**HUNGARIAN LEASING AND FINANCE ASSOCIATION**

The consolidated text of the Statute with the amendments by the General Assembly of the Hungarian Leasing Association on

November 6, 2015

**HUNGARIAN LEASING AND FINANCE ASSOCIATION**

**STATUTE**

**STATUTE**

**HUNGARIAN LEASING AND FINANCE ASSOCIATION**

**Budapest, November 6, 2015**

**HUNGARIAN LEASING ASSOCIATION**

**1051 Budapest, József Nádor tér 5-6.**

**Phone: +36-1-270-9216**

**Fax: +36-1-270-9217**

**info@lizingszovetseg.hu**

**www.lizingszovetseg.hu**

**Article 1**

**Name, registered head office and legal status of the Association**

/1/ The full name of the Association is:

**Magyar Lízing- és Finanszírozó Társaságok Szövetsége**

**(Hungarian Leasing and Finance Association)**

(Hereinafter, for the purposes of this Statute: Association)

/1/ The abbreviated name of the Association is: Hungarian Leasing Association

/2/ Registered head office of the Association: 1051 Budapest, József Nádor tér 5-6.

/3/ The operational area of the Association covers the entire territory of Hungary.

The Association is a civil society organization operated in compliance with Act V of 2013 on the Civil Code of Hungary (hereinafter: Civil Code) as well as Act CLXXV of 2011 on the Right of Association, Non-profit Status, and the Operation and Funding of Civil Society Organisations (hereinafter: Association Act). It is an independent, democratically organized association of professional trade representation entities functioning on the basis of self-governance and conducting its activities as an independent legal person, in compliance with the provisions of this Statute.

**Article 2**

**Purpose and core activity of the Association**

/1/ The fundamental purpose of the Association is to serve as a trade and professional coordination and discussion forum for leasing and financing companies.

/2/ The Association aims to promote the development of the Hungarian leasing and financing market, to do its best endeavours in order to establish and maintain a fair market environment as well as to represent such demands of the organization’s members in all potential forums.

/3/ The Association aims to develop unbinding, non-mandatory professional norms and guidelines designed to increase customers’ trust, contribute to the improvement of professional standards in terms of the personnel employed by the member companies and to ensure a fair competition in the market.

/4/ The Association aims to achieve such a legal regulatory framework that ensures a fair and neutral market environment for the competing financing products and services in Hungary.

/5/ The Association aims to assist the operation of its members by representing their interests.

.

/6/ The Association shall not conduct direct political activities, its organization is independent of political parties, it does not provide funds for or receive funds from parties. Furthermore, it shall not nominate and support candidates for Parliamentary or municipal elections.

/7/ In order to achieve the general goals above, the Association shall conduct the following core activities:

/7.1/ Establish the appropriate internal professional forums and maintain their operation to achieve its goals.

/7.2/ Develop unbinding, non-mandatory professional and ethical norms complementing the existing legal regulations in order to ensure the self-regulation of leasing and financing service providers.

/7.3/ Develop plans and proposals related to the desired improvement of the financing environment by involving independent third parties and present such plans to the legislative bodies and/or market regulators.

/7.4/ Participate in the preparation of legal regulations affecting the operation of the members, provide feedback on the practical implementation of legal regulations and represent the members’ interests in terms of legislators and law enforcement agencies.

/7.5/ Conduct and support professional education activities, including the preparation and management of non-mandatory education materials and courses, mutually support and/or cooperate with professional education institutions, promote professional further education as well as organize internal and open professional forums.

/7.6/ Conduct constant PR activity to provide the public with the general information necessary for realizing the Association’s goals.

/7.7/ Establish and maintain contacts with associations comprising foreign leasing and financing companies (e.g.: Leaseurope, Eurofinas), exchange views and experiences on interest representation and financing as well as information and education materials with them.

/7.8/ In order to ensure the financial means to achieve its goals, the Association may, on a complementary basis, conduct business-entrepreneurial activities directly related to the achievement of its goals defined in Paragraphs /1/-/6/, provided that such activities do not pose a risk to the activities related to the Association’s fundamental goals.

/7.9/ In the context of achieving their goals, the Association and its members shall fully consider the legal regulations pertaining to and potentially limiting their activities, with special regard to the provisions of   
Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices, i.e., the Competition Act.

