

CONSTITUTION
of the
Hungarian Crop Protection Association

Budapest, 24 March, 2011

I.
GENERAL PROVISIONS

1. Name of the Association
 - 1.1 Name of the Association in Hungarian: Növényvédőszer-gyártók és Importőrök Szövetsége Egyesület
 - 1.2 Abbreviated name of the Association in Hungarian: NSZ
 - 1.3 Name of the Association in English: Hungarian Crop Protection Association
 - 1.4 Abbreviated name of the Association in English: HuCPA
2. Residence of the Association: H-1043 Budapest, Csányi László utca 34. I. em.
3. Term of Operation: indefinite
4. Legal Status of the Association
 - 4.1 The Association comes into existence when it is registered by the court. The public prosecutor's office has judicial competence over the Association.
 - 4.2 The Association does not pursue any political activity - does not nominate nor support any parliamentary representative, nor candidate on county or capital community elections -, it is independent and shall always be independent from political parties, does not receive and does not accept any support from them, nor does render them any pecuniary assistance.
 - 4.3 The Association pursues its activities throughout Hungary.

II.
PURPOSE AND ACTIVITY OF THE ASSOCIATION

1. Purpose of the Association:
 - 1.1 The Association, in accordance with the current Hungarian and EU competition law, is intended to represent the interests of the pesticide production companies registered in Hungary. In doing so, it provides assistance to discussions and to maintain business relations among the members, follows the foreign and national developments of production with attention, as well as the changes in foreign and national regulations and the effects on the market thereof, and provides the members with professional information. The Association may pursue service activities in the mutual interest of the members.

- 1.2 The purpose and the activities of the Association shall be in line with data protection and anti-trust regulations.
2. In accordance with the objectives outlined above, the Association shall:
 - 2.1 Initiate, co-ordinate and support actions in all those questions which may arise in connection with asserting the mutual interests of the members, in particular:
 - represent the interests of the members in the legislative process and at the authorities (drafting, consulting);
 - collect the regulations currently in force, including interpretation and assessment of those concerning the trade, as well as introducing them to the members;
 - survey the mutual professional needs of the members and prepare recommendations accordingly;
 - establish and maintain contractual relations with national and international associations (e.g.: ECPA, MAVESZ) or institutions (government offices, chambers);
 - keep the public informed of the activities of the industry, especially in the fields of food safety, public health and the protection of the environment;
 - contribute to build confidence in the pesticide production industry and the trade;
 - maintain relations with the participants on the market in order to support fair competition.

Furthermore, the Association, in co-operation with national and foreign joint institutions, shall promote:

- the efficient and safe use of pesticides;
- harmonizing the national and the EU regulations as regards the authorization, production, moulding, packaging, distribution, labelling process of the products;
- the rational and safe use of pesticides in the agricultural area, including the principles of the integrated plant protection and the preservation of the environment.

III.

MEMBERSHIP OF THE ASSOCIATION

1. Member of the Association can be any business organization that is registered in Hungary and engaged in the pesticide production segment. Such members shall accept the provisions of the Constitution and the resolutions of the General Assembly as binding, and undertake to pay the membership dues and also to contribute to the realization of the Association's objectives.
2. Legal status of the members:

- 2.1 Ordinary members can be any contractors, economic organizations, or business associations that are registered in Hungary and engaged in production or representational activities in the pesticide production segment.

Membership shall be approved by the General Assembly. Such approval may not be denied if the applicant concerned is an economic organization duly established and registered under the current Hungarian law and fulfils the requirements of the membership - i.e. accepts the provisions of the Constitution and the resolutions of the General Assembly as binding, undertakes to pay the membership dues and also to contribute to the realization of the Association's objectives. Until the decision of the General Assembly, the Presidency may make a statement as regards the applications for membership.

- 2.2 Joint members can be any organizations, in addition to those specified under 2.1, that are registered in Hungary and engaged in scientific research, consultancy and solely distribution activities in connection with the pesticide production industry.

Joint membership shall be approved by the Presidency.

