

Statutes of the Union of the "Robert Schuman Institute for Developing Democracy in Central and Eastern Europe"¹

General provisions

1. §

/1/ The name of the Union is:

- in Hungarian: "Robert Schuman Intézet a Közép-Kelet Európai Demokráciák Fejlesztéséért" Egyesület,
- in English: Union of the "Robert Schuman Institute for Developing Democracy in Central and Eastern Europe".

/2/ The abbreviated name of the Union is

- in Hungarian: "Robert Schuman Intézet" Egyesület,
- in English: Union of the "Robert Schuman Institute".

/3/ The Union shall be a legal entity. It may undertake rights and obligations on its own behalf.

/4/ The Union has its registered seat at 1123 Budapest, XII. Alkotás u. 5.

Means of carrying out the aims of the Union

2. §

/1/ The aim of the Union is to fulfil the idea of United Europe, to spread European values and to support and promote democracy and civil society in countries inside and outside of the European Union under the auspices of the European People's Party (EPP) and in the spirit of Robert Schuman. To achieve these aims the Union establishes and operates the Robert Schuman Institute.

/2/ The aim of the Union with the help of Robert Schuman Institute shall be achieved as follows. It shall

- a) organise courses and conferences for politicians, public figures and experts of the region,
- b) promote a wide range of political education, training and further education,
- c) hold lectures and discussions,
- d) issue its publication and other professional publications,
- e) cooperate with other organisations,
- f) encourage international contact between political and civil organisations,
- g) perform any other tasks that help achieve the aims described under 2.§ /1/.

¹ The present Statutes is drafted and countersigned by Dr. Dulin György attorney at law, based on the resolution of the General Meeting on the 17 February 2016, that repeals the Union's previous Statute accepted on the 6th of March 2014 due to numerous significant modifications.

Membership

3. §

- /1/ The membership of the Union shall comprise legal entities.
- /2/ The membership may be ordinary, honorary and other membership of special legal status. The provisions for ordinary membership shall apply to the other membership of special legal status on condition that the special legal status is laid down in sections 6.§ (2) and 6.§ (6). The Robert Schuman Foundation (Luxembourg) and the European People's Party shall be deemed as members with special legal status. Members may exercise their membership rights by way of proxy.
- /3/ The Union shall be open. The legal entities that declare the intent of joining and cooperation through the body entitled to it according to their own instrument of constitution, and that are affiliated by the General Meeting can join the Union as ordinary members. In case of refusal on the request for membership no appeal shall be allowed.
- /4/ The General Meeting may permit honorary membership to those legal entities that render outstanding professional support for the Union or achieved outstanding results in developing democracy in Central and Eastern Europe and do not wish to contribute to finance the Union. In case of refusal on the request for membership subsection /3/ shall apply.
- /5/ The ordinary membership shall cease to exist with
- a) cancellation,
 - b) exclusion,
 - c) dissolution of the member without succession.
- /6/ The ordinary member may cancel its membership at any time on request in written form.
- /7/ The International Board may exclude an ordinary member that has either fallen behind with payment of the fixed membership fee for more than two years and does not settle it despite a written demand or has not initiated the change of its status from ordinary membership to honorary membership according to 3.§ /11/ or that has violated its obligations determined under 4§ /2/ or that has not been present at two consecutive General Meetings.

The ordinary member must be invited to the meeting of the International Board with the notice that the member's non-appearance shall not prevent the resolution thereof. The right of defence must be granted to the ordinary member during the meeting. The ordinary member may have a representative. The resolution on the exclusion of the ordinary member shall be justified and put in writing. The justification shall consist of the facts and the evidence on which the exclusion has been based and the notification on the right to appeal. The International Board shall make its resolution on the exclusion within 30 days from the beginning of the procedure and shall notify the ordinary member within 8 days in a verifiable manner.

An appeal with delaying force may be filed to the General Meeting against the decision on exclusion within 15 days of coming to hand. The General Meeting shall make a decision on the exclusion during its next meeting. The General Meeting shall announce its resolution orally at once and shall notify the ordinary member within 8 days in writing in a verifiable manner.

/8/ The honorary membership shall cease to exist with

- a) cancellation,
- b) withdrawal of the membership,
- c) dissolution of the member without succession.