/7.10/ The Association shall apply the sanctions defined in the Code of Ethics against its members conducting any activity incompatible with the Association’s objectives and/or breaching the norms of conduct and ethics.

**Article 3**

**Members of the Association**

/1/ The Association shall exclusively take as full members business companies conducting activities of finance lease, operating lease, personal loans and other real estate and commercial loans in Hungary. Full membership status shall apply to each business company of the group indicated by the member company.

/2/ Supporting membership status shall be granted to business companies or associations that identify with the Association’s professional objectives and are recommended for supporting membership status by at least two of the Association’s full members.

/3/ Association membership status is established by the Board’s acceptance of the request for membership submitted to the Association and the subsequent approval by the General Assembly. In its request for membership, the applicant must state that it has become fully aware of the Association’s Statute, the norms and rules of ethics adopted by the Association’s members and considers them as binding and/or, in case of a request for full membership, which business companies the membership status applies to. Attached to the request for membership, the applicant shall also submit the statements of the business companies to become members as part of the group. In these documents, each group member company to become an Association member shall make their own statements that they have become fully aware of the Association’s Statute, the norms and rules of ethics adopted by the Association’s members and consider them as binding.

/4/ The Association shall make an objective, non-discriminatory decision on requests for membership.

/5/ The Association shall reject the request for (supporting) membership submitted by business companies that

1. do not meet the conditions laid out in Paragraphs /1/ and /2/ of Article 3;
2. Fail to sign the request for membership.

/4/ In the Association, members shall be represented by their legal representative or a person granted representative rights in writing.

**Article 4**

**Members' rights and liabilities**

/1/ The full members of the Association are entitled to:

- participate in the Association’s events and exercise voting rights,

- vote in the elections and nominate its executives to be elected as natural persons for member, Chair or Deputy Chair of the Board,

- submit a motion to discuss professional issues in the General Assembly, the Board and the committees.

/2/ The supporting members of the Association are entitled to:

- participate in the Association’s events with consulting rights,

- submit a motion to discuss professional issues in the General Assembly, the Board and the committees.

/3/ The Association’s full and supporting members shall:

- comply with the Association’s internal regulations and norms of ethics,

- proceed in compliance with the resolutions made by the Association’s General Assembly and Board,

- pay, based upon the invoice issued by the Association, the membership fee determined annually by the General Assembly, and full members shall also pay an additional membership fee determined by the General Assembly and/or the Board,

- comply with the provisions laid out in the Association’s Statute and Code of Ethics,

- preserve the integrity of business secrets in topics indicated by the Board.

/4/ Within 30 days after their membership status is established, the Association’s full members shall make a statement to the Executive Officer in which permanent committee they will, depending on their line of business, conduct their activities, which committees they will join. Each member is obliged to join at least one permanent committee as a committee member. In lack of such statement from the member, the Executive Officer shall enrol members in the particular permanent committee(s) by 31st January each year, based on the given member’s official statistical data of the previous business year.

/5/ Each full member of the Association shall automatically be a member of the Association’s Legal; Taxation and Accounting; Risk and Fraud; Education; and Statistics Committees. The Association’s full members shall delegate a contact person to each committee they are members of. The member company is responsible for updating the contact information of contact persons.

**Article 5**

**Termination of membership**

/1/ Membership in the Association shall be terminated by:

a) the member’s secession from the organization,

b) the member being terminated without a legal successor,

c) the member being excluded from the organization,

d) the Association being terminated without a legal successor.

/2/ The Board has the right to exclude a member who, despite the Executive Officer’s written warning of the legal consequences issued after sixty days subsequent to the due date of payment, fails to pay the membership fee or additional membership fee (including the default interest) by the deadline not shorter than thirty days indicated therein.

Upon such proposal from the Board or the Ethics Committee, the General Assembly may exclude a member who violated any provision of the Statute or the Code of Ethics wilfully or by gross negligence or who otherwise poses a risk to the accomplishment of any of the Association’s goals.

The motion to exclude such member must contain the facts and circumstances establishing the case as well as the supporting evidence. The motion must be sent to the member in writing, at least eight days before the Board and/or the General Assembly. Before a final decision on exclusion, the affected member must be given an opportunity to present its defence in the Board’s and/or the General Assembly’s meeting as well as to pay the overdue membership fee prior to the Board meeting. The decision on exclusion, which shall include the termination of membership status as well as the facts and circumstances establishing the exclusion, the supporting evidence thereof and the information on potential legal remedy, shall be communicated to the member in writing.