- 2.3 In order to join the Association, the organizations specified above under 2.1 and 2.2 have to submit their application for membership. In the application, each of the organizations has to declare its commitment and undertake to comply with the present Constitution and the resolutions made prior to the application for membership by the General Assembly and also to pay membership dues in time.

- 2.4 Membership can be established on basis of voluntary application.

3. Membership shall be terminated for the following reasons:

Membership shall be terminated if the Association itself is terminated.

Membership shall be terminated by dissolution of a legal person member without succession. In this case the Secretary shall provide for the cancellation of the member from the register. In case of termination by succession, membership rights and obligations of the predecessor shall be transferred to the successor.

Membership shall be terminated by resignation, if a member communicates his intention at least six months before the end of the year in writing to the Secretariat. In that case the membership will be terminated as of the last day of the year. The Secretary shall provide for the cancellation of the resigned member from the register without delay.

Membership shall be terminated by exclusion in case of severe breach of the Constitution. Decision on termination of membership - in accordance with the proposal of the Ethical Committee - shall fall within the competence of the Presidency. The member concerned may appeal against the decision of the Presidency to the General Assembly of second instance within fifteen (15) days after certified receipt of the decision.

A member, whose membership is terminated by exclusion, shall continue to pay the membership dues only until the date when the decision of the Presidency becomes final.

If a member fails to pay the membership dues following the date payment was due, the Secretary shall order such member to provide membership dues within a period of six months. Such order shall also note that the failure to perform will result in the termination of the membership. In the event the period of six months elapses without performance, the membership shall be terminated on the day following the expiration of that period. The Secretary shall inform the member thereof in writing and shall provide for the cancellation of such member from the register.

IV.

RIGHTS AND OBLIGATIONS OF THE MEMBERS OF THE ASSOCIATION

1. Rights of the members:

- 1.1 Any of the members are entitled to participate in any activities and events organized by the Association. They may also receive services rendered by the Association, have access to information obtained by the Association and maintain relations with other members through the Association.

Members may receive publications issued by the Association and claim assistance in cases such as representation of interests and discussions.

Members shall have right of consultation and to express their views.

Members shall have right to be informed about any issues relating to the activities of the Association.

Members shall have right to submit any questions or proposals relating to the Association in the sessions of the Presidency or in the General Assembly. Members are also entitled to initiate the General Assembly and the Presidency to be convened.

1.2 Rights of the ordinary and joint members

- 1.2.1 Ordinary members are entitled to participate in the General Assembly with right of expressing views and full voting rights.

Each ordinary member has a vote. Persons so authorized may represent ordinary members in the General Assembly.

Ordinary members may be elected for any offices of the Association.

Ordinary members are entitled to initiate the revocation of the officers in the General Assembly.

- 1.2.2 Joint members may participate in the General Assembly with right of expressing views.

Joint members have voting rights only in case of election of officers to the professional committees. Each joint member has a vote in the course of the election procedure.

Joint members are entitled to hold office in all the bodies of the Association except for the Presidency.

- 2. Members are obliged to:
 - 2.1 Keep the provisions of the Constitution and carry out the resolutions of the General Assembly.
 - 2.2 Keep the provisions of the Code of Ethics entirely. The Association's Code of Ethics shall be framed and adopted by the members following the founding General Assembly within the period specified by the General Assembly. The provisions of the Code of Ethics may not contradict the provisions of the present Constitution.
 - 2.3 Contribute to the realization of the objectives and tasks of the Association through regular work in conformity with the Constitution and the corresponding law.
 - 2.4 Act in conformity with the present Constitution, and the resolutions of the Presidency and the General Assembly while exercising their rights.
 - 2.5 Pay the annual membership dues and joint membership dues specified by the General Assembly.
 - 2.6 Perform their duties in person in connection with the office they elected for.
 - 2.7 Disclose all facts and circumstances that may effect their membership rights or the exercise and termination thereof at once.
 - 2.8 Exercise their rights and perform duties primarily through their authorized representatives.