/9/ The honorary member may cancel its membership at any time on request in written form.

/10/ The International Board can withdraw the honorary membership, if the honorary member has become unworthy of it. Subsection 3.§ /7/ shall apply to such procedure.

/11/ If the ordinary member wishes to be the member of the Union without participating in its finance, it may initiate by filing a petition before the International Board so that its status shall be changed by the decision of the General Meeting from ordinary to honorary membership.

Rights and obligations of the members

4. §

/1/ The ordinary members of the Union

- a) may take part in the activities of the Union and be present at its events,
- b) may elect and may be elected to the bodies of the Union,
- c) are bound to fulfill the obligations set out in the Statutes,
- d) shall support and in no means endanger the aims of the Union,
- e) may make proposals, move resolutions, and turn with complaint, contribution or appeal to the bodies of the Union concerned;
- f) has a right to vote at the General Meeting.

/2/ The members of the Union are to co-operate in achieving the aims of the Union, complying with the regulations of the Statutes and in paying membership fees except for honorary members.

/3/ The ordinary members shall transfer the membership fee of EUR 300 (three-hundred) to the bank account of the Union not later than by the 15th of the third month in each year. In case affiliation takes place within a year, the member shall transfer the full membership fee for the respective year within 30 days of affiliation.

/4/ The honorary members of the Union

- a) may take part in the activities of the Union and be present at its events,
- b) may not elect to the bodies of the Union and may only participate in the decision-making of the General Meeting with the right of consultation,
- c) shall support and in no means endanger the aims of the Union,
- d) may make proposals, and turn with complaint, contribution or appeal to the bodies of the Union concerned.

General Meeting

5. §

- /1/ The General Meeting is the highest decision-making body of the Union.
- /2/ The General Meeting shall be convened at least once every year to a place decided by the International Board within the territory of the European Union. The General Meeting shall be convened likewise if it is ordered by the Court or is requested – with indicating the cause and purpose – by at least one-third of the ordinary members. The President may convene the General Meeting any time if necessary and must convene it on the suggestion of the International Board.

The President shall convene the General Meeting in order to provide for the necessary measures if:

- a) the Union's assets are insufficient to cover its outstanding debts
- b) it is presumed that the Union will not be able to meet its liabilities when due
- c) achieving the Union's goals no longer appears feasible.

If the General Meeting is convened in such cases the members are required to take measures for eliminating the cause on account of which the meeting was called, or shall decide on the dissolution of the association.

- /3/ The General Meeting shall have sole competence to
- a) establish and amend the Statutes,
 - b) approve the Union's annual budget and the financial report of the previous year,
 - c) approve the annual report of the International Board,
 - d) decide about the termination of the Union, the merger with another union, or dissolution into other unions,
 - e) elect and dismiss the members of the International Board and establishes their remuneration,
 - f) elect and dismiss the President and the Honorary President of the Union,
 - g) determine the amount of the membership fee,
 - h) assess the appeals as stipulated in the Statutes against the decision of the International Board,
 - i) affiliate the ordinary and honorary members of the Union,
 - j) approve to conclude contracts between the Union and one of its members, the members of the International Board, Supervisory Board member or their close relatives,
 - k) decide on the enforcement of claims for compensation from present or previous members, the International Board and Supervisory Board members, or from the members of any other bodies of the Union,
 - l) elect and dismiss the Supervisory Board members and establish their remuneration,
 - m) elect and dismiss the auditor and establish his remuneration,
 - n) appoint a liquidator,
 - o) decide in any other issues that any legal act or the Statutes orders to its competence.
- /4/ The General Meeting shall be convened by the President.

The members are to be informed about convening the General Meeting by an invitation in writing in a verifiable manner at least 14 days before the meeting. Registered mail or an electronic mail sent to the electronic mailbox of the member

with a delivery report shall be deemed as a written notification in a verifiable manner.

The invitation for the meeting shall contain the name and address of the Union, the place and date of the General Meeting and the proposed agenda. The proposed agenda shall be as much detailed as the ordinary members need for making a standpoint. The invitation shall also contain the place and date of the repeated General meeting in case of lack of quorum and a notification that the repeated General Meeting will have a quorum in respect of the original agenda regardless of the number of members present.

