

**In a consolidated structure with amendments:
PMI BUDAPEST HUNGARIAN CHAPTER
ARTICLES OF ASSOCIATION**

which are the articles of association of a non-profit association operating as a legal person pursuant to Sections 3:4 - 3:48 and 3:63 - 3:87 of Act V of 2013 on the Civil Code (hereinafter: Civil Code) and Act CLXXV of 2011 on the Freedom of Association, on Public-Benefit Status, and on the Activities of and Support for Civil Society Organisations (hereinafter: Ectv.).

I. General provisions

- 1. Name of the Association:** PMI Budapest, Hungarian Chapter (hereinafter: Association’).

Short name: PMI Budapest

Name in a foreign language: PMI Budapest, Hungarian Chapter

The Association is an independent non-profit organisation governed by the laws of *Hungary* and pursues its activities as a chapter chartered by the Project Management Institute (hereinafter: ‘PMI’).

- 2. Principal office of the Association:**

1025 Budapest Törökvész út 33.

- 3. Other general provisions**

The Association is a legal entity which was established for an indefinite term. *The Association operates in compliance with the legal regulations of Hungary.*

The Association may undertake to follow policies and guidelines adopted lawfully by the General Meeting towards the Board of PMI.

The PMI Budapest, Hungarian Chapter may enter into a binding cooperation agreement with PMI, governing the terms and conditions of the use of the name and logo of PMI and the supply of the MPI basic services. In every other aspect the Articles of Association of the Association and the Regulations of the PMI Chapter fully comply with each other.

Relationship between the Association and PMI: The PMI Budapest is responsible to the duly elected PMI Board of Directors and is subject to all PMI policies, procedures, rules and directives lawfully adopted.

The Articles of Association of PMI Budapest may not conflict with the current PMI’s Bylaws and all policies, procedures, rules or directives or its agreement concluded with PMI Budapest.

The executive officers of PMI Budapest are exclusively responsible for the operation of PMI Budapest and perform their duties in accordance with the applicable documents of

PMI Budapest, the agreement with PMI the bylaws policies, regulations, procedures of PMI as well as the provisions of the governing law.

II. Purpose of the Association

In general the Association is dedicated to advancing the practice and science of project management in a conscious and proactive manner.

1. The Association has set the following objectives:

- A. support to the project management profession and practice,
- B. performing scientific activities, surveys and research concerning the project management profession and support thereto as well as involvement in them,
- C. promoting the training and professional development of the project management profession through the promotion and development of internationally recognised qualifications skill development and general knowledge dissemination,
- D. promoting the implementation of the project management practice, disseminated and established in the European Union and overseas in the corporate, state and public administration, educational, civil and other sectors,
- E. building an information network for those working in the project management profession, with special regard to state administration and higher education,
- F. presentation of the Hungarian experience in international fora and dissemination of international experience at Hungarian events,
- G. maintaining contact with the international organisation of PMI and involvement in its activities,
- H. monitoring and high standard dissemination of the development of the profession, preparations for professional changes and promoting the implementation of information society,
- I. expanding the professional knowledge of members and those interested in the profession through the dissemination of Hungarian and foreign technical and scientific results and building professional relations,
- J. representation of the importance to society and interests of the field, promoting the recognition by society of artistic, creative work and the project manager intellectuals,
- K. creating a social forum and representation for initiatives and opinions concerning the state, academic, industrial, corporate, user and educational sectors aimed at synthesising the international professional development and Hungarian opportunities, performing tasks resulting from professional position statements, group interests and the development of the profession,
- L. to create a forum for the members and those interested in the profession that allows them to exchange their professional views and share their experience on the basis of established practices,
- M. support to the different types and depths of descriptions of the established practice and, where applicable, establishment, nationalisation and publication of such established practices in order to facilitate the development of the Hungarian project management activities,
- N. promotion and advertising the availability and successful application of the PMBOK Guide internationally recognised methodology and other similar PMI standards and methods and professional support to training and examinations in Hungary,