V.
ORGANIZATIONAL STRUCTURE OF THE ASSOCIATION

The bodies of the Association shall include the following:

General Assembly
Presidency
Secretariat
Ethical Committee
Supervisory Board

The bodies of the Association shall always strive for consensus during their decision-making procedures irrespective of the provisions relating to the procedures of each body. Members in minority during the voting procedure shall acknowledge the resolution and act in accordance with it. In case of issues relating to representation of interests all pressure groups' point of view shall be recorded so that the supreme body could consider them.

1.1 General Assembly

The supreme body of the Association is the General Assembly, which consists of the ordinary and joint members.

1.1.1 Convention of the General Assembly

- The General Assembly shall be convened at least once every year.
- The General Assembly shall be convened by the Chairman.
- An extraordinary General Assembly shall be convened by the court's order. At least one third of the members may request the Presidency in writing – indicating the reason and goal – to convene extraordinary General Assembly. The Chairman shall convene the extraordinary General Assembly within a period of four weeks after receipt of such request. Apart from this, the Chairman may also convene an extraordinary General Assembly to provide for necessary measures in case of emergency.
- Members shall be invited to the General Assembly, indicating the agenda, at least fifteen days in advance of the proposed General Assembly.
- Any of the members shall have the right to request for the discussion of any issue proposed by him/her, if his/her proposal is communicated to the Secretariat at least five days in advance of the General Assembly.

1.1.2 Quorum

- The General Assembly has quorum if convened in accordance with the rules and the majority of the eligible votes are represented. If the General Assembly did not have quorum, the General Assembly reconvened as a result shall have quorum for the issues placed on the original agenda irrespective of the degree of voting rights

represented by those present. The original invitation may include the invitation as regards the reconvened General Assembly. Such invitation shall also note in advance that the reconvened General Assembly shall have quorum for the issues placed on the original agenda.

- The General Assembly convened in connection with the amendment of the Constitution or the termination of the Association has quorum only if two third of the members are represented. If the General Assembly did not have quorum, the General Assembly reconvened as a result shall have quorum irrespective of the degree of voting rights represented by those present.

1.1.3 Process of the General Assembly

- The General Assembly shall be chaired by the presiding officer, namely the Chairman in power at the beginning of the General Assembly or one of the Vice-chairmen.
- The presiding officer may limit the time allowed for a member to make a speech for practical reasons.
- The draft resolutions shall be finalized and put to a vote by the presiding officer.
- The Secretary or in his/her absence the person assigned by the General Assembly shall keep continuous records of the resolutions passed by the General Assembly. The minutes shall be confirmed by the Secretary and the presiding officer through their signatures. The Secretary shall enter the resolutions in the register of resolutions in accordance with the minutes.

1.1.4 Decision-making procedure

- The General Assembly passes its resolutions by a simple majority of votes, except the approval and amendment of the Constitution, where a majority of two thirds is required. In case of equality of votes, the vote of the Chairman – or in his/her absence the vote of the presiding officer (Vice-chairman) – shall decide. The members of the Presidency shall be elected by open vote unless one third of the members requires a secret vote to be held.
- Each ordinary member has a vote. Joint members have voting rights only in case of election of officers to the professional committees. Representatives of the members without further voting rights may participate in the General Assembly. Each member of full voting rights may be represented by another member of full voting rights authorized to do so provided that the authorization is communicated to the Secretariat at least a day prior to the General Assembly. A member of full rights may not represent more than two other members of full rights.
- With the exception of resolution on the approval of the annual balance sheet report, members may pass resolutions without holding general assembly on all issues that fall within the authority of the General Assembly. The draft of the resolution proposed outside a meeting shall be communicated to the members in writing, setting a deadline of eight days for casting their votes also in writing. Such resolutions shall be considered to have been passed on the very day following the receipt of the last vote. The Presidency shall inform the members of the result of the vote in writing within eight days after receipt of the last vote.

In the absence of a consensus among all members with full voting rights, no resolutions shall be passed in the aforementioned way. Upon the request of any member, the General Assembly shall be convened to discuss the draft resolution.