The members and the bodies of the Union by giving a reason may ask the President to supplement the agenda within 3 days from the delivery of the invitation for the General Meeting. The President shall make a decision on the supplement of the agenda within 2 days. The President may refuse or accept the request. The members shall be notified of the decision and in case of its acceptance the supplemented agenda within 2 days at the latest in a verifiable manner.

If the President does not make a decision on the supplement of the agenda or the delivery thereof cannot be verified, the General Meeting before adopting the agenda shall adopt a separate resolution on the issue to supplement the agenda. The General Meeting shall only adopt resolutions with regard to issues that have not been notified in a verifiable manner to the members, if all the ordinary members are present and give their unanimous consent to it.

/5/ The General Meeting has a quorum if more than half of the ordinary members are present.

Quorum shall be considered for each decision.

Any ordinary member who is not eligible to vote in a given subject shall not be included for the purposes of quorum relating to the decision in question.

/6/ After the opening of the General Meeting the existence of the quorum shall be established first. The General Meeting shall elect the chairman of the meeting, the keeper and the two attestors to the minutes, and one teller of the votes (if necessary).

/7/ Minutes shall be taken on the General Meeting, which is signed by the keeper and the two attestors thereof. The minutes shall contain the number of the resolutions, the content the date and the effect of the resolutions and the number of the members opposing and supporting the resolutions.

/8/ In the process of adopting a resolution the following members may not vote:

- a) any member for whom the resolution contains an exemption from any obligation or responsibility, or for whom any advantage is to be provided by the legal person
- b) any member with whom an agreement is to be concluded according to the resolution
- c) any member against whom legal proceedings are to be initiated according to the resolution
- d) any member who maintains any relation on the basis of majority control with an organization that has a vested interest in the decision or
- e) any member who himself has a vested interest in the decision.

/9/ Every ordinary member exercises one vote. Voting power is cancelled if a member has fallen behind with payment of the fixed membership fee for more than two years. The honorary members shall not exercise voting rights.

- /10/ The General Meeting makes its decisions through open voting with at least a three-quarter (3/4) majority of the votes of the present ordinary members.
- /11/ The President shall declare orally the adopted resolutions and notify the members in writing in a verifiable manner within 8 days from delivering the resolutions.
- /12/ If a General Meeting does not reach the quorum, a repeated General Meeting may be convened with the same agenda at the earliest half an hour later than the original General Meeting was convened.
- /13/ If the International Board wishes to adopt resolutions out of session, the President shall initiate such process by sending the draft of the resolution to the members. The ordinary members shall be given eight days from the time of receipt of the draft to send their vote to the President.

In adopting a resolution out of session, the provisions of this Statutes on quorum and voting shall apply with the exception that the decision-making process shall be considered effective if the number of votes sent to the President corresponds to at least the number of ordinary members with voting right required to attend for a quorum if the meeting was in fact held in session.

Where so requested by any ordinary member, the President shall convene the General Meeting.

The President shall determine the outcome of the voting within three days following the last day of the time limit prescribed for voting, or, if the votes of all ordinary members are received previously, within three days from the day when the last vote is received, and shall convey the results in writing to the members within an additional three days. The date of the resolution shall be the last day of the voting deadline, or if the votes of all the ordinary members are received previously, the day when the last vote is received.

International Board

6. §

- /1/ The International Board is the administrative and representative body of the Union.
- /2/ The members of the International Board are elected by the General Meeting for two (2) years. The members of the International Board can be re-elected. The President – as the leader of the International Board – is a member of the International Board. The International Board shall comprise 6 members including the President.

The members of the International Board shall be elected from among the members of the Union. Not more than one-third of the members may be elected from among non-members.

Members with special legal status shall be automatically deemed as members of the International Board.

The members of the International Board must be of legal age and must have full legal capacity in the scope required for discharging his functions. If the member of the International Board is a legal person, that legal person shall designate a natural person to discharge the functions of the member in its name and on its behalf.

The rules pertaining to the members of the International Board shall apply to the designated person as well.

The members of the International Board shall perform management functions in person.

Any person who has been sentenced to imprisonment by final verdict for the commission of a crime may not be a member of the International Board until exonerated from the detrimental consequences of having a criminal record.

A person may not be a member of the International Board if he has been prohibited from participation in public life by final court order.

