##### HUNGARIAN CROP PROTECTION

##### ASSOCIATION

## *STATUTES*

## *consolidated text*

## *incorporating all amendments made since the Statutes were adopted*

***(the amendments adopted by the Association’s general assembly on 15 July 2016 are indicated with bold, underlined letters.)***

***Budapest, 15 July 2016***

I.

GENERAL PROVISIONS

1. Name of the Association:

1.1 Full name of the Association in Hungarian: Növényvédőszer-gyártók és Importőrök Szövetsége Egyesület

1.2 Short version of the Hungarian name of the Association:NSZ

1.3 The name of the Association in English: Hungarian Crop Protection Association

1.4. Short version of the English name of the Association: HuCPA

2. Registered address of the Association: H-1043 Budapest Csányi László utca 34., Hungary

3. Duration of the Association: indefinite

4. Legal status of the Association:

4.1 The Association becomes a legal person when the court decision on the registration of the Association becomes final. The legality of the Association’s operation is supervised by the public prosecutor’s office.

4.2 The Association shall not be engaged in any political activities (i.e. it shall not be involved in any party politics and it shall not nominate or support any candidates at general elections or local government elections at county or capital city level); its organisation is independent from political parties; it receives no support from political parties and grants no support to them.

4.3 The territorial scope of the Association’s operation covers the entire territory of the Republic of Hungary.

II.

THE OBJECTIVE AND THE ACTIVITIES OF THE ASSOCIATION

1. The objective of the Association:

1.1 The objective of the Association is to establish a community that promotes the professional interests of producers of crop protection products registered in Hungary and their representations in compliance with the effective Hungarian and EU laws, especially competition law rules. Within the framework of this objective, the Association shall support coordination and contact between its members; it shall monitor development processes in Hungary and abroad, changes in the domestic and international regulatory environment and their impact on the market, and it shall provide technical information about these to its members. The Association may also engage in provision of services in the common interest of the members.

1.2 The activities of the Association may not violate laws regulating confidentiality of information or fair market practices, laws prohibiting the establishing monopolistic positions, or any other law.

2. In accordance with the above, the Association shall carry out the following activities:

2.1 It shall initiate, coordinate and organise joint action concerning all issues that may arise in connection with the promotion of the members’ common interests, in particular:

* it shall represent professional interests in legislation and before regulatory authorities (drafting of laws and delivering opinions on drafts);
* it shall compile the effective laws, it shall interpret and assess their consequences related to the trade, and share this information with the members;
* it shall assess the common professional needs of the members and develop recommendations for the members;
* it shall establish and maintain contractual relationships with national and international associations (Grain Producers’ Association, National Board Against Counterfeiting, European Crop Protection Association), with institutions (ministries, chambers) on behalf and for the benefit of its members;
* it shall inform the general public of the activities of the profession, in particular of food safety and human and environmental health issues;
* it shall strengthen public confidence in the crop protection industry and trade;
* **it shall keep in contact with market players in order to promote fair and compliant market conduct,**

2.2 With the cooperation of domestic and international partner organisations, the Association shall promote

* the safe and efficient handling and use of crop protection products;
* the harmonization of domestic and European regulations in connection with the licensing, production, formulation, packaging, distribution, labelling and application of crop protection products;
* the reasonable and safe application of crop protection products in agriculture, including the promotion of the principle of integrated crop protection, the protection of the quality of environment and provision of information about sustainable crop protection practices;
* Joint action with authorities and non-governmental organisations against the counterfeiting of crop protection products and illegal imports.

III.

MEMBERS OF THE ASSOCIATION

1. Membership

Any business registered in Hungary and engaged in the crop protection product industry can become a member of the Association if it accepts the provisions of these Statutes and the resolutions of the General Assembly as binding, and agrees to contribute to the completion of the Association’s objectives and to pay the membership fee.

2. Based on their legal status, members can be:

2.1 Regular members

Any entrepreneur, business or company registered in Hungary and engaged in manufacturing or representation activities in the crop protection industry can become a ***regular member***of the Association.

Regular membership status is approved by the General Assembly of the Association. The approval of a new member cannot be rejected if the candidate is a business established and registered in accordance with the relevant Hungarian legislation and meets the criteria of membership, i.e. if it adopts the provisions of these Statutes and the resolutions of the General Assembly as binding, and agrees to contribute to the completion of the Association’s objectives and pay the membership fee. The Board shall issue an opinion concerning applications for membership pending the General Assembly’s resolutions.

