

THE ARTICLES OF ASSOCIATION
OF THE
ASSOCIATION OF BUSINESS SERVICE LEADERS IN HUNGARY

The Articles of Association of the Association of Business Service Leaders in Hungary (previously: Hungarian Service and Outsourcing Association; hereinafter referred to as the "**Association**") were adopted by the General Assembly held on *10 May 2023* – in a consolidated version – in accordance with Act V of 2013 on the Civil Code (hereinafter referred to as the "Civil Code") and Act CLXXV of 2011 on the Right of Association, the Public Benefit Status and the Operation and Support of Civil Organisations (hereinafter referred to as the "Ectv."), as follows.

1. Details of the Association

1.1. Name of the Association: Association of Business Service Leaders in Hungary

1.2. Abbreviated name of the Association: ABSL Hungary

1.2. Registered seat of the Association: *H-1132 Budapest, Váci út 22-24.*¹

1.3. Area of operation of the Association: Hungary

1.4. The Association is a legal person, its legal form is an association.

1.5. The Association's activities are for indefinite duration.

1.6. The details of the founding members of the Association are contained in the register of members annexed to the Articles of Association, which is kept separately.

2. Definition, objectives and activities of the Association

2.1. Definition of the Association:

The Association is the Hungarian member organization of the international Association of Business Service Leaders. The Association is the representative body of the industry of business service centres and organisations operating business service centres, as well as the companies that are the primary suppliers of these centres and related educational and training institutions. The Association aims to familiarise the members of society and the actors of economy with the operation of the business service sector, the essence of organisational innovation, in particular outsourcing, and the opportunities it offers, by conveying practical experience based on methodological principles.

¹ This amendment shall enter into effect on July 1, 2023

2.2. Objectives of the Association:

The aim of the Association is to promote the potential of outsourcing as a methodology to increase the efficiency of economic and social development. The Association's objective is to fulfil its purpose not only for its members, but also in general, in a non-profit-making way, promoting social development by acting as a positive intermediary in agreement with decision-makers.

The importance, results and impact of this activity, as the Founders intend, go far beyond the membership of the Association, with a positive impact on the national economy and society as a whole. The Association's long-term goal is to achieve a classic chamber of commerce operation in the interests of the sector. To achieve these objectives, the Association intends to create an active professional centre.

2.3. Activities of the Association

The Association aims to cooperate with governmental and political decision-makers, as well as with professional organisations in Hungary and abroad, in order to achieve its objectives.

The Association aims to create a professional representation of interests, which will act as a mediator before the Government, the legislation, the authorities and cooperate with these actor for the development of society in general, but also for specific issues. The Association intends to play an active role not only in the transfer of knowledge that has already been acquired, but also in its development.. To this end, it aims to set up a professional forum to provide a suitable framework for discussing issues and common problems relating to the entire business services sector, with particular reference to outsourcing.

In order to promote Hungary as a destination country, the Association intends to establish a network of contacts with foreign organisations and other interested parties dealing with the business services sector and outsourcing.

The Association intends to provide a suitable sufficient basis for the objectives and activities described by carrying out appropriate professional activities. To this end, it intends to achieve its objectives by organising events, trainings and researches, publishing publications and participating in conferences, which will provide an opportunity to share theoretical and practical experience in the business services sector and in outsourcing.

- 2.4. The association may set up operational departments (e.g. coordination committees, platforms, clusters or working groups) to achieve its objectives. The functioning of these operational units shall be governed by separate Operational Rules or Draft Programmes. These Operational Rules or Draft Programmes shall be prepared by the members of the relevant operational unit and submitted to the Board of Directors ("Board"), which shall decide by majority vote. The head or the managing body elected by the operational unit shall be responsible for ensuring compliance with the tasks set out in the Operational Rules or Draft Programme and for the performance of the tasks undertaken within the scope of the activities of the operational unit concerned.

- 2.5 In order to achieve its objectives, the Association shall cooperate with all public, non-governmental and other organisations, other associations and federations that help the Association to operate effectively and achieve its objectives.
- 2.6 The Association shall be entitled to carry out economic activities directly related to the achievement of the Association's objectives. The Association may use its assets in accordance with its objectives, may not distribute its assets among its members and may not distribute profits to its members. The Association may establish companies and foundations and may become members of such companies and foundations.
- 2.7 The Association is a legal person with registered membership, established for the common, permanent and continuous realisation of the objectives of its members, as defined in its Articles of Association, which does not engage in political activities, is independent of political parties and does not accept financial support from political parties nor provide financial support to them.