/3/ Secession from the Association may be done by way of a written statement submitted to the Board. The member shall secede from the Association if it fails to comply with the condition laid out in Paragraph /1/ of Article 3. Membership status shall be terminated as of the last day of the calendar year when the secession statement was received by the Board.

**Article 6**

**Committees of the Association**

/5/ The Association has the following permanent committees, the operation of which is always regulated by the effective General Rules of Committee Procedures, except for the committees with special procedural rules:

a) the Ethics Committee, which evaluates ethical issues raised in connection with the operation of members, develops the fundamental norms of expected ethical market conduct, establishes the breaches of ethical rules and implements sanctions; and the operation of which is always regulated by the effective Code of Ethics.

b) the Legal Committee, which analyses and evaluates the legal and legislative issues affecting the Association’s members and makes proposals accordingly.

b) the Taxation and Accounting Committee, which examines and evaluates the financial, accounting and taxation issues affecting the Association’s members and makes proposals accordingly.

b) the Risk and Fraud Committee, which analyses and evaluates the risk management and fraud prevention issues affecting the Association’s members and makes proposals accordingly.

e) the Statistics Committee, which determines the scope, structure, content and frequency of data transfer to independent third parties contracted by the Association, and the operation of which is always regulated by the effective Procedural Rules of the Statistics Committee.

f) the Education Committee, which provides professional support for the education and training activities conducted by the Association to help its members, proofread and improve contents uploaded to the Association’s website as well as perform tasks related to the Association’s education and training activities.

g) the Controlling Committee, which controls the Association’s financial management and the operation of which is always regulated by the effective Procedural Rules of the Controlling Committee.

/6/ The Association’s permanent special committees the operation of which is always regulated by the effective General Rules of Committee Procedures:

b) the Car Committee, which analyses and evaluates the legal and legislative issues affecting the Association’s members dealing with car financing and makes proposals accordingly.

b) the Fleet Committee, which analyses and evaluates the legal and legislative issues affecting the Association’s members dealing with fleet services and makes proposals accordingly.

b) the Machines Committee, which analyses and evaluates the legal and legislative issues affecting the Association’s members dealing with machines and equipment financing and makes proposals accordingly.

b) the Real Estate Committee, which analyses and evaluates the legal and legislative issues affecting the Association’s members dealing with real estate financing and makes proposals accordingly.

b) the Truck Committee, which analyses and evaluates the legal and legislative issues affecting the Association’s members dealing with truck financing and makes proposals accordingly.

/7/ Upon its own initiative or the request of five members, the Board may also establish further permanent or temporary committees to carry out particular tasks.

/8/ The Ethics Committee shall be chaired by the Deputy Chair appointed to this position by the General Assembly.

/9/ The committees shall consist of the persons delegated by the Association’s members to each committee, except for the Controlling and Ethics Committee the members of which are elected by the General Assembly.

/10/ The detailed rules of committee operation and governance are contained in the procedural rules of each committee, which may not vary from the General Rules of Committee Procedures unless approved by the Board and may not be in contradiction with the Statute, the Rules of Organization and Operation (ROO) and the Code of Ethics. Committee meetings shall be convened and their agenda shall be proposed by the Chair of the particular committee.

/11/ Except for the Controlling Committee and the Ethics Committee, Chairs of the committees shall be nominated by the committee members and elected by the Board.

**Article 9**

**The Controlling Committee**

/1/ The Controlling Committee is the supervisory committee of the Association. It is accountable to the General Assembly for its activity. The Controlling Committee consists of two members and a Chair, who are elected by a secret vote of the General Assembly. Chair and members of the Controlling Committee shall be natural persons who meet the condition laid out in Section 3:22 (1) of the Civil Code, have no grounds for exclusion defined in Section 3:22 (4)-(6) of the Civil Code, and are not members or their relatives are not members of the Board.

/2/ The Controlling Committee shall submit an annual report on its activities to the General Assembly.

/3/ The Controlling Committee shall set its annual controlling programme for itself, and its operation is always regulated by the effective Procedural Rules of the Controlling Committee.

/4/ The Controlling Committee shall control whether:

a) the Association’s operation is in compliance with the Statute,

b) legal regulations and the Association’s rules of procedure are met,

c) the budget is implemented, financial management regulations are met and the Association’s assets are managed properly,

d) the funds allocated by the General Assembly are utilized in line with the regulations.