2.2 Associated members

Beyond the entities specified in the above Section 2.1, any scientific, consultancy or advocacy organisations related to the crop protection product industry or organisations only engaged in distribution activities within the industry can become an ***associated member***of the Association.

Associated membership status is approved by the Board.

2.3 For joining, the organisations specified in the above Sections 2.1 or 2.2 must declare their intention to join the Association and accept, without any reservations, the Statutes and the resolutions of the Association passed before the declaration to join, and pay the membership fee by the set deadline.

2.4 Joining and leaving the Association is voluntary.

3. Termination of membership

3.1. Membership in the Association shall terminate upon

* **repealed**
* the member’s termination without a legal successor,
* the member leaving the Association,
* the exclusion of the member from the Association,
* **termination of membership by the Association.**

3.2 Upon the member’s termination without a legal successor, membership also terminates; in such case the **Managing Director** shall delete the member from the registry of members. In the event of legal succession, the rights and obligations of the legal predecessor are transferred automatically to the legal successor(s).

3.3 Membership shall terminate by way of leaving where the member notifies the **Managing Director** in writing of this intention at least 6 months before the end of the calendar year; in this case, membership shall terminate on the last day of the calendar year. The **Managing Director** shall arrange without delay the deletion of the leaving member from the registry of members.

3.4 **Any member who has seriously or repeatedly infringed the law, the Statutes or any resolution of the general meeting may be excluded from the Association. The exclusion proceedings in the first instance shall be conducted by the Board (except if the case affects one or more Board members). The proceedings may be initiated by any member of the Association, any member of the Board or the Monitoring Committee, or the Managing Director, in writing, by detailing the facts and circumstances discovered and by indicating and attaching any evidence available. Opening the proceedings shall be subject to the President of the Board decision. The member affected by the proceedings shall be notified in writing of the opening of the proceedings as well as the reasons brought against them, along with any supporting evidence, and they shall be given the opportunity to defend themselves and present their evidence. If the member subject to such proceedings so requests, exclusion shall be decided on at a hearing, the place and date of which shall be communicated to the member at least fifteen (15) days in advance in writing. The member may retain a legal representative during the proceedings. If the case concerns the exclusion of a member which delegated a Board member, it shall be decided by an *ad hoc* committee designated by the General Assembly. If the proceedings by an ad hoc committee become necessary, the Chairman – or, if the proceedings are to be conducted against the President of the Board, the Managing Director – shall convene the General Assembly without delay. The Board resolution for the exclusion of the member shall be communicated to the member in writing. As part of the statement of reasons, the resolution shall contain the reasons, facts and evidence underlying the exclusion decision. Furthermore, the resolution shall contain accurate and express information on access to review procedures (within and outside the Association). The excluded member may lodge an appeal against the resolution of exclusion with the Association’s General Assembly, within fifteen days of receipt thereof. The appeal shall indicate the reason why the member wishes the resolution to be amended (it is unlawful, including violation of the Statues, or is unfounded), and the excluded member shall also identify any relevant supporting evidence. The person entitled to convene the General Assembly shall decide within 30 days of receipt of the appeal whether the appeal is suitable for a hearing on the merits. If the appeal is suitable for a hearing, the convenor shall convene the Association’s General Assembly for the hearing within 30 days at the latest. The member shall also be given the opportunity for defence and participation at the meeting of the General Assembly, on the understanding that, when adopting the resolution, the affected member may not cast a vote on the issue. In the event of exclusion, the member’s membership shall terminate on the following dates: (i) with regard to a Board decision, on the day following the expiry of the 15-day deadline for appeal calculated from receipt, provided that no appeal was filed until that date; or (ii) with regard to an appeal, upon the adoption of the General Assembly’s resolution confirming the exclusion.**

**For the avoidance of doubt, if a member fails to fulfil their obligation to pay the membership fee in any business year by the due date, and does not remedy this failure within the additional six-month deadline set by the Managing Director in writing, it shall entail the member’s automatic exclusion. In their written notice, the Managing Director shall draw the member’s attention to the application of the legal consequences of exclusion in the event of non-payment. If the deadline set by the Managing Director in writing expires without payment, the member’s membership shall terminate by way of exclusion as of the day following the last day of the additional deadline set by the Managing Director as above. In such an event, the Board shall decide on the member’s exclusion without a previous notification and without holding a hearing. The Board’s resolution shall be set out in writing, in accordance with the requirements as to its content as detailed above.**

**If, on the grounds of non-payment of membership fee, there is a case for the exclusion of a member having delegated a Board member, the General Assembly shall decide on the exclusion by the mutatis mutandis application of the above.**

Members excluded from the Association shall only be required to pay the membership fee for that part of the financial year which ends on the day the Board’s decision to exclude the member becomes final.