Any person who has been prohibited by final court order from practicing a profession may not serve as a member of an executive office of a legal person that is engaged in the activity indicated in the verdict. Any person who has been prohibited from holding an executive office may not serve as an executive officer within the time limit specified in the prohibition order.

- /3/ Apart from the elected members of the International Board the Honorary President and the Director of the Union shall take part in the meetings of the International Board with voice but no vote.
- /4/ The meetings of the International Board are convened as needed, but at least once in every half-year by the President. The meetings are led by the President. In case of the President's hold-back the right for the leading of the meeting can be assigned to any member of the International Board.
- /5/ The members of the International Board have to be informed about the convocation by an invitation that contains the agenda of the meeting. The convocation is legitimate if the members of the Board have received the invitation at least 14 days before the day of the meeting.
- /6/ The International Board has a quorum if more than half of the Board-members are present. The International Board makes its decisions with the simple majority of the votes of the present members. Members with special legal status shall have two votes.
- /7/ The General Meeting may withdraw a member of the International Board when there are significant reasons for doing so. If a member of the International Board is withdrawn before the end of his term of office, the General Meeting shall appoint a new member.
- /8/ The International Board shall have competence-to
 - a) control and ensure the continuous activity of the Union;
 - b) ensure the implementation of the decisions of the General Meeting;
 - c) decide the questions of joining to or separation from other organisations except for the case of 5. § /3/ d;
 - d) manage and control the activity of the committees of the Union;
 - e) decide on exclusion of members;
 - f) suggest that the President should convoke the General Meeting;
 - g) discuss the annual budget and the financial report of the previous year, and suggest a draft-resolution for the General Meeting;
 - h) appoint and dismiss the Director of the Union, exercise the employer's rights over the Director, and accept the reports of the Director;
 - i) managing the Union's assets, and taking decisions relating to the allocation and investment of assets, for which the General Meeting has no responsibility, and the implementation of such decisions;
 - j) making preparations for setting up bodies provided for by law and by the Statutes,

- and for the election of officers for these bodies;
- k) attending the General Meeting and providing answers to questions concerning the Union;
 - l) keeping records on members;
 - m) keeping record of the Union's resolutions, organizational documents and other books;
 - n) safeguarding documents pertaining to the Union's operations;
 - o) monitoring the existence of any other cause for winding up the Union, and taking measures as provided for in law if such cause has occurred;
 - p) decide any question that does not belong to the sole competence of the General Meeting.

The Supervisory Board

7. §

- /1/ The General Meeting must establish a Supervisory Board, because more than half of all members are not natural persons.
- /2/ The Supervisory Board is responsible for supervising the Union's bodies, observance of the law and monitoring the implementation of the Statute and the resolutions of the Union.
- /3/ The Supervisory Board shall consist of 3 members. The members of the Supervisory Board are elected by the General meeting for two (2) years. The members of the Supervisory Board can be reelected.
- /4/ Members of the Supervisory Board must be of legal age and must have full legal capacity in the scope required for discharging their functions.

A person who is subject to any grounds for exclusion applicable to executive officers may not hold a seat on the Supervisory Board, nor any person who himself or whose family member holds an executive office in the legal person.
- /5/ The President of the Supervisory Board shall be elected from among its members.
- /6/ The meetings of the Supervisory Board are convened as needed, but at least once in every year by the President of the Supervisory Board. The meetings are led by the President. In case of the President's hold-back the right for the leading of the meeting can be assigned to any member of the Supervisory Board.
- /7/ The members of the Supervisory Board have to be informed about the convocation by an invitation that contains the agenda of the meeting. The convocation is legitimate if the members of the Board have received the invitation at least 14 days before the day of the meeting.
- /8/ The Supervisory Board has a quorum if at least two (2) of the Board-members are present. The Supervisory Board makes its decisions with the simple majority of the votes of the present members.
- /9/ The General Meeting may withdraw a member of the Supervisory Board when there are significant reasons for doing so. If a member of the Supervisory Board is withdrawn before the end of his term of office, the General Meeting shall appoint a new member.
- /10/ Supervisory Board members shall partake in the work of the Supervisory Board in person. Supervisory Board members shall be independent of the International Board,

and shall not be bound by any instructions in performing their duties.