/5/ The Controlling Committee shall annually review the report on the implementation of the Association’s budget and the balance sheet and submit a written report on its findings to the General Assembly.

/6/ In case of deficiencies revealed by the Controlling Committee, it may take the following measures, depending on the type of deficiency:

a) in case of minor deficiencies, send a written notice to the Chair and the Executive Officer about the matter and indicate the correct procedure.

b) in case of major deficiencies, send a written notice to the Chair and the Executive Officer of the Association and initiate taking the necessary measures. If the initiative fails to solve the problem within 30 days or the review finds major deficiencies in connection with the Chair’s activity, the Controlling Committee may initiate to convene a meeting of the General Assembly. In case of a failure to do so or in a case requiring immediate measures, the Controlling Committee may convene a meeting of the Board, the General Assembly. Should the convention of such meeting prove unsuccessful, the Controlling Committee shall immediately and in writing inform the prosecution office responsible for legal supervision.

/7/ The assignment of the Chair and members of the Controlling Committee shall be terminated if

a) their term expires,

B) they are withdrawn by the General Assembly,

C) they resign,

D) they die,

E) their capacity to act becomes limited in terms of the capacities required to perform their duties,

f) they experience grounds for exclusion or conflict of interest defined in Section 3:22 (4)-(6) of the Civil Code or Section 3:26 (2) of the Civil Code.

/8/ The General Assembly shall, at any time, have the right to withdraw the Chair or any member of the Controlling Committee by immediately electing a new Chair or member.

/9/ The Chair or member of the Controlling Committee may resign from their office at any time by submitting a written statement to such effect to the Association’s Chair.

/10/ If the assignment of the Controlling Committee’s Chair or member is terminated in a manner defined in Paragraph /7/ c)-f), the General Assembly shall elect a new Chair or member within ninety days, whose assignment shall be valid for the time remaining from the term of the previous Chair or member.

**Article 10**

**The General Assembly of the Association**

/1/ The Association’s decision-making body is the General Assembly. The meeting of the General Assembly shall be convened at least once a year but it shall also be convened if any member of the Association’s Board or at least 20 per cent of the Association’s members so require in writing 30 days in advance by indicating the agenda points and the proposed date of the General Assembly meeting, or if the court orders it. The meeting of the General Assembly shall also be convened if the circumstances defined in Section 3:81 (1) of the Civil Code occur, providing that the General Assembly meeting so convened shall be obliged to take measures either to eliminate the circumstance serving as the cause for the meeting or to terminate the association. The meeting of the General Assembly shall be convened by the Board or, in the case described in Article 9 /6/ b), the Controlling Committee.

/2/ Full members will participate in the General Assembly meeting with voting rights by way of their legal representative or the person with rights of representation, supporting members will participate with consulting rights by way of their legal representative or the person with rights of representation, and the Association’s officials will also participate with consulting rights.

/3/ The General Assembly’s exclusive scope of competency covers:

a/ the establishment and amendment of the Association’s Statute and ROO,

b/ the election and withdrawal of the Association’s Chair, Deputy Chairs and Board members.

c/ ordering the payment of additional membership fees and determining the sum, except in the case described in Article 15 /8/,

d/ the election and the withdrawal of the member of the Ethics Committee, election and withdrawal of the Chair of the Ethics Committee from among its members,

e/ approval of the Code of Ethics,

f/ approval of the annual budget and the accounting report of the previous financial year,

g/ determining the sum of the annual membership fee,

h/ approval of the Board’s annual report,

i/ decision on the Association’s termination, merging and division,

j/ exclusion of an Association member, except for the exclusion on the grounds of failure to pay the membership fee,

k/ approval of granting full membership status,

l/ approval of granting supporting membership status,

m/ election and withdrawal of the Chair and members of the Controlling Committee,

n/ decision on any other matters ordered into its scope of competency by Section 3:74 of the Civil Code, the Statute or the ROO.

/4/ The meeting of the General Assembly has quorum if the representatives of over fifty per cent of eligible votes are present. Quorum must be verified before each decision. Members with no voting rights in a particular matter shall be ignored in terms of verifying the quorum before a decision on the particular matter. /4/ In the General Assembly meeting, members shall be represented by their legal representative or a person granted representative rights in writing.