3. Membership of the Association

3.1. Ordinary member

Membership of the Association is open to natural persons and legal entities who accept the Association's Articles of Association, the principles set out in the Code of Ethics as binding upon them, and who – in their membership application – undertake to participate actively in the work of the Association and pay the membership fee.

The decision on the admission of an ordinary member is made by the Board on the basis of a written application for admission and the opinion of the Ethics Committee on the applicant.

The rights of an ordinary member of the Association:

- may participate in the activities and events of the Association, in the meetings of the General Assembly, and may participate in the decision-making of the General Assembly by exercising his right to vote, make comments, suggestions and express opinions on the operation of the Association;
- make recommendations to the Association on issues of concern to it;
- request information on the activities of the Association, to which the Association must reply within 30 days;
- natural persons over the age of 18 may vote in the elections and may also be elected to the administrative and representative bodies and offices of the Association;
- may propose items for the agenda of the General Assembly and the Board;
- have access to the Association's records;
- one third of the members may call an Extraordinary General Assembly and an Extraordinary Board meeting, stating the reason and purpose of such request in writing;
- may initiate the adoption of a resolution without holding a General Assembly, indicating the question to be put to the vote and the information and data necessary for the decision.

A legal person member may exercise the above rights through its representative.

3.2. Supporting member

Supporting member may be a natural or legal person who accepts the Articles of Association and the principles set out in the Code of Ethics as binding upon them, and supports the Association's activities with a financial contribution. Supporting members shall be admitted in accordance with the rules applicable to ordinary members.

Supporting members or their representatives may attend the General Assembly with consultation rights, may use the services of the Association, but may not be elected to an office, may not vote, and shall not be required to pay membership fees, but shall be obliged to pay the financial contribution they have undertaken to provide. In other respects, they have the same rights and obligations as ordinary members.

The General Assembly authorises the Board to take the decision on the admission of supporting members in accordance with these provisions.

3.3. Honorary member

Honorary membership is open to natural and legal persons who accept the Articles of Association and the principles set out in the Code of Ethics as binding on them, and are considered by the General Assembly to be deserving of honorary membership and are elected to such membership. Honorary members shall be admitted according to the rules applicable to ordinary members, with the limitation that the number of honorary members shall not exceed one tenth of the number of ordinary members. Honorary membership shall be valid until 31 March of the year following its acceptance, but may be renewed for one additional year without further membership procedure by decision of the General Assembly and acceptance by the Honorary Member without any time limitation on the occasions of renewal.

Honorary members or their representatives may attend the General Assembly with consultation rights, may use the services of the Association, but may not be elected to office and has no voting rights. In other respects, they have the same rights and obligations as ordinary members.

Members of the Association are entitled to exercise their rights through an authorised representative.

3.4. Obligations of the members of the Association

Members of the Association are obliged:

- to comply with the provisions of the Articles of Association and other policies of the Association, together with the decisions of the Association's bodies;
- to carry out their activities in accordance with the principles set out in the Association's Code of Ethics;

- participate in the work of the Association, fulfil their voluntary duties in relation to the activities of the Association and contribute to the achievement of the Association's objectives to the extent that they can be expected to do so;
- to pay the membership fee without delay, except for supporting and honorary members;
- to report any change in their data recorded in the register of members without delay, but no later than within 30 (thirty) days to the Operational Management maintaining the register;
- to communicate their electronic mail address to the Association;
- to not jeopardise the achievement of the Association's objectives and its activities.

3.5. The Membership shall be terminated:

- upon the death of the member or its termination without legal succession,
- upon the Association's termination without legal succession,
- with the member's resignation,
- by exclusion of the member,
- in the case of an honorary member, by the date specified in point 3.3, unless extended by the Board.

3.6. Exclusion and resignation of a member

3.6.1. Exclusion of a member

The Board shall, by written decision stating the reason of exclusion, terminate the Association membership of:

- the member who fails to pay the membership fee within 1 (one) month of receipt of the payment notice. Failure to pay the membership fee may result in the exclusion of the member only if the member is responsible for the non-payment of the fee, *i.e.* if the member is at fault;
- the member who has been sentenced to a term of executable imprisonment with a final decision of a court, and who has been deprived of the right to participate in public affairs;
- the member whose insolvency has been adjudged by the final decision of a court and whose liquidation has been ordered;
- the member who seriously breaches or repeatedly fails to comply with the provisions of the Code of Ethics. Before making a decision, the Board shall obtain the opinion of the Ethics Committee.

