the law,
 - c) Share from HuMuSz target allocations, except non-material services anyone may use unconditionally or a target allocation provided by a social organization to its member under a membership according to the deed of foundation,
 - d) Are relatives of any of the persons specified in Articles (a) – (c).
 - 4 The Audit Committee is to:
 - a) Elect a chairman from among themselves by voting in ballot and state its Audit Plan and OOR,
 - b) audit the operation of the **Association** according to the law and the Articles of Association, as well as the financial and accounting operations of the **Association**.
 - c) The Chairman of the Audit Committee is an ordinary invitee for each Managing Body Meeting.
 - 5 The Audit Committee holds a meeting as required.
 - a) Such meetings are convened by the Committee Chairman, though may be initiated by any member, the **Advisory Body or the Managing Body**.
 - b) There is a quorum at the Committee, if the Committe Chairman and one more member is present.
 - c) In any issue calling for a decision, the Committee is to adopt a resolution, remitting before the Managing Body or the Meeting of Delegates as required.
 - d) The Committee adopt resolutions with a simple majority vote. In case of a tie vote, the chairman's vote may decide.
 - e) In cases involving urgent action, the Committee Chairman may give a written indication to the Managing Body, who is obliged to discuss it at the next meeting.

VIII Advisory Body of the Association

Par 12

This five-member Advisory Body is elected for two years by the Meeting of Delegates from among the persons nominated by the Managing Body.

- 1 **The Managing Body (MB) is a scientific and strategic advisory consulting body of the Association. Its primary responsibility to foster the professional work in the Managing Body to perform tasks of the Association in a workmanlike manner. Within this framework, it:**
 - a) **is to opinion the Annual Action Plan and Report of the Association,**
 - b) **may take part at meetings of the Managing Body with rights for discussion,**
 - c) **may given indication in a reasonable case to the Chairman of the Managing Body or the Audit Committee, may initiate to convene the bodies (or to hold a joint meeting),**
- 2 **The Advisory Body reports on its activities in writing to the Meeting of Delegates.**
- 3 **The body itself is to elect an Advisory Body Chairman from among its own members (with a**

simple majority vote by ballot).

- 4 This Body is to hold meetings as required but at least four times in a year. It is to adopt resolutions with a simple majority vote.**

IX Top level officials of the Association. Representation of the Association (new)

Par 13 – Top level officials of the Association:

- (a) The Chairman and members of the Managing Body,**
- (b) The Chairman and members of the Audit Committee.**

1 Top level officials' conflict of interest

- (a) Only a Hungarian citizen with a clean criminal record is allowed to hold a key position in this Association. A person, who had held a key position for at least one year with such a non-profit organization in the two years preceding its termination that did not clear its public dues pursuant to the Act on Taxation is not allowed to hold a key position in the Association for two years following the termination of that non-profit organization. The holder or nominee of a key position shall inform in advance all the non-profit organizations involved whether he holds such a key position simultaneously in another non-profit organization.**

The holders of key positions shall not be close relatives to each other (Civil Code, Par 685, Article b).

- (b) Any person may not be a chairman, a member, or an auditor in the Audit Committee of the Association, who**
 - ba) Is a chairman or member of the Managing Body,**
 - bb) Has an employment status for an activity other than the engagement or other legal status for working with the non-profit organization, unless otherwise stated in the law,**
 - bc) Shares from the non-profit organization's target allocations, except non-material services anyone may use unconditionally or a target allocation provided by a social organization to its member under a membership according to the deed of foundation, or**
 - bd) Are relatives of any of the persons specified in Articles a) – c).**

- 2 The holder or nominee of a key position shall inform in advance all the non-profit organizations involved whether he holds such a key position simultaneously in another organization.**

Par 14 It is the Chairman of the Managing Body, who is entitled to represent the Association. In case of any hindrance to the former, an assigned member of the Managing Body with independent right to sign is entitled to act.

Par 15 Only members of the Managing Body are allowed to undertake responsibilities in the name of the Association between the limits set in the OOR. Signature of the Chairman and one member of the Managing Body needs to have authorization over the bank account.

X Publicity of written records

Par 16

- 1 The documents related to the organizational operation of the Association (such as the minutes of body meetings, contracts made and position papers published by the Association) are public. Exceptions are the records related to decisions within the scope of personal, disciplinary and employment affairs. Anyone may examine the written records at the**

Association headquarter at a time agreed upon with the Association representative and may make a copy of them at his own cost. Posted up on a public area billboard and communicated on the Association homepage and in the press, the annual non-profit report shall be made accessible to everyone (Act CLVI of 1997, Par 19, Article /4/).

- 2 Accessibility to the public of any decision made by the Managing Body shall be ensured (with the exceptions in Par 18, Article /1/). The Chairman will send the adopted resolutions in 15 days to the one directly involved. Such communication shall contain the aim of the referred decision, the information related to execution (the material/technical background provided for the task, the mode of service), and the deadlines. Likewise the Chairman shall look after posting the decisions made by the managing bodies on the Association billboard located in a public area and publishing them on the Association homepage too.**
- 3 Through its homepage and a billboard located in a public area, the Association will publish the mode of using the Association services, the options for support, their rate and conditions, as well as the annual report of its professional and financial operation.**

XI Management of the Association

Par 17

- 1 The **Association** is managed under its own budget, by keeping the current financial and accounting rules.
- 2 The **Association** conducts any enterprising activity only to achieve its non-profit objectives, to avoid endangering them.
- 3 Incomes of the **Association**:
 - (a) payments from membership fee incomes made by the members,
 - (b) offerings or contributions from legal and private entities, supportive members or other organizations,
 - (c) amounts won by tendering or taking over state responsibilities,
 - (d) other incomes from activities deriving from the Articles of Association,
 - (e) gifts,
 - (f) **yield of property,**
 - (g) **incomes from 1% offerings.**
- 4 Expenditures of the **Association**:
 - (a) Costs related to the publication and circulation of the HuMuSz trade periodical, or educational and informative publications,
 - (b) purchase of educational materials, means, and instruments,
 - (c) running expenses of central/local offices and own estates, as well as administration, personal and material costs,
 - (d) expenditures in connection with HuMuSz projects, events, actions and non-profit or management activities,
 - (e) cost of keeping contacts with members and membership fees paid to foreign organizations,
 - (f) other costs in connection with the operation of the **Association**.
- 5 The **Association** is responsible for its debts and other liabilities at the expense of its own property.
- 6 The **Association** does not divide up its profit achieved in the course of its management, but spends it to cover the expenditures (pursuant to Article 3) related to the execution of its objectives and tasks specified in Section II.

XII Miscellaneous provisions

Par 18

- 1** In case of the termination of the **Association**, its property shall be divided up between members according to a decision made by the Meeting of Delegates.
- 2** In any question not involved in the Articles of Association, provisions of the Civil Code, the Act on Associations and the Act on Non-profit Organizations are governing.

*Through its resolutions KH-8/2010 – KH-20/2010, the Association's Meeting of Delegates held on 14 April 2010 took up this **Articles of Association** (in a uniform structure).*

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Attestor

Ms Rátz, Judit
Attestor