3.5 **Should any member fail to comply with the conditions laid down in Sections 2.1 to 2.2 of this Chapter III, the Association may terminate their membership by way of a Board resolution with thirty (30) days’ notice.**

IV.

RIGHTS AND OBLIGATIONS OF THE MEMBERS OF THE ASSOCIATION

1. Members’ rights

1.1 Each member is entitled

* to participate in the Association’s activities and events, avail of the services provided by the Association, access the information obtained and made available by the Association and liaise with other members through the Association;
* to receive a copy of the Association’s publications and to request the Association’s representation and reconciliation activities in accordance with the Association’s objectives;
* to make recommendations and comments;
* to request information about any issue related to the Association’s activities;
* to submit to the Board or to the General Assembly any questions or recommendations that may be of the Association’s concern, and to initiate the convention of the General Assembly’ or the Board’s meeting.

1.2 Regular and associated members’ rights

1.2.1 **Regular members** are entitled to attend the meetings of the General Assembly with a right to speak and vote there.

* Each regular member shall have one vote in the General Assembly. Members may also exercise these rights through their authorised representatives.
* A regular member may be elected for any office.
* At the General Meeting, any regular member can initiate the recall of the officers.

1.2.2 Each **associated member** can attend the meetings of the General Assembly with a right to speak there.

* Such members can vote in the event of electing the members of the specialist committees only. In this election each associated member shall have one vote.
* Associated members can be elected for any office other than office of the Chairman.

2. Obligations of the members

2.1 Each member must comply with the rules of the Statutes and the General Assembly’s resolutions.

2.2 Members agree to fully comply with the Association’s Code of Ethics.

2.3 Members must participate in the completion of the Association’s objectives and tasks through regular and continuous work and in accordance with the Statutes and the relevant legislation.

2.4 In the course of exercising their rights, members must comply with the Statutes and the resolutions of the Association’s General Assembly and the Board.

2.5 Members shall be required to pay by the relevant deadline the annual membership fee/associated members’ membership fee set by the General Assembly of the Association.

2.6 Elected officers must exercise their rights and fulfil their duties resulting from their office **through the natural person designated by them**. **In this connection, the member shall inform the Association without delay in writing about any change in the person of the officer they have designated.**

2.7 Members are required to disclose to the Association without delay all facts and data that may have an impact on their membership right, the way of exercising such rights and their termination.

2.8 Members may be represented by their registered representatives; members shall primarily exercise their rights and fulfil their obligations through their representatives.

V.

ORGANISATION OF THE ASSOCIATION

1. Bodies of the Association

General Assembly

Board

**Managing Director**

Ethics Committee

Monitoring Committee

Regardless of the rules on passing resolutions, the bodies of the Association shall be required to strive to reach unanimity in their decision-making. Members not sharing the majority opinion in the voting shall be required to accept the content of the resolution passed compliant with the Statutes and act in accordance with and in the spirit of the resolution. In the course of representation activities, the position of each interest group has to be recorded in an objective manner, leaving the ranking and consideration of such positions to the decision makers.

1.1 General Assembly

The General Assembly is the supreme body of the Association; the General Assembly shall consist of the regular members and the associated members of the Association.