/5/ If the General Assembly meeting had no quorum, and the original invitation indicated the place and time of the repeated meeting as well as the legal consequences of absence from the repeated meeting, the repeated General Assembly meeting shall be considered having a quorum in the matters indicated in the original agenda, regardless of the rate of eligible votes represented, provided that the repeated meeting was convened for a time minimum three and maximum fifteen days after the original date.

/5a/ The meeting of the General Assembly is open for the public but the General Assembly may order a closed session upon such request from any member. Closed sessions may only be attended by the members’ legal representatives or persons with representative rights and the persons so indicated in the resolution to order a closed session.

/6/ The General Assembly passes its resolution by the members’ vote, which is open except for the election and withdrawal of officials. In the General Assembly meeting, full members shall, except for the decisions on additional membership fees for the representation of the Association’s interests, cast votes with equal value, providing that full members, if the General Assembly’s resolution regulating the amount of annual membership fees enables them to do so and if, in lack of a different General Assembly resolution, the full member reported such resignation to the Board by 31st December of the given year, may resign from a part of its voting rights exercised in the General Assembly meeting in return for a membership fee discount.

When passing a resolution, the following members shall not be allowed to vote: those who are exempted from an obligation or liability or given an advantage over another legal person by the particular resolution, or who will be contracted as a result of the resolution, or who will be sued as a result of the resolution, whose relative has an interest in the decision, who is not a member or founder of a legal person or has a relation of influencing majority with another organization interested in the decision, or is otherwise personally interested in the decision.

The General Assembly shall, unless the Statute regulates otherwise, pass its resolutions with over fifty per cent of the votes considered when the quorum of the meeting was verified. Any amendment of the Association’s Statute requires at least three quarters of the votes considered when the quorum of the meeting was verified while the modification of the Association’s goals and a decision on a matter defined in Paragraph /3/ i) requires at least three quarters of the all votes. The approval and amendment of ROO and the Code of Ethics, the determination of the annual membership fee and the amendment of the procedural rules of the Association’s committees require at least three quarters of the votes considered when the quorum of the meeting was verified.

The resolution on the payment of additional membership fees for the representation of interest requires at least two thirds of the votes of the affected members, in their rate existing as of the turning date of the previous calendar year. If it is disputed whether a member is affected or not, the General Assembly shall have the right to make a decision on the matter.

/7/ Based on the decision of the Board or the Controlling Committee, invitations to the General Assembly meeting shall be sent out in writing by the Executive Officer or, when he or she is prevented from attending his or her duties, the person assigned by the Board or the Controlling Committee, to the Association’s supporting members and officials in such a manner that the invitation is delivered at least fifteen days before, or in a case classified as urgent by a Board decision, at least eight days before the planned date of the General Assembly meeting. The invitation must contain the Association’s name and registered head office, the venue and time of the meeting, the agenda in a sufficiently detailed form for members to develop an informed position as well as the written submissions related to each agenda point, including a draft resolution for the General Assembly to consider.

At the beginning of the General Assembly meeting, the participants elect a presiding chair, a minute taker and two minute authenticators from among the legal and/or assigned representatives of the full members. Subsequently, the General Assembly shall make a decision on the agenda, which cannot be complemented with points not listed in the invitation unless all full members are present in the meeting and they unanimously vote to add the particular point to the agenda.

The General Assembly shall discuss each agenda point in the order listed in the approved agenda. The presiding chair shall close the debate on each agenda point after the comments on the particular point. In the case of agenda points requiring a resolution, the General Assembly shall first vote on the submitted amendments to the draft resolution then make a decision on the draft resolution consolidated with the text of the accepted amendments. The presiding chair shall announce the result of the votes orally. In terms of the election and withdrawal of officials, votes are counted by the minute taker of the General Assembly meeting, providing that if the minute taker has an interest in the decision, then the counter of the votes shall be elected by the General Assembly’s special open vote from among the the legal and/or assigned representatives of the full members not having an interest in the decision.

The elected minute taker shall take the minutes of the General Assembly meeting, which shall then be signed by the presiding chair, the minute taker and the two minute authenticators. The minutes shall indicate the venue and time of the General Assembly meeting, the agenda, the names of the commenters on each agenda point, the gist of their comment, the existence of a quorum, the resolutions of the General Assembly as well as the number of those voting for and against the resolutions. The minutes shall be accompanied by an attendance sheet including the names of the participating members, their head offices as well as the name and signature of the person representing them. The complete minutes shall be stored in the Association’s archives. If the resolutions passed by the General Assembly affect individuals absent from the meeting, they must be informed in writing within three working days.