- O. moral recognition and remuneration of individuals and organisations who made a significant contribution to the dissemination of project management knowledge, experience and culture.
- P. In order to achieve its objectives, the Association:
- i. gives opportunities for public work in the profession
 - ii. reviews research development, educational and further training programmes
 - iii. takes a position on important professional and project management related social issues upon the request of public agencies, business associations and civil organisations or upon the initiative of its members,
 - iv. organises presentations, discussions, conferences, congresses, seminars, exhibitions and professional study strips within the country and abroad
 - v. publishes various articles and papers in professional journals and other ad hoc periodicals, supports the issue of professional publications and technical books,
 - vi. maintains a relationship with other partner organisations in the field of its activities and represents Hungary in national and international professional and scientific meetings.

III. Provisions pertaining to the operation of the Association

1. Public benefit activity pursued by the Association

While working on its objectives, the Association shall primarily pursue the following **public benefit activities** (indicating the **public function(s)** for which such public benefit activities are performed, as well as the **statutory provisions** under which such public functions are executed):

- scientific activities, research: Conducting surveys and market research relating to the project management profession, research on the future development options of the project management profession. Public function: cooperation in the elaboration of the mid-term science, technology and innovation policy strategy. Statutory provision: Section 4 (1) g) of Act LXXVI of 2014 on Scientific Research, Development and Innovation
- education and training, development of skills, dissemination of general knowledge; Organisation of conferences and professional programmes, editing and free publication of a newsletter of the Association, participation in the translation and proofreading of professional materials written in foreign languages. Public function: adult education Statutory provision: Section 4 (1) n) of Act CXC of 2011 on National Public Education.
- promoting Euro-Atlantic integration: Invitation of foreign representatives of the project management profession to conferences organised by the Association, maintaining contact with chapters of PMI in other countries. Public function: cooperation in the elaboration of the mid-term science, technology and innovation policy strategy. Statutory provision: Section 4 (1) d) of Act LXXVI of 2014 on Scientific Research, Development and Innovation

The **public benefit and other services** of the Association are open to the public and accessible by anyone on the website of the Association (www.pmi.hu). The services of the Association may be used in any manner described above (as well as the specific terms and conditions of invitations to events, conferences and other advertisements. Each private individual and organisation may have access to the public benefit services of the Association, and therefore the Association's professional educational events are open,

providing access to professional materials and other knowledge mediated by or produced with the involvement of the Association.

2. **Publicity**

The papers and documents created in relation to the operation of the Association are also open to the public and anyone can have access thereto based on a prior arrangement with the Chairman, at the principal office of the Association, on working days between 8:00 and 12:00.

The Association shall publish the mode of its operation and use of services, as well as its reports on its website and these items shall also be displayed at the principal office of the Association for 15 (fifteen) days, thus ensuring their publicity. In addition, an extract of the reports of the association shall also be published once a year on the website of the Association.

3. **Business activity**

The Association pursues business activities only for its public benefit purposes, without jeopardising them.

The Association shall not distribute the profit it may generate, and shall use any such profit for the public benefit activities specified in this Articles of Association.

4. **Political independence**

The Association is not engaged in the pursuit of any direct political activity, it is independent of political parties and does not provide any financial support to political parties.

IV. Organisation of the Association

IV. 1. Members of the Association

1. Membership in this Association is voluntary and shall be open to any eligible person interested in furthering the purposes of the Association. Membership shall be open to all eligible persons without regard to race, creed, colour, age, sex, marital status, national origin, religion, or physical or mental disability.
2. A membership in PMI in compliance with the PMI regulations is a pre-requisite of membership in the Association. *Members shall be governed by and abide by the Articles of Association of PMI Budapest and by all rules and policies of PMI Budapest and PMI, including but not limited to the PMI Code of Conduct.*
3. The members of the Association are **Ordinary**, **Retired** and **Student** members.

An Ordinary member of the Association may be any natural person who actively pursues or teaches the project management and satisfies the requirements laid down in Section IV.1.2.