Except in the case of members of the Board, the Board shall conduct the exclusion procedure in the first instance. Any member may initiate the procedure in writing, stating the facts and circumstances of which they are aware and indicating the evidence available. The President shall decide whether to initiate the procedure. The member against whom the procedure is brought shall be informed of the initiation of the procedure and of the grounds and evidence against him, and shall be given the opportunity to submit his defence and evidence. The member may be assisted by legal representation in the procedure. The member shall be invited to the Board's meeting at which the exclusion is discussed and shall be given the opportunity to present his defence in due form. The decision shall state the grounds of the exclusion, the facts on which it is based and the evidence in support of those grounds. The decision shall also contain precise and explicit information on the legal remedies available, both within and outside the Association.

The exclusion shall take effect by decision of the Board, or in the event of an appeal by decision of the General Assembly.

The General Assembly shall decide on disciplinary matters of the members of the Board, except in the case of exclusion from the Board as set out in point 4.3.8.

The member may appeal against the decision of exclusion within 15 (fifteen) days to the General Assembly of the Association, the appeal shall be handed to the President of the Association. The appeal must state the grounds on which the decision of exclusion is to be changed [illegality, including violation of the Articles of Association, or lack of substance] and must state the evidence in support of the appeal. The President shall decide on the merits of the appeal within 30 days of receipt of the appeal. In the case of a valid appeal, the President shall convene a meeting of the General Assembly of the Association to consider the appeal within 30 days at the latest. The member must also be given the opportunity to defend himself and to participate in the General Assembly, with the provision that the member concerned may not vote on the matter when the decision is taken.

Until the decision of the General Assembly, the membership remains unchanged. The termination of the membership shall not release the member from the obligations arising during the period of membership and relating to the duration of membership.

3.6.2. Resignation of a member

The intention of resignation must be communicated to the Board in writing. The resigning member shall be deemed to have resigned on the date of receipt of the written declaration by the President or the Operational Management sent to the Board. The Board shall inform the members of the resignation on the Association's website.

3.7. [Deleted] .

3.8. The Operational Management of the Association keeps an up-to-date register of members.

4. Organisation of the Association

4.1. Organs of the Association:

- General Assembly,
- Board of Directors,
- Ethics Committee,
- Operational management
- Operational Departments

4.2. General Assembly

4.2.1. The General Assembly is the decision-making body of the Association and is composed of all its members.

4.2.2. The General Assembly shall be convened at least once a year, with the place, the date and the agenda of the meeting being announced. The General Assembly shall discuss the annual programme plan of the Association and the annual report on the performance of the previous year's financial plan, prepared in accordance with Act C of 2000 on Accounting and Act CLXXV of 2011 on the Right of Association, the Public Benefit Status and the Operation and Support of Civil Organisations.

4.2.3. An invitation shall be sent to the members being listed in the register of members, indicating the date, venue and agenda of the General Assembly, at least 10 (ten) days before the date of the General Assembly. The invitation (or the materials to be communicated in connection with the agenda of the General Assembly) shall be sent in writing or by electronic mail to the members' electronic mail address previously communicated to the Association. Within 5 days of the delivery or publication of the notice of the General Assembly, the members and the bodies of the Association may request the President to add items to the agenda, stating the reasons for the addition. The President shall have the power to decide on the amendment of the agenda. If the President does not decide on or rejects a request to add an item to the agenda, the General Assembly shall decide separately on the amendment of the agenda before making a decision on the adoption of the agenda, provided that all members entitled to attend are present and unanimously agree to the discussion of the item not mentioned in the agenda.

The notice of the General Assembly shall state the date on which the reconvened General Assembly is to be held if the General Assembly held on the original date is not quorate and that the reconvened General Assembly shall have quorum regardless of the number of members present. The date of the reconvened General Assembly shall be set at least thirty (30) minutes later than the original date of the General Assembly.

The reconvened General Assembly shall have a quorum for the items on the agenda as announced in the invitation, regardless of the number of participants. The convening of a General Assembly may be requested in writing by one third of the members, stating the purpose and the reason, in which case the President shall convene the General Assembly within 30 (thirty) days.

If the meeting of the decision-making body has not been duly convened, the meeting may be held if all those entitled to attend are present and unanimously agree to hold the meeting.

4.2.4. The General Assembly shall be convened:

- if one third of the members request it in writing, stating the purpose and the reason,
- if the Board considers it necessary to convene an Extraordinary General Assembly,
- if the Association's assets do not cover the debts due,
- if it is foreseeable that the Association will not be able to pay the debts when due,
- if the achievement of the Association's objectives is threatened,
- if the supervisory body orders a General Assembly to be convened.