/8/ Any proposals to pay additional membership fees for a reason attributable to the Association must also indicate the party responsible for such reasons.

**Article 11**

**The Board of the Association**

/1/ The Board is the operative management body of the Association. The Board consists of the Chair, the two Deputy Chairs and four Board members who are elected for a five-year term by the secret vote of the General Assembly.

/1A/ The Chair, Deputy Chair and Board member of the Association can be any natural persons who comply with the condition defined in Article 3:22 (1) of the Civil Code and have no grounds for exclusion defined in Section 3:22 (4)-(6) of the Civil Code. Eligible persons to be elected as the Association’s Chair, Deputy Chair and Board member are the executive officers of the Association’s full members, unless the Congress waives this condition.

/2/ The assignment of the Association’s Chair, Deputy Chair and Board members shall be terminated if:

a) their term expires,

b) they are withdrawn,

c) they resign,

d) they die,

e) their capacity to act becomes limited in terms of the capacities required to perform their duties,

f) they experience grounds for exclusion defined in Section 3:22 (4)-(6) of the Civil Code.

/2a/ The assignment of the Association’s Chair, Deputy Chair and Board members shall also be terminated if their assignment as an executive officer of the Association’s full member is terminated unless the next Congress decides to maintain the assignment within the Association. If the Congress does not decide to maintain such assignment, then the Congress shall elect a new Chair, Deputy Chair and/or Board member.

/2b/ The General Assembly shall, at any time, have the right to withdraw the Chair or any member of the Association by immediately electing a new Chair or member.

/2c/ The Association’s Chair may resign from his or her office at any time by submitting a written statement to such effect to the Association’s Deputy Chairs whereas the other Board members shall submit such statements to the Association’s Chair.

/2d/ If the assignment of the Association’s Chair, Deputy Chair and/or Board member was terminated as defined in Section /2/ c)-f), then the General Assembly shall elect a new Chair, Deputy Chair and/or Board member within ninety days. The assignment of such elected officials and those elected as defined in Section /2a/ shall be valid for the time remaining from the term of the previous chair, deputy chair and/or member.

/4/ The Board is entitled to make decisions on any matter not belonging to the General Assembly’s exclusive scope of competency The Board has quorum if four Board members are present. If the Board meeting was not convened in line with the regulations, the Board shall still have quorum provided that all Board members are present and none of them objects to holding the meeting. The Board’s resolutions shall be passed by an open vote, with the votes of over fifty per cent of the Board members present.

/5/ The Board shall hold meetings as needed. Any Board member may initiate holding a Board meeting. The Board may hold its meeting by way of using electronic communication devices, provided that the proper identification of participants as well as unrestricted mutual communication is ensured. The discussions and the resolutions of a meeting held via electronic communication devices must be recorded in such a manner that they could be later verified.

/6/ The Board meeting shall be convened via invitations send out by the General Secretary. If the General Secretary neglects or is prevented from attending his or her duties, then the Chair shall convene the meeting. If the Chair neglects or is prevented from attending his or her duties, then any Board member shall convene the meeting while in the case defined in Article 9 /6/ b) the meeting shall be convened by the Executive Officer. The written invitation indicating the agenda points, the related written submissions as well as the venue and time of the meeting shall be sent to the Board members three days prior to the meeting.

/8/ The meeting of the Board is open for the public but the Board may order a closed session upon such request from any member. Closed sessions may only be attended by the persons indicated in the resolution to order a closed session. Any Board member may initiate adding points to the Board meeting’s agenda, and the Board shall make a decision on each point. Subsequently, the Board shall decide whether to accept the agenda. The Association’s chair shall take the minutes of the Board meeting, which he shall sign and then send it to the Board members in writing within three working days.

/9/ The Board performs its duties as a body comprising multiple persons.