A Retired member of the Association may be any natural person who actively retired from active pursuit or teaches the project management profession and who satisfies the requirements laid down in Section IV.1.2.

A Student member of the Association may be any natural person who conducts higher education studies relating to the project management profession and satisfies the requirements laid down in Section IV.1.2.

Any member of the Association who used to be the Chairman of the Association during their membership is entitled to the Honorary Chairman's title.

Each member of the Association is entitled to take part in the General Meeting and exercise their voting rights. Each member has the same voting rights and each member may use the services of the Association to the same extent.

4. Each member shall pay chapter membership due to the Association through the PMI membership management process and system. The annual membership due is payable to PMI by bank transfer by no later than the 90th day of the current year. The Association and PMI does not refund the membership dues to members who are leaving the Association or have been *excluded*. Besides paying the membership due, there is no other member obligation.

5. Termination of membership

Membership shall terminate:

- a.) upon the member's withdrawal;
- b.) if membership is cancelled by the association;
- c.) upon the member's exclusion;
- d.) upon death or dissolution of the member without succession.

Members shall be able to terminate their membership at any time, by means of written notice addressed to the association's representative, without giving any reason.

6. Cancellation of membership

If membership is rendered subject to certain conditions set out in the statutes, and the member fails to meet such conditions, the Association shall have the right to cancel the membership in writing subject to a thirty-day notice period.

Cancellation of membership shall be decided by the Association's general meeting.

The payment of the membership due is a condition of membership. Consequently, if a member fails to pay the due membership dues calculated *from the due date* following the receipt of the written notice of the Board or an official payment notice /order sent by PMI it shall constitute a reason for termination *In such a case the name of the member shall be deleted from the official list of members of PMI Budapest and PMI: If a delinquent member pays all unpaid dues to PMI and PMI Budapest within 1 month from the order to do so, their membership may be reinstated if it had been terminated before.*

No appeal can be lodged against a resolution cancellation membership.

The resolution cancellation membership shall indicate the reason for cancellation.

The resolution cancelling membership shall be communicated to the member concerned in a certifiable manner.

The member acquires membership in MPI for 1 year by paying the PMI annual membership due. When the year expires, the PMI membership shall cease (if the annual fee for the subsequent year is not paid after a 90-day grace period) and PMI shall notify the member of the potential legal consequences and the payment notice in both a letter sent by post and via e-mail. The Association shall also send the same notice to the member.

PMI shall notify the Association about the cessation of the PMI membership.

PMI membership is a condition of membership. Consequently, if the PMI membership of a member ceases it shall constitute a reason for cancellation.

7. Exclusion of Members

If a member has seriously or repeatedly infringed the law, the Articles of Association of the Association or any resolution of the general meeting, the general meeting shall - when so requested by any member or body of the association - have authority to open procedures for the member's exclusion, inasmuch as the statutes provides guarantees for the conduct of a fair hearing.

The resolution for the exclusion of the member shall be fixed in writing, and the statement of reasons shall indicate the facts and evidence underlying the exclusion decision, as well as information on access to review procedures. The member concerned must be notified of the resolution on exclusion in a certifiable manner, even in legal remedy procedures.

Exclusion may be applied especially in the following cases:

- the member fails to stop any activity that violates or imposes a threat to the lawful interests and good reputation of the Association even after the written warning of the Board;
- an effective judgement is adopted against the member for a crime.

The Board notifies the excluded member in writing, by sending a resolution with reasoning within 15 (fifteen) days from the adoption of the resolution. The excluded member shall have the right to appeal against the resolution within 30 (thirty) days from its receipt. The appeal shall be submitted in writing to the Board. The appeal is adjudicated by the Board. The member shall be able to exercise the membership right without any change until the Board makes a decision.

The member concerned must be allowed to present the facts constituting the basis of their defence and the related proof either verbally or in writing prior to the adoption of the general meeting resolution.