- 1.1.5 The following shall fall within the exclusive authority of the General Assembly:
- resolving the establishment of the Association, the merger with other associations, affiliation with national and international associations, termination and transformation of the Association;
 - adoption and amendment of the Constitution;
 - adoption of the annual main objectives and budget;
 - approval of the report of the Supervisory Board;
 - approval of the annual report of the Presidency and other officers;
 - accepting the annual balance sheet report by a simple majority of votes not later than May 31 following the financial year;
 - decision on the extent of the basic fee as part of the membership dues;
 - electing and removing the officers;
 - establishing and terminating permanent professional committees;
 - electing the members of the Ethical Committee and creating its rules of procedure;
 - decision on admission of new members;
 - pass judgement concerning the resolution of the Presidency on exclusion;
 - any and all issues assigned to its exclusive authority.

1.2 Presidency

The Presidency is the administrative and representative body of the Association consisting of five members: the Chairman, three Vice-chairmen and the Secretary. The members of the Presidency are officers of the Association and with the exception of the Secretary, they perform their work as community service. In the intervals of the General Assemblies the Presidency is the governing body of the Association and decides on all issues assigned to its authority and on issues that do not fall within the exclusive authority of the General Assembly. The Presidency shall deliver report on its activity and the measures taken in the following General Assembly.

1.2.1 Election of the members of the Presidency, termination of membership

- The members of the Presidency as well as the Chairman and the Secretary for their positions shall be elected by the General Assembly for a period of four years which can be extended. The Secretary of the Bureau's employment cycle is adapted. The mandate of the member of the Presidency shall terminate a) upon termination of the mandate, b) upon removal, c) upon occurrence of statutory grounds for disqualification, d) upon resignation. The member of the Presidency may resign his/her mandate at any time. However, if so required by the operation of the Association, such resignation shall only take effect on the sixtieth day following the announcement thereof, unless the General Assembly has already

provided for the election of a new member beforehand. Until the resignation takes effect, the member of the Presidency shall participate in making any urgent decisions and taking any urgent measures. In case of severe breach of the Constitution or the resolutions of the General Assembly, the General Assembly shall decide on the removal of such member by a majority of votes.

The mandate of the member shall terminate once he/she is - for any reasons - no longer in the employment of the company or its successor, which he/she was employed by at the time of his/her election.

- Members of the Presidency shall conduct the management of the Association with the increased care and caution generally expected from persons occupying such positions, giving priority to the interests of the Association. Members of the Presidency shall be liable to the Association in accordance with the general rules of the civil law for damages caused to the Association by violation of the law, and breach of its Constitution and the resolutions of the General Assembly.

1.2.2 Sessions of the Presidency

- The Presidency shall have sessions with a frequency according to need, but at least twice every year.
- The sessions of the Presidency shall be convened by the Chairman.
- An extraordinary session shall be convened by the court's order. Any of the members may request the Chairman in writing - indicating the reason and goal - to convene extraordinary session. The Chairman shall convene the extraordinary session within a period of four weeks after receipt of such request.
- Members shall be invited to the session of the Presidency, indicating the agenda, at least five days in advance of the proposed session.
- The session of the Presidency shall have quorum if at least three members are present.
- If the session of the Presidency did not have quorum, the session reconvened as a result shall have quorum for the issues placed on the original agenda irrespective of the rate of participation. The original invitation may include the invitation as regards the reconvened session. Such invitation shall also note in advance that the reconvened session shall have quorum for the issues placed on the original agenda.
- The Presidency passes its resolutions by a simple majority of votes on its sessions. In case of equality of votes, the vote of the Chairman – or in his/her absence the vote of the presiding officer (Vice-chairman) – shall decide. Each member of the Presidency has a vote.
- Directors of the committees, representatives of the members and experts may be invited to the sessions of the Presidency according to the agenda under discussion.
- All members of the Presidency are entitled and also obliged to follow the circumstances relating to the Association with attention, submit their proposals and pass remarks towards the Presidency. Members shall be liable for damages caused by a resolution of the Presidency made in connection with economical and financial issues. No liability shall lie with a member who voted against the resolution and so expressed his/her views.