/10/ The Board’s duties and scope of competency:

a) it represents the Association in the manner defined in Article 11 /3/,

b) develops its proposed work schedule, submits it to the General Assembly for approval, and reports annually to the General Assembly on the implementation.

c) establishes and terminates permanent or temporary committees in addition to the ones indicated in the Statute,

d) convenes the meeting of the Association’s General Assembly

e) upon the proposal of the Association’s Chair, elects and withdraws the Association’s General Secretary and Executive Officer,

F) elects and withdraws the chairs of the Association’s committees, except for those of the Ethics Committee and the Controlling Committee,

G) submits proposals to the General Assembly with regard to the amount of membership fees and additional membership fees,

h) submits the draft annual budget to the General Assembly as well as the accounting report on the previous year,

i) proposes potential new members for the Association,

j) makes decisions to exclude the Association’s members having failed to pay their membership fees. In case of other circumstances substantiating an exclusion, it proposes the particular member to be excluded from the Association,

K) decides to impose additional membership fees as defined in Article 15 /8/,

l) makes decisions on any matter assigned to its scope of competency by the Statute or the ROO.

/11/ Apart from the Association’s Chair, Board members shall jointly represent the Association.

/12/ Each issue related to the interests represented by the Association and/or each project approved by the Association shall be assigned to Board member as a sponsor who shall be responsible for supervising the given issue or project.

**Article 12**

**The Chair and the Deputy Chairs**

/1/ The Association’s Chair controls the operation of the Board, i.e.:

a) has the right to individually represent the Association,

b) facilitates the appropriate preparation for the discussion of the points on the Board meeting agenda,

c) presides the Board meetings, orders votes and establishes their results, ensures that the minutes are taken and authenticated,

c) coordinates decision support activities and controls the implementation of the resolutions and decisions made by the General Assembly and the Board,

d) controls the organizational units performing tasks related to interest representation, exercises the employer's rights except for the establishment and termination of employment relations, which belong to the competency of the Board,

e) organizes international contacts,

f) makes decisions in matters not belonging to the exclusive competency of the General Assembly or any other body of the Association.

/2/ The Chair coordinates the activities of the Deputy Chairs and determines their scopes of activity.

/3/ If the Association’s Chair is prevented from attending his or her duties, he or she shall be substituted by the Deputy Chair assigned by him/her.

**Article 13**

**The General Secretary of the Association**

/1/ The professional leader of the Association’s administrative body is the General Secretary who may be an employee of the Association. The General Secretary shall be elected by the Board upon the proposal of the Chair. The General Secretary shall be responsible for ensuring the Association’s seamless operation in line with its goals defined upon foundation.

/2/ In order to do so, the General Secretary shall:

a) represent the Association either jointly with a Board member or individually in particular matters defined in a special assignment,

b) facilitate the implementation of the General Assembly’s and the Board’s resolutions related to interest representation, partner contacts, media communication or special projects and support the implementation of the resolutions made by the Ethics Committee,

c) based on the members’ suggestions, initiate the setting of current tasks with the Board with regard to the issues related to the Association’s goals as well as organize professional groups to perform such tasks, from among the experts of the members,

d) organize the communication between the members and the Association,

e) organize the communication between the Association as well as the leaders of economic policy, monetary policy, regulatory authorities and the legislature,

f) report his/her activities regularly to the Board and annually to the General Assembly,

g) facilitates the convention of the Board meetings.

/3/ In the event of the General Secretary being prevented from attending his or her duties defined in Paragraph (2), such duties shall be performed by the person assigned by the General Secretary. If the General Secretary is permanently prevented from attending his or her duties, such duties shall be performed by the person assigned by the Board. Prevention from attending duties shall be regarded as permanent if it is sustained for over a period of 30 days. In such cases, the Board shall make a decision on the performance of the General Secretary’s duties in its next meeting.

**Article 14**

**The Executive Officer of the Association**

/1/ The operative leader of the Association’s administrative body is the Executive Officer who may be an employee of the Association. The Executive Officer shall be elected by the Board upon the proposal of the Chair. The Executive Officer shall be responsible for facilitating the operation of the Association as an organization.

/2/ In order to do so, the Executive Officer shall:

a) represent the Association jointly with a Board member,

b) facilitate the implementation of the General Assembly’s and the Board’s resolutions outside the General Secretary’s scope of competency,

c) facilitate the registration of the Association and any updates in terms of the Association’s data,

d) facilitate the convention of the General Assembly meeting and the preparation of the necessary documentation of issues within the General Assembly’s decision competency,

e) submit an annual report on his or her activities to the General Assembly,

f) exercise assignment rights within the scope defined by the Board,

g) supervised by the Controlling Committee and the auditor, the Executive Officer facilitates keeping the Association’s books, making the annual reports and annual budget plans,

h) operate the Association’s IT system,

i) faciliate and be responsible for the correct use of the Association’s assets in line with the goals defined in the budget.