- 8.** When membership is terminated, all rights and preferences of the member relating to the membership or the ownership or other assets of the Association shall cease to exist.
- 9.** The international PMI membership database and list shared with the Association by PMI may be used, based on the authorisation of the General Meeting for purposes relating to the lawful activities of the Association, in compliance with the PMI regulations. The list

may not be used for commercial purposes that are not included in the ancillary business activities of the association specified in these Articles of Association.

IV.2. Highest body of the Association: the General Meeting

1. General Provisions Relating to the General Meeting

- 1.1. The Association's decision-making body is the General Meeting. *Each member may attend the General Meeting and may exercise their voting rights there. Each member has identical voting rights.*

The member may also exercise the membership rights at a general meeting by using electronic communication devices.

The electronic communication device that may be used: PMI VOTENET system

Terms and conditions and mode of use of the permitted electronic communication device (the terms and conditions and mode of use of these devices must ensure the identification of the members and mutual and unrestricted communication between them. The PMI VOTENET system is used by the Association for the disclosure of the introduction and election of Executive Officers and also for making decisions falling within the scope of competence of the General Meeting. The used system clearly identifies each member with an individual ID, password, name and PMI membership number.

1.2. Competence of the General Meeting

The following shall fall within the competence of the general meeting:

- a.) amendment of the Articles of Association;
- b.) decision on the termination, merger or demerger of the Association;
- c.) appointment and dismissal of the executive officer and establishing his remuneration;
- d.) adopting the annual budget;
- e.) adopting the annual report, including also the report of the management body on the Association's financial position;
- f.) exercising employer's rights over the executive officer, if the executive officer has a contract of employment with the Association;
- g.) approval to conclude contracts between the Association and one of its members, its executive officer, supervisory board member or their close relatives;
- h.) decision on the enforcement of claims for compensation from present or previous members, executive officers and supervisory board members, or from the members of any other bodies of the association;
- i.) election and dismissal of supervisory board members and establishing their remuneration,
- j.) election and dismissal of the auditor and establishing his remuneration;
- k.) appointment of a receiver.

1.3. Additions to the agenda

Within 3 days calculated from the delivery of the invitation to the general meeting, members and the bodies of the association may request additions to the agenda from the *Chairman*, with the reasons indicated.

The decision for additions to the agenda lies with the body or person convening the general meeting. If the body or person convening the general meeting has decided to make

additions to the agenda, or refused the request therefor, the general meeting shall decide before adopting a resolution on the agenda whether or not to make any additions to the agenda.

1.4. **Passing resolutions**

A resolution passed by a three-quarters majority of the votes of the members present shall be required for the amendment of the statutes of the Association.

A resolution passed by a three-quarters majority of the members with voting rights shall be required for the amendment of the objectives of the association and for a decision on the dissolution of the Association.

1.5. The General Meeting shall convene at least once a year; the date and venue of the meeting shall be defined by the Board. The General Meetings shall be opened to the public.

1.6. The General Meeting is convened by the Chairman by distribution invitations.

The Chairman, the majority of the members of the Board or 10% of the membership may convene an extraordinary General Meeting, indicating the reasons for and the objectives of the meeting and the proposed agenda of the General Meeting in writing.

The invitation shall contain:

- a) the name and principal office of the Association;
- a) the date and place of the meeting;
- c) the agenda.

The agenda shall be indicated in the invitation in sufficient detail to enable the persons entitled to vote to formulate an opinion on the subjects to be discussed. *The Board shall distribute the invitation to the members in a reasonable time to allow everyone to participate. The agenda is restricted to the items included in the invitation and any new agenda items referred to in Section 1.3.*

If the decision-making body has not been convened in due form, the meeting may be held only if all entitled persons are present, and if they unanimously agree to open the meeting. The meeting of the decision-making body shall be able to pass resolutions on duly notified points that are included in the agenda, except if entitled persons are present and they unanimously agree to discuss a matter that is not included in the agenda.

The officials of the General Meeting (the chair of the meeting, the keeper of the minutes the vote counters) shall be elected from the members present by the General Meeting with a simple majority vote after the quorum of the meeting has been established.