/11/ The Supervisory Board shall assess all motions brought before the General Meeting, and to present its opinion thereof at the General Meeting. In case the members of the Supervisory Board are absent, the opinion shall be presented by the chairman of the meeting.

/12/ The Supervisory Board shall have access to the documents, accounting records and books of the Union, and shall be entitled to request information from the International Board and employees, and to inspect the Union's bank account, cash desk, and contracts.

The President

8. §

/1/ The President of the Union is elected for four (4) years. He holds office until a successor is elected. In case that the President resigns, dies or in other way is permanently not able to fulfil his duties during the four years' mandate, the International Board elects an Interim President, which has to convene the General Meeting as soon as possible in order to elect a new president.

/2/ The President convenes the General Meeting and convenes and chairs the meetings of the International Board.

/3/ The President performs the duties set by the General Meeting and the International Board.

The Director

9. §

/1/ The Director of the Union shall achieve the aims of the Union according to the decisions and directions of the International Board.

/2/ The Director

a) performs the decisions of the General Meeting and the International Board;

b) prepares the reports for the International Board;

c) exercises the employer's rights over the Union's employees.

/3/ The Director leads and supervises the Secretariat of the Union which fulfils the Union's organisational, management and administrative tasks.

/4/ The International Board may transfer other powers to the Director.

Representation of the Union

10. §

/1/ The President and the Director shall be entitled to represent the Union. Both the President and the Director shall represent the Union solely without any restriction on the scope.

/2/ The President or the Director is entitled to confer their exclusive right of representation. In case that the right of representation in writing is conferred, joint signature of two persons – having the right of representation – shall be required for the valid signing.

The financial management of the Union

11. §

- /1/ The Union is entitled to manage its economic activities in order to achieve the aims determined in the Statutes.
- /2/ The Union is liable for its obligations with its assets. The member of the Union – except for paying the membership fee by the ordinary member – is not responsible for the debts of the Union.
- /3/ The Union may perform activities in order to achieve the aims determined in the Statutes, and – to establish appropriate financial environment – is also entitled to perform economic activities. These economic activities shall not endanger the activities performed to achieve the basic aims.
- /4/ The Union can only take a loan and undertake obligations so that it does not endanger the Unions' activities and the maintenance of its operation.
- /5/ The Union manages its activity under an annual financial plan. The incomes of the Union are primarily based on the membership fees and supplementary financial resources – mainly donations and grants.
- /6/ The annual budget and financial report of the previous year are approved by the General Meeting according to the proposal of the International Board.

Dissolution of the Union

12. §

- /1/ The Union may dissolve with or without succession.
- /2/ In case of dissolution with succession the Union may combine with another union (merger, acquisition) or may split into two or more unions (division or separation).
- /3/ The Union dissolve without succession if
 - a) declared terminated by its members ;
 - b) terminated by a body so authorized;
 - c) the Union has fulfilled its purpose, or if achieving the Union's objective is no longer possible, and a new objective has not been determined; or
 - b) the number of members of the Union remains below ten for six consecutive months, provided in all cases that the Union is cancelled by court from the registry of civil organisations following completion of the appropriate procedure for the settlement of Union's financial affairs.
- /4/ On the dissolution of the Union of any reason, the relevant procedures shall be carried out by the International Board.
- /5/ In case of dissolution of the Union without a legal successor – after satisfying the creditors' claims – the remaining assets shall be transferred to the “Robert Schuman Foundation for Cooperation between Christian Democrats in Europe” Luxembourg.

Closing provisions

13. §

- /1/ In matters not settled in the present Statutes, Hungarian law shall apply. The main legal rules are on one hand the Act V. of 2013 on the Civil Code and on the other hand the Act of CLXXV of 2011 on the Right of Association, Non-profit Status, and the Operation and Funding of Civil Society Organizations.
- /2/ The Hungarian Law has to be applied to the functioning of the Union and to contingent contests in connection with it.
- /3/ The Statutes have been drawn up in both English and Hungarian languages. In case of any discrepancies the Hungarian version shall prevail.
- /4/ The new Statutes with the repeal of the former Statutes at the same time – were accepted by the General Meeting on the 17th February 2016. The new Statutes in the name of the Union have been signed by the Director.