In the latter cases, the members are obliged to take measures to remedy the circumstances giving rise to the convocation or to decide on the dissolution of the Association.

4.2.5. The President is responsible for convening the General Assembly. In the event of the President being prevented from attending, the General Assembly shall be convened by the Vice-President in his/her substitute status.

4.2.6. The General Assembly shall have a quorum if more than half of the ordinary members entitled to vote are present.

The quorum must be checked for each decision. If a member is not entitled to vote on a matter they shall be disregarded in determining the quorum for the making of that decision. A General Assembly adjourned for lack of quorum shall have quorum with an unchanged agenda, regardless of the number of members present.

4.2.7. The meetings of the General Assembly shall be chaired by the President. The President may delegate the chairing of the General Assembly to another person (the chairing president).

After the opening of the meeting, the officers of the General Assembly shall be appointed: the keeper of the minutes and the confirmers of the minutes (the latter shall also form a counting committee, if necessary, in the case of secret ballots). Minutes of the General Assembly shall be drawn up and certified by the President and two members elected by the General Assembly.

4.2.8. The General Assembly has exclusive competence:

- to declare the formation, dissolution, of the Association and its merger with another Association or its division;
- to adopt the annual budget of the Association, the accounting and professional reports of the previous year and, if required by law, the public benefit report;
- to approve the Association's programme for the year;
- to adopt and amend the Articles of Association;
- to elect and recall the President, the Board and the members of the Ethics Committee;
- to adopt the annual report of the Board;
- to decide on all matters which are referred to the General Assembly by law.

4.2.9. Decisions of the General Assembly shall be made by a simple majority of votes, except as provided for in 4.2.10. Each member has one vote. In the event of a tie, the President (chairing president) shall have the casting vote. After the vote, the President (chairing president) shall announce the decision orally.

4.2.10. A three-quarters majority vote of the members present is required:

- to adopt or amend the Articles of Association.

A three-quarters majority vote of the members with voting rights is required:

- to change the purpose of the Association,
- to decide on the dissolution of the Association or its merger with another Association or its division.

4.2.11. The meetings of the General Assembly are not open to the public. Members may decide by a simple majority vote to make the meeting public.

4.2.12. The President may invite representatives of public, social and economic organisations and private individuals to the General Assembly with the right to be present.

4.2.13. Decision-making without holding a General Assembly

In the period between the annual General Assembly, it is possible for members to decide on certain specific, well-defined and comprehensible issues without holding a General Assembly in writing or by other means capable of proving the legal statements made in the course of the decision. In order to prove a legal declaration made in the course of a decision, the documents listed in Section 196 of Act III of 1952 on the Code of Civil Procedure may be used, in particular, as private documents with full probative value, and, exceptionally, as private documents with simple probative value, by electronic mail, provided that it has been created by means of a computerised device guaranteeing its confidentiality, authenticity and the integrity of its content and that it has been transmitted to the Association in a manner that prevents its misuse. A written vote without a general meeting may be taken primarily on matters on which the Board considers it appropriate or necessary to obtain the opinion of the members before the next ordinary general assembly.

Any member may submit a motion to the Board proposing a particular subject to be put to a vote of all the members without holding a General Assembly. The proposal must include the question to be put to the vote and all the information and data necessary for the members to make a substantiated decision. The Board shall decide whether to accept or reject the proposal.

Electronic voting is not allowed for the following issues, on which the General Assembly can only decide by holding a meeting:

- a) the declaration of the formation, dissolution of the Association and its merger or division with another Association;
- b) the election and recall of officers;
- c) the approval of the annual report of the Board and the annual accounts of the Association.

The Board shall circulate to all members the draft resolutions/questions and related background material submitted for decision without holding a General Assembly, allowing members sufficient time - at least 10 calendar days - to make their decision. The notification shall clearly indicate the question and the voting method, as well as the deadline for casting votes. Members may submit their votes in writing or by electronic means before this deadline.

The rules applicable to the General Assembly shall apply mutatis mutandis to decisions taken without holding a General Assembly. Within three (3) working days after the last day of the voting period, or if all members have voted before the deadline of the voting period within three (3) working days of the last day when votes were casted, the President shall establish the result of the vote and the Operational Management shall communicate it in writing to the members within three further (3) working days.

In the event of doubt, the Association shall be responsible for proving that the questions submitted for decision taken without holding a General Assembly have been sent to the member, and the member shall be responsible for proving that the vote has been sent and received by the Association before the deadline.