- The Secretary or in his/her absence the person assigned by the General Assembly shall keep continuous records of the resolutions passed by the session of the Presidency. The minutes shall be confirmed by the Secretary and the Chairman through their signatures. The Secretary shall enter the resolutions in the register of resolutions in accordance with the minutes.

1.2.3 The following shall fall within the scope of activity and authority of the Presidency:

- governing the activities of the Association;
- preparing the General Assemblies;
- establishing, supervising and terminating ad hoc professional committees;
- making proposals to the General Assembly as regards the annual budget and the extent of the basic membership fee, managing the assets of the Association in accordance with the budget;
- supervising the use of the sum credited from the members or any third persons on any grounds;
- presenting the annual report on the economical activities of the Association to the General Assembly;
- making statement as regards the applications for membership;
- decision on exclusion;
- ensuring the conditions necessary to the successful operation of the Association, executing the resolutions of the General Assembly;
- decision on all important professional, organizational and financial issues not assigned to the exclusive authority of the General Assembly and supervising the execution thereof;
- executing all tasks specified by the law or the General Assembly.

1.2.4 Officers of the Association

Chairman

The responsibilities of the Chairman shall include:

- governing the work of the Presidency and represent the Association ;
- supervising the activities and management of the Association;
- convening and chairing the General Assembly and the sessions of the Presidency;
- exercising the right of employment over the Secretariat;
- acting and deciding on all issues assigned to his/her competence by the Presidency or the General Assembly.

Vice-chairmen

One of the Vice-chairmen may substitute the Chairman in case of his/her absence in full sphere of authority. In case of the Chairman's permanent hindrance exceeding three months, the approval of the General Assembly is required for the substitution in full sphere of authority.

1.3 Permanent and Ad Hoc Professional Committees

The General Assembly may establish professional committees in accordance with the interests of the pesticide production segment. The Presidency may establish ad hoc committees.

Members of the professional committees include employees delegated by the members and employees of the Secretariat. The members of the professional committees elect a chairman from among their members. The professional committees shall draft proposals concerning their subject fields for the Presidency and the members of the Association. The directors of the committees may act on behalf of the Association towards organizations, authorities and third persons if authorized by the Presidency.

Upon establishing the Association, the following professional committees shall be formed:

- Commercial Committee
- Technical Committee

The provisions applicable for the permanent committees shall also apply to the ad hoc committees. The ad hoc committees shall be deemed terminated if their task is completed or entirely frustrated.

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

1.4 Secretariat

The Secretariat is the consulting, operational management and executive body of the Association established to ensure continuous operation. The head of the Secretariat is the Secretary elected by the General Assembly. The Presidency shall approve the rules of procedures and the annual report of the Secretariat.

1.4.1 The following shall fall within the scope of activity and authority of the Secretariat:

- representing the Association if authorized by the Presidency;
- preparing and organizing the General Assemblies and the sessions of the Presidency;
- conducting surveys and drafting proposals on behalf of the General Assembly;
- performing the contractual duties as part of the membership of the national and international institutions;
- keeping the minutes of the General Assembly and the sessions of the Presidency, entering the resolutions in the register of the resolutions;

1.4.2 The responsibilities of the Secretary shall include:

- performing tasks required to the day-to-day operation of the Association in accordance with the resolutions of the Presidency and instructions by the Chairman;
- preparing the standards of conduct and supporting its execution;
- drafting proposals for the Chairman and the Presidency;
- providing for the administration work, correspondence and communications required to the operation of the Association;
- representing the Association as set forth by the Constitution;
- managing the liquid assets of the Association in accordance with the budget approved by the General Assembly,
- submitting the annual economical plan of the Association for approval of the Presidency and the General Assembly.

1.5 Ethical Committee

The Ethical Committee of the Association shall support that the members comply with the provisions of the Code of Ethic. The Committee shall give information to the General Assembly and the Presidency about its activity. The members of the Ethical Committee shall be elected by the General Assembly for a period of four years, which can be extended. The members of the Ethical Committee elect a chairman from among its members. The Ethical Committee shall have sessions with frequency according to need, but at least twice every year.