/3/ In the event of the Executive Officer being prevented from attending his or her duties defined in Paragraph (2), such duties shall be performed by the person assigned by the Executive Officer. If the Executive Officer is permanently prevented from attending his or her duties, such duties shall be performed by the person assigned by the Board. Prevention from attending duties shall be regarded as permanent if it is sustained for over a period of 30 days. In such cases, the Board shall make a decision on the performance of the Executive Officer’s duties in its next meeting.

**Article 15**

**The financial management of the Association**

/1/ The Association manages its finances on its own from the membership fees, including the additional membership fees, the sponsors’ payments and potential other incomes. The Association shall be liable for its debts with its own assets. The members shall not be liable for the Association’s debts with their own assets, other than the payment of their membership fees.

/2/ The annual membership fee comprises the basic membership fee covering the operational and other costs of the Association’s bodies and organizations as well as the membership fee for interest representation. Members shall pay the annual membership fee by 31st January of the given year, while new members joining in mid-year shall pay a time-proportionate fee within 30 days after their accession. The additional membership fees shall be paid within the deadline established in the resolution on such fees. In the event of a default payment, the Association shall have the right to charge a default interest to the member in default, and the extent of the interest is always the double of the valid base rate defined by the Central Bank.

/3/ The annual budget plan shall be prepared by the Executive Officer and then submitted for approval to the Committee and subsequently, if approved by the Controlling Committee, to the Board. The annual budget is approved by the General Assembly, upon the proposal of the Board.

/4/ The Association’s operational costs and the expenses related to the activities in line with the Association’s goals (including the costs of projects and interest representation issues) can be covered by the membership fees and additional membership fees. If the costs of projects and interest representation issues (hereinafter jointly referred to as “projects” in the interpretation of Article 15) cannot be covered by the membership fees and additional membership fees, then the affected members may be required to pay an additional interest representation fee and an extra fee for interest representation on top of their annual membership fees (hereinafter jointly referred to as “additional membership fee for interest representation” in the interpretation of Article 15) in order to cover such costs.

/5/ Projects implemented by the Association shall have their own budgets. Project costs shall be covered by the additional membership fees for interest representation and voluntary contributions by member companies affected in the project or by other incomes.

/6/ Projects may be initiated by the Association’s board or any committee thereof. The body initiating the project shall propose the manner of covering the costs related to the project. The Association shall inform the member company about the project and the related cost bearing via an e-mail sent to the general contact person assigned by the member company as well as to the managing director thereof.

/7/ If the costs of the project are covered by the voluntary contributions of the affected members, then the member companies shall make a statement on their contribution based on the call for contribution defined in Article 15 /6/ within the deadline defined therein, by way of submitting their contribution-approval forms to the Association, filled out according to their decision. The deadline may not be shorter than 5 working days. In the event of an affected member company failing to submit the contribution approval statement to the Association by the given deadline, the contribution shall be considered approved if the member company confirms its approval.

/8/ If the project is implemented by using the membership fees for interest representation, then the project cannot be launched unless the two-thirds majority of affected members in the rate of the portfolio affected as of the turning date of the previous calendar year approve of the project launch, based on the call for contribution defined in Article 15 /6/. If the project launch requires the payment of additional membership fees, then the Board may pass a resolution accordingly, with the approval of the majority of affected members defined herein. If it is disputed whether a member is affected by a project or not, the General Assembly shall have the right to make a decision on the matter.

**Article 16**

**Termination of the Association**

The termination of the Association shall be governed by Section 3:48 (1), 3:83 and 3:84 of the Civil Code.

**Article 17**

**Closing provisions**

/1/ Issues not regulated in this Statute shall be governed by the provisions of the Civil Code and the Association Act.

/2/ Whereby this Statute prescribes a written notice, it shall be communicated via registered mail, fax message send to the telephone number submitted to the Association or via electronic mail sent to the e-mail address submitted to the Association. Registered mails shall be considered delivered as of the date defined in Article 3:91 (4) of the Civil Code. Fax messages shall be considered delivered by way of the successful receipt slip. The contents of electronic mails shall be considered delivered as of the date of acknowledgement of the receipt. In lack thereof, it shall be considered delivered on the third day after sending.