A vote shall be valid if it was conducted dully and at least as many votes are sent to the Board as the presence of a member with voting rights would be necessary to constitute a quorum in case of holding the General Assembly. The day on which a decision is taken shall be the last day of the voting period, or – if all the votes are received before the deadline of the voting period – the day on which the last vote is received.

A decision taken without holding a General Assembly shall have the same force and effect as decisions of the General Assembly.

4.3. Board of Directors

4.3.1. A Member of the Board may be a person

- (a) who is of full age and whose legal capacity has not been restricted to the extent necessary for the performance of his or her duties; and
- (b) who has not been sentenced to imprisonment for a criminal offence by a final judgment; and
- (c) who has not been not deprived by a final and binding judgement from engaging in this profession or from holding public office, and
- d) who has not been charged with any ethical offence in the course of his or her activities in social organisations

e) who is

- (ea) a Hungarian citizen, or
- (eb) has the right of free movement and residence as defined in the Act on the Admission and Residence of Persons with the Right of Free Movement and Residence, or
- (ec) is subject to the Act on the Admission and Right of Residence of Third-Country Nationals and has immigrant or resident status as well as a residence permit.

4.3.2. The Board is the executive body of the Association which exercises the powers of the General Assembly between two General Assemblies – except for the activities falling under the exclusive competence of the General Assembly – and directs the operation of the Association. The Board meets as necessary, but at least twice a year. Within twenty-one (21) days after the election of a new member

of the Board, the Board shall make the decisions necessary to ensure the functioning of the Association, with or without holding a meeting (including the election of the Vice-President, if necessary). The Board shall be convened in writing or by electronic mail by the President or, in his absence, by the Vice-President or in case of hindrance of the Vice-President by any member of the Board. A meeting shall be deemed to have been duly convened if the members have received notice of the meeting in writing or by electronic email at least 10 (ten) days before the date of the meeting and a description of the agenda of the meeting. A meeting of the Board may be held even if it has not been duly convened, provided that all the members of the Board are present, that the agenda is agreed and that no objection is raised. Meetings of the Board shall not be public and shall be attended – other than members of the Board – only by members of the Ethics Committee, members of the Association and those invited to attend. The Board may decide to hold a public meeting by simple majority.

Decisions of the Board shall be taken by the simple majority of the votes cast, the President having a casting vote in the event of a tie. However, if the Board having quorum consist of three members and there is a tie, the President shall not have a casting vote. In such a case, if there is a further tie, only a newly convened Board with more than three members may take a decision.

The Board shall have a quorum if more than half of its members are present. If the quorum is not reached, the Board shall be reconvened within thirty (30) days at the latest. Reconvened meetings shall also have a quorum only if more than half of the members are present.

Additional members and external participants may be invited to Board meetings on a case-by-case basis taking into account the subject matter of the meeting. Invited participants shall not have voting right at Board meetings.

A Board meeting may also be held in which some or all of the members of the Board and/or invited persons participate but by electronic means of communication instead of an in-person meeting, provided that such communication has at least a continuous two-way voice transmission (voice or video teleconference), is suitable for the identification of members, ensures reciprocal and unrestricted communication and is recorded in the minutes of the meeting. A meeting of the Board held in this way shall be deemed to be a full meeting, and participation by teleconference shall be deemed to be full participation in the Board meeting.

- 4.3.3. The Board may take decisions without holding a meeting. In this case, the members of the Board may cast their roll-call votes from the e-mail address registered by the Operational Management or via the web interface allowing personalised access provided by the Operational Management. Decisions may be taken in this way only after the detailed rules of such meeting have been discussed and adopted by the Board. Decisions taken without holding a meeting shall take effect on the date on which the votes are counted, they shall be entered in the Book of Decisions and shall be presented at the next meeting of the Board. The minutes of the meeting shall include the decisions taken without a meeting and the result of the roll-call vote thereon. No decision may be taken in this way by secret ballot.

A written decision without holding an in-person meeting cannot be made in the following cases:

- a) preparing decisions on the Association's economic activities, discussing and adopting annual programmes and budgets;
- b) to adopt the annual report of the President;
- c) the procedure for the expulsion of a member of the Association.

4.3.4. The Board shall consist of at least 5 and no more than 11 members, including the President and Vice-President elected in accordance with point 4.6. Within the limits of the number of members of the Board laid down in these Articles of Association, the President shall determine the number of new Board members that the General Assembly may elect in addition to the President and the Vice-President. The number of members of the Board to be elected shall be communicated to the members at the latest at the General Assembly electing the members. If the General Assembly also elects a President, the President shall be elected first and the members of the Board shall be voted on afterwards. The members of the Board shall be elected by the General Assembly for a term of 2 years. The Director shall have a permanent invitation to attend Board meetings. The Director shall not have the right to vote at Board meetings.