1.1.1 The General Assembly’s convention

* The General Assembly shall be convened as required but at least once a year.
* The General Assembly shall be convened by the Chairman.
* An extraordinary General Assembly meeting shall be convened if at least one third of the members request a meeting in writing, by specifying the reason and the objective of the meeting, in a letter sent to the Board, or a meeting must be held upon a court order to this end. **A meeting of the General Assembly shall also be convened if the Association’s assets are insufficient to cover its outstanding debts, it is presumed that the Association will not be able to meet its liabilities when due, or achieving the Association’s objectives is in jeopardy.** The extraordinary meeting of the General Assembly shall be convened by the Chairman within four weeks from the day the proposal is made. The Chairman may also convene an extraordinary General Assembly meeting if there is an urgent issue requiring immediate decision.
* **Members are to be invited to the General Assembly meeting at least 15 days before the scheduled date of the meeting, by communicating its agenda.**
* **The letter of invitation shall set out the Association’s name, registered address, the date and venue of the General Assembly meeting – on the understanding that if not otherwise provided, the venue may be the Association’s registered address – as well as the agenda of the meeting. The invitation shall contain the agenda with such detail as to allow the persons entitled to vote to form their positions on the topics to be discussed.**
* **Within eight (8) days calculated from the delivery of the invitation to the General Assembly meeting, members and the bodies of the Association may request additions to the agenda from the Chairman. The reasons for such requests must be given. If the President of the Board rejects a request to make additions to the agenda or fails to make a decision, the General Assembly shall decide before adopting a resolution on the agenda whether to make any additions to the agenda.**
* All members are entitled to request the discussion of any additional agenda items if they submit such proposals in writing to the **Managing Director** at least five days before the scheduled date of the General Assembly meeting.

**If the meeting of the General Assembly has not been convened in due form, the meeting may be held only if all entitled persons are present – if the agenda affects the voting rights of associate members, then including all associate members, too – and if they unanimously agree to hold the meeting.**

1.1.2 Quorum

The General Assembly shall have a quorum if members have been duly invited and more than half of the members eligible to vote are present. If there is no quorum, a General Assembly meeting reconvened for a date a minimum of 5 days and a maximum of 15 days from the original date with the same agenda shall have a quorum concerning items on the original agenda, regardless of the number of members present. The letters of invitation to the original meeting must call the members attention to this.

**The reconvened General Assembly meeting shall have a quorum regardless of the number of members present if all members had been notified of this circumstance in advance, in the letters of invitation originally sent out.**

1.1.3 The procedure of General Assembly meetings

* **General Assembly meetings are not open to the public; only members and those invited by the person entitled to convene the meeting, as well as any persons entitled to attend with consultation rights under these Statues or the General Assembly’s resolution, may participate in the meetings. Representatives of the members may also attend the General Assembly meetings even if such members have no additional votes.**
* The General Assembly meeting is chaired by the presiding chairman. The presiding chairman is either the **President of the Board** of the Association in office at the start of the meeting or, **in the event of the President of the Board incapacitation**, a Board member.
* For expediency reasons, the presiding chairman may limit the time members are allowed to speak at the meeting.
* The presiding chairman shall draft the text of the motions on the basis of the speeches heard and proposals made at the meeting and shall put the motions up for voting. **Votes shall be tallied by two vote counters elected at the beginning of the General Assembly meeting.**

The Managing Director of the Association or a person appointed by the General Assembly shall keep minutes of the events and decisions of the General Assembly. The minutes shall be signed by the minute-keeper and **two members appointed by the General Assembly** to verify the minutes’ authenticity. On the basis of the minutes, the **Managing Director** of the Association shall record each resolution of the General Assembly in the register of resolutions. **Resolutions shall be published by way of displaying them at the Association’s registered address, at a place accessible for the members.**

1.1.4 Adopting of resolutions

**The General Assembly shall pass its resolutions through an open ballot and generally by a simple majority of votes. The amendment of the Statutes shall be subject to a resolution adopted by a three-quarters majority of the regular members present, while the modification of the Association’s objectives and the resolution on terminating the Association requires a three-quarters majority of all regular members. The Board shall be elected through an open ballot. However, a secret ballot must be used if at least one-third of those present make such a request.**

**Each regular member shall have one vote at the meeting of the General Assembly. Associated members may only vote at the election of specialist committee officers. A full member may be represented by another full member based on a written power of attorney; the written power of attorney must be delivered to the Managing Director at least one day before the meeting of the General Assembly. Each full member may represent maximum two other full members.**