The Ethical Committee passes its resolutions by a simple majority of votes. The session of the Ethical Committee shall have quorum if more than half of the members are present. The sessions of the Ethical Committee shall be chaired by the chairman.

The provisions applicable for the election of members of the Presidency and the termination of membership as set forth by 1.2.1 above shall also apply for the members of the Ethical Committee.

1.6 Supervisory Board

The General Assembly shall elect a Supervisory Board consisting of three members from among the members of the Association by open vote. The members of the Supervisory Board shall be elected for a period of four years. The members of the Supervisory Board elect a chairman from among its members.

The Supervisory Board supervises the management of the Association and the legitimacy of the operation of its bodies twice every year and delivers report to the General Assembly on its activities.

The Supervisory Board passes its resolutions by a simple majority of votes. The sessions of the Supervisory Board shall have quorum if the chairman and at least one of the members are present. The sessions of the Supervisory Board shall be chaired by the chairman.

VI.
REPRESENTATION OF THE ASSOCIATION

The Chairman and the Secretary are entitled to represent the Association individually. The joint signature of one of the members of the Presidency and one of the employees of the Association authorized by the Chairman is required for using the bank account of the Association.

VII.
MANAGEMENT AND ASSETS OF THE ASSOCIATION

1. Receipts of the Association:

1.1 Membership dues paid by the members

The extent of the membership dues shall be based on a basic fee and a percentage fee calculated according to the share taken by the members as regards the national trade turnover of the preceding year in pesticides. The amount of the basic fee and the percentage fee shall be specified by the General Assembly on the stipulation that the basic fee should not be less than HUF 600.000 per year.

Joint members shall pay joint membership dues, which amounts to at least HUF 300.000 per year.

Membership dues cover costs incurred in connection with the contractual relations established with national and international associations or institutions (e.g.: ECPA, MAVESZ).

1.2 Receipts of the business activities

The Association may conduct business activities in the interest of its objectives.

The income originating from the business activities of the Association may supplement the income sources.

The Association may not distribute its business profits, but shall rather utilize such profits for the activities defined by the present Constitution. The Association may conduct business activities solely in the interest of its objectives.

Sphere of business activities (as TEÁOR 08):

- 6311 Data processing
- 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.
- 8559 Other education n.e.c.
- 9412 Activities of professional membership organizations

1.3 Grants

The Association may claim and receive grants from third individuals, foreign and national public and private organizations in accordance with the resolution of the Presidency.

2. The Association shall manage its assets independently in conformity with the annual budget. The Presidency is entitled to decide on the utilization of its assets within the frame of the budget.

3. The Association shall be liable for its debts with its own assets. The members - beyond the payment of the membership dues - shall not be responsible for the liabilities of the Association with their own assets.

VIII. TERMINATION OF THE ASSOCIATION

The Association shall cease to exist, if:

- its dissolution or merger with other associations is resolved by the General Assembly on a two thirds majority
- it is dissolved or declared terminated by a duly authorized supervisory agency.

In case of termination of membership for any reasons, the member of the Association may not claim payment from the assets of the Association.

If the Association is terminated, the remaining assets - following the satisfaction of the creditors - shall be distributed among the members in the proportion of the duly paid membership dues of the last year.

IX. FURTHER PROVISIONS

The founding members acknowledges that the registration by the court is required for the validity of the present Constitution, the establishment of the Association and the commencement of its activities. The Association may commence its activities from the date when such registration judgement becomes final.

Concerning questions not specifically regulated by the present Constitution, the provisions of the Civil Code, Act II of 1989 and the corresponding law shall be applied.

This amended Consolidated Statutes of the Association 2004th adopted on August 30, 2006. May 22 - 2010. Statutes as amended on May 07, updating established.

Budapest, 2011. March 24

Signed by

Lantos Péter
President

Dr. Kádár András
Secretary