4.3.5. The Board shall be elected by secret voting. The members of the Board shall be the candidates who receive the most votes, but only those who have obtained the votes of at least 50% +1 of the members present. If – due to a tie – this cannot be decided unambiguously, a new vote shall be held with the candidates with equal votes until the number of members determined can be elected unambiguously.

If the number of members of the Board falls below the minimum required by the Articles of Association, the President must call for an extraordinary General Assembly within 15 days.

4.3.6. Functions and powers of the Board:

- procedure for the creation and termination of the membership;
- decision on the admission of a Supporting Member;
- to prepare proposals for the election of a candidate for Honorary Membership,
- preparatory activities related to the convening and functioning of the General Assembly and the organisation of its work, as well as participation in its meetings;
- to initiate a decision without holding a General Assembly;
- to prepare decisions related to the Association's economic activities, to discuss and prepare annual programmes and budgets and submitting them to the General Assembly;
- to manage the Association's assets, to take and implement decisions – which do not fall within the competence of the General Assembly – on the use and investment of the assets
- to accept the annual report of the President;
- to conduct proceedings for
 - the exclusion of a member of the Association in the first instance (except for the exclusion of members of the Board and an Honorary Member of the Association);
- to decide on the remuneration of the President;

- to conduct all procedures and activities carried out in order to fulfil the Association's tasks and achieve its objectives, which do not fall within the exclusive competence of the General Assembly and which are delegated to the Board by itself or by law.

- 4.3.7. The Board may draw up its own operational rules within the framework laid down in the Articles of Association, which shall be binding on the members of the Board from the date of its adoption. The operational rules are intended to facilitate the active and proportionate participation of the members of the Board in the work of the Board and its operational functioning and may cover all matters concerning the work of the Board its members.

The Board shall adopt or amend the operational rules of the Board by a two-thirds majority of the members present. The Operational Management shall immediately inform the members of the Board who may be absent of the adoption of the operational rules and of any changes thereto.

- 4.3.8. On the initiative of the President, the Board may, by a two-thirds majority of the members present, immediately expel from the Board any member who

(a) fails to comply with the adopted operational rules for a period of at least three months; or

(b) engages in activities contrary to the interests of the Association, causes damage to the Association or jeopardises its functioning.

The Board member concerned shall not take part in the vote on the exclusion, and shall be counted as absent for the purposes of quorum and voting.

Exclusion from the Board does not in itself affect membership. The term of office of a member excluded from the Board shall remain vacant until the next renewal.

4.4. The Ethics Committee

The Ethics Committee is a body with the function of expressing opinions on ethical issues arising in the course of the Association's activities. The Ethics Committee shall meet when a member of the Association is called upon to by another member for a serious breach of the provisions of the Code of Ethics, and when a member – in the course of his or her duties – becomes aware of a situation which substantially affects his or her independence and objectivity and asks the Ethics Committee for its opinion, or in cases when the Board requests its opinion on a matter, and whenever it feels the need to make its opinion public.

The Ethics Committee shall consist of three members elected for a term of three years by secret voting of the General Assembly from among the natural person members of the Association and the representatives of its legal person members. Only those members may be members of the Ethics Committee who are of full age, who satisfy the rules on conflicts of interest and disqualification of members of the Board, who are not members of the Board and who are of such a high standard of moral character and conduct that it makes them suitable for the office.

The Ethics Committee has a quorum when all three members are present. It shall make its decisions by a simple majority of votes.

The three persons receiving the highest number of votes in the ballot shall be considered elected members of the Ethics Committee. If, because of a tie, this cannot be clearly decided, a new ballot shall be held with the candidates with equal votes until the three members can be clearly elected. The candidates who obtain the votes of at least 50% +1 of the members present at the ballot shall be alternate members of the Ethics Committee. If the number of members of the Ethics Committee falls below 3, the Board shall appoint a new member to replace the absent member(s) in the order of the number of votes obtained in the vote. If there are no suitable alternates, the President shall call an extraordinary general meeting of the Ethics Committee within 15 days.