**In the process of adopting a resolution the following persons may not vote:**

* **any person for whom the resolution contains an exemption from any obligation or responsibility, or for whom any advantage is to be provided at the expense of the Association;**
* **any person with whom an agreement is to be concluded according to the resolution;**
* **any person against whom legal proceedings are to be initiated according to the resolution;**
* **any person whose family member, who is not a member or founder of the Association, has a vested interest in the decision;**
* **any person who maintains any relation on the basis of majority control with an organisation that has a vested interest in the decision; or**
* **any person who otherwise has a vested interest in the decision.**

**Members may pass a resolution on any issue within the scope of the General Assembly’s powers without holding a meeting. The proposal for a resolution to be adopted outside a General Assembly meeting shall be communicated in writing to the members by setting an eight-day deadline, and members shall cast their votes also in writing. The decision-making process shall be considered effective if the number of votes sent to the Board corresponds to at least the number of members required to attend for a quorum if the meeting of the General Assembly was in fact held in session. The Board shall determine the outcome of the voting within three (3) days following the last day of the time limit prescribed for voting – or, if the votes of all 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 (3) days. The date of the resolution shall be the last day of the voting deadline, or if the votes of all members are received previously, the day when the last vote is received.**

**If any member requests so, the General Assembly must be convened to discuss the proposal.**

1.1.5 The General Assembly shall be exclusively competent

* **to declare the establishment of the Association, its merger with another association, its joining domestic or international associations and the demerger or termination of the Association;**
* to adopt and amend the Statutes;
* to approve the annual objectives and budget;
* to approve the Monitoring Committee’s report;
* to adopt the annual report of the Chairman and other officers;
* **to adopt the annual accounts pursuant to the Accounting Act, covering also the report by the Board on the association’s financial position,**
* to set the basic fee which forms the basis for the calculation of the membership fee;
* **to elect and recall executive officers and monitoring committee members and to establish their remuneration,**
* **to exercise employer’s rights over the executive officer, if the executive officer has a contract of employment with the Association,**
* **to approve contracts between the Association and one of its members or its executive officer, Monitoring Committee member or their relatives,**
* **to decide on the enforcement of claims for compensation from present or former members, executive officers and monitoring committee members, or from the members of any other bodies of the Association,**
* **to elect and recall the elected auditor and to establish his remuneration,**
* **to appoint a receiver,**
* to set up and dissolve permanent committees;
* to elect the members to the Ethics Committee and to establish the Committee’s rules of procedure;
* to decide on membership applications;
* to consider appeals against Board decisions on the exclusion of a member;
* any issues the General Assembly confers to its own competence.

1.2 Board

**The management and representation body of the Association is the five-member Board, whose members include the President of the Board, the Deputy Chairman and the Board members.** The Board members are the officers of the Association. Board members do not get any remuneration for **their work.** The Board shall manage the Association’s work between meetings of the General Assembly and shall make decisions concerning any affair assigned to the Board’s scope of powers or that is not part of the Association’s exclusive powers. The Board shall report to the next General Assembly about its decisions and actions.

Members of the Board must be of legal age and must have unlimited legal capacity in the scope required for discharging their functions.

If the Board member is a legal person, that legal person shall designate a natural person to discharge the functions of the Board member in its name and on its behalf. The rules pertaining to Board members shall apply to the designated person as well.

The Board member shall perform their 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 Board member until exempted from the detrimental consequences of having a criminal record.

A person may not be a Board member if he has been prohibited from holding that position. Any person who has been prohibited by final court order from practicing a profession may not serve as an executive officer 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 a Board member within the time limit specified in the prohibition order.

1.2.1 Election of Board members; termination of Board membership

* Board members shall be elected by the General Assembly for a **two**-year term. **The office of the executive officers shall be renewable.**

A Board member’s membership shall terminate upon:

a) the expiry of the term of the mandate,

b) recall,

**c)** **the occurrence of statutory grounds for exclusion or any reason giving cause for a conflict of interest,**

d) resignation,

**e)** **the limitation of their legal capacity in the scope required for discharging their functions,**

**e)** **the member’s death or termination without a legal successor**

A Board member may resign at any time. However, the resignation shall only become effective on the 60th day from the day it is announced on where it is necessary for the functionality of the Association, unless the General Assembly elects a new Board member earlier. Before the effective date of the resignation, the Board member shall be required to contribute to all urgent decisions or to any such urgent action. **The Board may be recalled at any time by way of a simple majority resolution of the General Assembly.**

A Board member’s membership shall terminate if he/she is no longer with the company (or the legal successor of the company) by which it was employed at the time he/she was elected to the Board.