Functions and powers of the Ethics Committee:

- to give its opinion on the application for membership submitted by the candidate to the Board;
- to initiate the expulsion of the member from the Association before the Board in the event of a serious breach of the Code of Ethics by a member;
- to give an opinion and take a position at the request of a member, when the member becomes aware of a situation which substantially affects his/her independence and objectivity;
- to give an opinion and a resolution to the Board on the exclusion of a member who has seriously breached or repeatedly failed to comply with the provisions of the Code of Ethics;
- to express opinions on ethical issues arising in the course of the Association's activities.
- to give an opinion on the election of the President and members of the Board and to verify that the candidates for the posts of President and members of the Board have not previously been charged of ethical misconduct in a similar position in a similar professional or social organisation or have not been found to engage in ethical misconduct.

4.5. Operational Management

The work of the Association, the Board and the other bodies of the Association is coordinated by the Association's Operational Management.

The Operational Management is composed of the Director and the staff members, its number and composition is determined by the Board in accordance with the tasks of the Association. Members of the Operational Management are remunerated and carry out their work as employees or under a mandate of the Association. Their remuneration is set by the Board.

The tasks of the Operational Management are defined by the President, who is responsible for determine its organisational structure and responsibilities. The Operational Management shall be accountable to the President for its activities.

4.5.1. Responsibilities of the Director

1. To manage the activities of the Association, to conduct its day-to-day tasks.
2. To oversee the functioning of operational departments.
3. To manage the Association's finances in accordance with the approved budget. To consult the President or the Vice-President in connection with the finances, if required.
4. The Director is responsible for implementing the programme plan
5. The Director is the primary contact towards the Association's members.

4.6. Executive officers of the Association

If an office of the Association is held by a representative of a legal person and that person's legal relationship with the legal person member is terminated, this does not mean that the person ceases to be an office holder of the Association. He/she shall continue to hold that office until the end of his or her term of mandate. In this case, however, the legal person member is entitled to delegate another person as its representative.

The President, the Vice President and the other members of the Board are considered to be the executive officers of the Association. The executive officers of the Association shall be subject to the rules of conflict of interest and disqualification applicable for the members of the Board.

4.6.1. President

The President of the Association shall be elected by secret voting of the General Assembly from among the members of the Association for a term of two years, and shall be accountable to the General Assembly for his/her activities, which he/she shall perform for remuneration.

A person may apply for and be elected to the position of President if he / she has not previously been found to engage in ethical misconduct while being in a similar position in a similar professional or social organisation, or he / she has not been the subject of proceedings related to ethical misconduct nor been condemned of such misconduct. The Ethics Committee is involved in this assessment, as it evaluates the candidates and ensures that they comply with the provisions of the Articles of Association and the Code of Ethics.

Functions and powers of the President:

1. to convene the General Assembly;
2. to make decisions and to act in connection with matters within the competence of the Board during the interim period between Board meetings;
3. to manage and monitor the implementation of the decisions and resolutions adopted by the General Assembly and the Board;
4. to keep the connection with other social and advocacy organisations;

5. to conduct the work of the Board;
6. to chair the meetings of the Board;
7. to represent the Association independently;
8. to take measures and decisions on matters within his / her competence;
9. to convene meetings of the Board;
10. to control the management of the Association;
11. to exercise the rights of an employer.

4.6.2. Vice President

The Vice-President of the Association shall be elected by secret voting of the Board from among the members of the Board and shall be responsible to the Board for his/her activities. The mandate of the Vice-President shall be valid until the end of his/her term of office as a member of the Board.

The duties and powers of the Vice-President shall be the same as those of the President, in the event of the President's absence.

4.6 Representation of the Association

On behalf of the Association, the President may sign alone, the Vice-President may have a joint signature right together with another member of the Board.

5. Assets and management of the Association

5.1. The Association shall operate on the basis of an annual budget adopted by the General Assembly. The Board shall draw up a report on the financial management of the Association, which shall be submitted to the General Assembly for approval at the following year's General Assembly.

5.2. The income necessary for the operation of the Association is as follows:

- membership fees;
- grants to private and legal persons;
- income from the economic activities of the Association directly related to the achievement of its purpose;
- grants for tenders;
- other revenue.

5.3. The Association shall manage its income independently and shall be liable for its debts with its own assets. The members of the Association shall not be liable for the debts of the Association with their own assets, in addition to the membership fees paid.

5.4. Annual membership fee

The member whose membership exists on the first day of the calendar year (1 January) shall pay to the Association the membership fee regarding that calendar year. The member who joins the Association during the calendar year shall pay membership fee pro rata from the commencement date of membership to the end of the calendar year. The termination of the membership for any reason shall not affect the obligation of the member to pay the full amount of

the membership fee for the year in which they are a member on the first day of such year.

The membership fees are set on the basis of the Board's decision on the membership fees and the latest data provision of the members.

The amount of the membership fees for a calendar year and the method of calculation shall be determined by a decision of the Board once a year, by 31 October of the year preceding the calendar year, in such a way that the expected membership fee income can cover the planned operating costs in view of the expected number of members. If the Board of decision not be taken, the membership fee shall be calculated on the basis of the membership fee decision applied in the previous calendar year.

The data required to establish the membership fee must be provided in the member's entry declaration and thereafter annually in writing at the request of the Operational Management.

By 15 November each year, the operational management will send to the members in e-mail and writing

- a communication on the Board's decision on the membership fees for the following year
- a detailed request for the provision of the data necessary to establish the membership fee to be paid by the member (data request), giving at least thirty (30) days' notice
- a reminder that if his/her membership exists on the first day of the following calendar year, he/she shall pay to the Association the full amount of the membership fee for that calendar year;
- a warning that if he/she fails to return the data provision within the deadline, their membership fee will be calculated on the basis of the previous year's data.

The Association shall issue an invoice for the annual membership fee to each member, who shall pay it within at least 15 days of receipt of the invoice.

Transitional provision: The rules for the setting and the payment of the membership fee adopted on September 8, 2021 shall apply to all members for the first time for calendar year 2022, based on the setting of membership fee and member information to be adopted in 2021 as described above. Until December 31, 2021, the Association shall set the membership fee according to the rules in effect prior to September 8, 2021. For members whose membership fee imposed as of December 31, 2021 cover a membership period in 2022, the portion of the imposed membership fee for 2022 shall be credited to the 2022 membership fee to be set under the new rules.

Temporarily, in order to ensure the financial stability and viability of the Association in 2022, members whose membership is in force on 1 January 2022 shall be obliged to pay membership fees for the period up to the end of the calendar year 2023 (i.e. for two years) on the basis of the invoice to be sent by the Association in 2022, but shall not be obliged to pay any further membership fees for 2023 even if the Board decides to increase the membership fees in the meantime.

6. Termination of the Association

6.1. The Association shall be terminated if.

- the General Assembly decides on the transformation of the Association,
- the General Assembly decides on the dissolution of the Association,
- it is dissolved by the court,
- the court, as a result of the legality review procedure, terminates or declares it to be terminated
- in the insolvency proceedings, the Association is dissolved by the court and removed from the register,
- the Association has achieved its purpose or the achievement of the Association's purpose has become impossible and the General Assembly has not set a new purpose,
- the number of members of the Association does not reach ten for a period of six months, provided in each case that the legal person is removed from the register by the court after the appropriate proceedings have been taken to wind up the assets of the legal person.

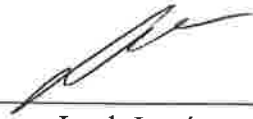
6.2. In the event of the Association's termination without legal succession, the Association's assets remaining after the payment of its creditors' claims shall be transferred to a public benefit organisation [...] established for the same or similar purpose.

7. Miscellaneous and final provisions

- 7.1 The list of members is an annex to these Articles of Association, which is not public and being kept separately.**
- 7.2 Issues not regulated in these Articles of Association shall be governed by the Civil Code, the Act on the Non-governmental Organizations and other legislation in force at the time.**
- 7.3 These Articles of Association were prepared in Hungarian and English languages, with identical content. In case of a deviation or dispute, the Hungarian version**

shall be governing in matters of meaning or interpretation of these Articles of Association.

Budapest, 10 May 2022.



Lenk István

Association of Business Service Leaders in Hungary
President

In witness thereof:

Signature:



Name:

Sük Katalin

Signature:



Name:

SULYOK BARBARA

Address:

1025 Bp, Napvirdg u. 14

Address:

1215, BP. ADY ENDRE UT 29.

The undersigned Dr. Bence Molnár Sz., attorney-at-law (Szecskay Attorneys At Law, 1055 Budapest, Kossuth tér 16-17., bar identification no.: 36065633), pursuant to Section 38 (2) of Act CLXXXI of 2011 on the Court Register of Civil Organisations and the Related Procedural Rules - as the legal representative of the Association of Business Service Leaders in Hungary (previously: Hungarian Service and Outsourcing Association) - certify that the text of the present amended and consolidated Articles of Association corresponds to the content of the Articles of Association in force on the basis of the amendments. The reason for the preparation of the consolidated Articles of Association was the amendment of the registered seat of the Association, effective from 1 July 2023; and consequently the amendment of point 1.2 of the Articles of Association at the General Meeting held on 10 May 2023. The amendments are indicated in ***bold italics***.



SZECSKAY

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