Members of the Board shall manage the Association with an increased duty of care that can be excepted from persons in such positions guided by the priority of the Association’s interests. They shall be liable for any damage caused by their culpable violation of the law, the Statutes, the supreme body’s resolutions and their obligations in accordance with the civil law rules.

1.2.2 The Board’s meetings

* The Board shall hold meetings as necessary but at least twice a year.
* Meetings shall be convened by the Chairman.
* An extraordinary Board meeting shall be convened if a member requests a meeting in writing, by specifying the reason and the objective of the meeting, in a letter sent to the Board, or a meeting must be held upon a court order to this end. The Chairman shall convene the extraordinary Board meeting within one month from the day the circumstance giving rise to the meeting occurs.
* The Board meeting shall be convened at least 5 days before the scheduled date by communicating the agenda in writing.
* The Board meeting shall have a quorum if at least three members are present.
* If there is no quorum, a Board meeting reconvened for a date minimum 3 days and maximum 15 days from the original date with the same agenda shall have a quorum regardless of the number of members present. The invitation to the reconvened Board meeting may be included in the letter of invitation to the original Board meeting but members’ attention must be drawn hereof.
* The Board shall pass its resolutions through an open ballot and by a simple majority of votes. In the event of a tie vote, the vote of the Chairman (or the presiding chairman if the **President of the Board** is absent) shall decide. Each Board member shall have 1 vote.
* The heads of the specialist committees or, depending on the topic, representatives of member companies and experts may attend the Board meetings if invited.
* Each member of the Board has the right and also the obligation to monitor circumstances affecting the Association and submit their related recommendations and comments to the Board. Also, each Board member is liable for decisions made concerning economic, financial and other affairs unless the Board member has specifically expressed and maintained his/her objection.
* The **Managing Director** of the Association (or, if the Managing Director is unable to carry out this task, a person appointed by the Board) shall keep minutes of the events and decisions of the Board. The minutes shall be signed by the minute-keeper and the **President of the Board** to verify the minutes’ authenticity. On the basis of the minutes, the **Managing Director** of the Association shall record each resolution of the Board in the register of resolutions.

In other respects, Board meetings shall be governed mutatis mutandis by the provisions in the third paragraph of Section 1.1.4 of Chapter V above.

1.2.3 Responsibilities and powers of the Board:

* **performing daily administrative tasks of the Association, taking decisions within the competence of management;**
* **preparing reports and accounts, and submitting them to the General Assembly;**
* **preparing the annual budget and submitting it to the General Assembly;**
* **managing the Association’s assets, and taking decisions relating to the allocation and investment of assets which do not fall within the powers of the General Assembly, and the implementation of such decisions;**
* **making preparations for setting up bodies provided for by law and by the Association’s statutes, and for the election of officers for these bodies;**
* **convening the General Assembly, notifying members and the bodies of the Association;**
* **setting the agenda for the General Assembly convened by the Board;**
* **attending the General Assembly meeting and providing answers to questions concerning the Association;**
* **keeping records on members of the Association;**
* **keeping record of the Association’s resolutions, and keeping organisational documents and other books;**
* **safeguarding documents pertaining to the Association’s operations;**
* **monitoring the existence of any other cause for winding up the Association, and taking measures as provided for in the Civil Code if such a cause has occurred;**
* **establishment, dissolution and receiving reports from the ad hoc committees;**
* **checking the handling and use of any funds received from the members or third parties;**
* **giving an opinion on the statements of joining the Association in connection with the acceptance of new members;**
* **decision-making on the excluding of members;**
* **making arrangements to ensure that the conditions of the Association’s effective operation are met; the implementation of the General Assembly’s resolutions;**
* **decision-making concerning professional, organisational and economic affairs not within the scope of the General Assembly’s powers, and checking the implementation of such decisions;**
* **completing tasks specified by law and/or the General Assembly.**

1.2.4 The officers of the Association:

**President of the Board**

* The **President of the Board** shall manage and organise the work of the Board and shall represent the Association.
* The **President of the Board** shall manage and check the Association’s activities and finances.
* The **President of the Board** shall preside over the Board’s meetings and shall convene the meetings of the General Assembly and the Board;
* The **President of the Board** shall manage and make decisions concerning all affairs assigned to the **President of the Board** competence by the General Assembly or the Board.

The **President of the Board** shall exercise the employer’s rights vis-à-vis the **Managing Director** and the administrative staff of the Association.

If the **President of the Board** is prevented from carrying out their tasks, the Deputy **President of the Board** (elected by the Board from among its members) may act as a substitute with full competence. If the **President of the Board** is prevented from carrying out his/her tasks for more than three months, the General Assembly’s consent is required to appoint as substitute with the **President of the Board** full competence.

1.3 Permanent and *ad hoc* specialist committees

In accordance with the interest of the crop protection product market, the General Assembly may establish permanent specialist committees and the Board may set up *ad hoc* committees.

Specialist committee members shall comprise the staff delegated by the members to the committee and the administrative employees of the Association. The committee members shall elect a committee member to act as the chairman of the specialist committee. Any member of the specialist committee may request a meeting of the committee, in a written proposal sent to the **Managing Director**, specifying the reason for/objective of the meeting. The role of the specialist committees is to develop recommendations for the Board and/or the General Assembly in connection with their own field. Subject to a separate authorisation by the Board, the chairmen of the specialist committees may represent the Association before authorities and vis-à-vis third parties.

Upon the establishment of the Association the following specialist committees have been established:

* Specialist Committee – Trade

Specialist Committee – Technology

The rules applicable to specialist committees shall apply to *ad hoc* committees. The mandate of *ad hoc* committees shall terminate upon the completion or the frustration of the task.

The committees shall report on their activities to the body that has established them.

1.4 **The Managing Director**

**The Managing Director is the Association’s officer responsible for the preparation of decisions, operational administration and implementation. The Managing Director shall ensure the continuous operation of the Association. The Managing Director shall be appointed by the Board, and the Managing Director is obliged to report to the Board on their activities on an annual basis.**

**As part of their activities and responsibilities, the Managing Director shall:**

* represent the Association on any issues as authorised by the Board;
* prepare and organise the meetings of the General Assembly and the Board;
* prepare analyses and develop proposals if instructed to do so by the bodies of the Association;
* **carry out contractual duties related to the Association’s membership of domestic and international associations;**
* keep minutes at the meetings of the General Assembly and the Board, and keep a register of their resolutions;
* keep an up-to-date register of the Association’s members and shall ensure the deletion of members from the register upon the termination of their membership;
* manage the affairs related to the Association’s continuous operation on the basis of the Board’s resolutions and the **President of the Board** instructions;
* prepare the Association’s rules of procedure and, once the rules are adopted, shall ensure they are complied with;
* prepare proposals for the **President of the Board** and the Board;
* carry out the administrative tasks and shall be responsible for the correspondence and communication etc. necessary for the Association’s activities;
* represent the Association in accordance with the provisions of the Statutes;
* manage the Association’s assets and funds in accordance with the budget adopted by the General Assembly; and
* present the Association’s annual business plan to the Board and the General Assembly for approval.

1.5 Ethics Committee

The Ethics Committee shall be responsible for ensuring that the Association’s Code of Ethics is complied with. The Ethics Committee shall report to the Board and the General Assembly on its activities. Members of the Ethics Committee shall be elected by the General Assembly for a **two**-year renewable term. The Ethics Committee shall hold its meetings as required.

The Ethics Committee shall pass its resolutions by a simple majority of votes and through an open ballot. The Ethics Committee shall have a quorum if more than half of its members are present. The meetings of the Ethics Committee shall be chaired by a committee chairman elected from among its members.

The rules on the election of the Board members and on the termination of their Board membership shall apply to the election of Ethics Committee members and to the termination of their committee membership.

1.6 Auditing Committee

**The General Assembly shall elect, out of the members of the Association and through an open ballot, a three-member** Auditing **Committee. The members of the** Auditing **Committee shall elect its chairman from amongst its members. The mandate of the** Auditing **Committee shall be for a period of two years. The** Auditing **Committee is responsible for auditing the Association’s bodies and the implementation of and compliance with the laws, the statutes and the resolutions of the Association at least twice a year. The** Auditing **Committee shall report to the General Assembly on the outcome of the audit.**

**Members of the** Auditing **Committee must be of legal age and must have unlimited legal capacity in the scope required for discharging their functions. A person affected by any of the grounds for exclusion or conflict of interest as determined in Section 1.2 of this Chapter may not be a member of the** Auditing **Committee.**

The Auditing Committee shall pass its resolutions by a simple majority of votes and through an open ballot. The Auditing Committee shall have a quorum if the chairman and at least one member of the Committee are present at the meeting. The meetings shall be chaired by the chairman.

VI.

REPRESENTATIVES OF THE ASSOCIATION

**Both the Chairman and the Managing Director shall be entitled to represent the Association independently, including the power to dispose over the Association’s bank account.**

VII.

THE ASSOCIATION’S ASSETS AND FINANCES

***1.*** ***General Rules***

**The Association may manage its assets individually with a view to implement its objective specified in these Statutes. The Association’s primary activity may not be to engage in economic-business activities. The Association shall be responsible for settling its debts out of its own assets. Members – beyond and above paying their financial contributions – shall not be responsible for settling the Association’s debts out of their own assets.**

**To provide the economic conditions for implementing its objective, the Association may also engage in economic-business activities, provided that such activities do not jeopardise its activity as per its basic objective. The Association may take out loans and undertake any other obligations only in such a way as not to endanger the implementation of its activity as per its basic objective or the maintenance of its operations.**

**The Association shall keep its accounting records in such a manner that the income, costs, expenditure and result (profit or loss) of the activity as per its basic objective and those of its economic-business activities can be established separately.**

**The Association may not distribute its assets among its members and may not provide them with a share of the profits.**

**The Association shall have an annual budget. The Board shall be authorised to set the way of using the Association’s funds within the framework of this budget.**

***2.*** ***Revenues of the Association:***

**2.1** **Membership fee paid by the members:**

The annual membership fee for regular members consists of two items: a basic fee and a percentage-based fee; the latter is calculated on the basis of the member’s share of the domestic trade of crop protection products in the previous year. The proportion and amounts of the basic fee and the percentage fee shall be determined by the General Assembly. The amount of the basic fee may not be lower than HUF 600,000 per year.

Associated members shall be required to pay an associated membership fee of at least HUF 300,000 per year.

The membership fee includes the costs incurred in the contractual relationship with domestic and international organisations (e.g. ECPA).

**2.2** **Revenues from entrepreneurial activities:**

* **Repealed**
* The Association’s service provision activity shall constitute a supplementary source of revenues for the Association.
* **The scope of the Association’s business activities shall include the following (based on the NACE REV2 2008 classification):**

6311 Data processing, hosting and related activities

7021 Public relations and communication activities

7490 Other professional, scientific and technical activities n.e.c.

8230 Organisation of conventions and trade shows

6399 Other information service activities n.e.c. (press monitoring)

8559 Other education n.e.c.

9412 Activities of professional membership organisations

**2.3** **Grants and donations:**

**The Association, subject to a resolution of the Board, may apply for and accept grants from third parties and from domestic and foreign public or private entities.**

**2.** **Repealed.**

**3.** **Repealed.**

VIII.

TERMINATION OF THE ASSOCIATION

**The Association may resolve to merge with another association or to demerge (termination with legal succession).**

The Association shall be terminated **without legal succession** upon

* **the declaration of its dissolution at the General Assembly by a three-quarters majority of all regular members,**
* **Repealed.**

**its dissolution and/or the declaration of its termination by the competent authority.**

Members leaving or excluded from the Association or whose membership terminates on any other ground shall not have the right to claim any reimbursement from the assets of the Association.

IX.

MISCELLANEOUS PROVISIONS

The founding members agree that the validity of these Statutes and the establishment of the Association is subject to its registration by the court. The Association may commence its activities on the day when the court decision on its registration becomes final.

In any issues not regulated by these Statutes, the Civil Code, **Act CLXXV of 2011 on the Right of Association, Non-profit Status, and the Operation and Funding of Civil Society Organisations,** and other relevant legislation shall apply.

**Repealed.**

**Budapest, 15 July 2016**

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**Péter Lantos**

**Chairman**

I countersign the above document in Budapest on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2016, and certify that the above consolidated version of the Statutes incorporating the current amendments complies with the resolution of the General Assembly, as well as with the effective text of the Statutes incorporating previous amendments.

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dr. Zoltán Fürjes

Attorney

Ps: Not official translation, red marks by Mr. Przeradzki