1.7. The Board shall distribute invitations for all ordinary and extraordinary General Meetings, containing the date, venue and agenda of the General Meeting, to each member via e-mail (or if the member's e-mail address is unknown, by fax or in a letter sent by post) at least 10 (*ten*) days prior to the meeting.

1.8. The General Meeting has a quorum if more than 50% of the members *eligible for voting* are present. Members may also be represented by proxies with an authorisation prepared in a private document fully acceptable as proof or in an authentic instrument. The General Meeting adopts its decisions in the form of resolutions, with the majority vote of the members present, unless the Articles of Association provide otherwise. If the General Meeting has no quorum, the repeated General Meeting shall be convened by the Chairman.

The repeated General Meeting shall be held no later than within 30 (thirty) days from the date of the original General Meeting and the members present at the meeting that did not have a quorum may also be informed about it verbally. The agenda of the repeated General Meeting shall be the same as that of the original General Meeting. The repeated General Meeting shall have a quorum irrespective of the number of members present. The warning in that regard must be included in the invitation to the original General Meeting.

- 1.9. With the exception of the election of the officials of the Association, the General Meeting adopts its resolutions with an open vote.
- 1.10. In the process of adopting a resolution the following persons may not vote:
 - a.) any person for whom the resolution contains an exemption from any obligation or responsibility, or for whom any advantage is to be provided by the legal person;
 - b.) any person with whom an agreement is to be concluded according to the resolution;
 - c.) any person against whom legal proceedings are to be initiated according to the resolution;
 - d.) any person whose family member has a vested interest in the decision, who is not a member or founder of the legal person;
 - e.) any person who maintains any relation on the basis of majority control with an organization that has a vested interest in the decision; or
 - f.) any person who himself has a vested interest in the decision.

2. The operation of the General Meeting

The simple majority vote of the members present at the General Meeting is required for the approval of the annual report and the public-benefit status report. *The General Meeting shall be chaired according to the provisions of the Articles of Association and the rules established by the Board.*

The minutes of the General Meeting shall state the agenda items, the quorum, the election and names of the general meeting officials, the topics discussed, the contents, time and scope of the decisions, and the number of members voting for or against the decision, as well as the number of the abstaining members.

Following the adoption of the general meeting resolutions, the Chairman shall immediately announced the resolutions verbally to the General Meeting.

The Chairman shall arrange for the registration of the resolutions of the General Meeting and the Board. The Chairman keeps the resolution records with the contents, time and scope of the resolutions, and the number of members voting for or against the resolutions and the number of abstaining members.

The Chairman shall arrange for the notifications of the parties concerned of the decisions of the General Meeting and the Board in writing, in a certifiable manner. The resolutions of the General Meeting and the Board shall be disclosed on the website of the Association.

IV.3. Officials of the Association

1. Officials of the Association: the Chairman, the Vice Chairmen, the chairman and members of the Accounting Committee and the Secretary. The officials are elected for 2 (*two*) years.

Each official can be re-elected on condition *that the same person may hold the chairman's position for no more than on two occasions (i.e., the Chairman can only be re-elected once) and they may be elected for the Board on no more than 3 occasions.*

2. The Chairman is the highest official of the Association and the Board and performs general official tasks.
3. The Vice Chairmen perform primarily but not exclusively the following functions:
 - Membership issues: member records recruitment, supply of basic services to the members Financial measures - Organisation of revenues and sponsoring, cost control, preparation of the required financial reports, fulfilment of the record keeping obligations Communication: organisation of the publicity of the Association through various communication channels, with special regard to the supply of news and information to the members and PMI and the presence of the Association on the web
 - Training and qualification - organisation of the activities promoting the professional development and qualification of the members
 - Events - coordination of the organisation of events, professional events and other functions
 - Organisation of voluntary work - organisation, control and record keeping of the parties supporting the members and the Association, focusing on the fulfilment of the Association's tasks (organisation of events, writing of publications, etc.)
4. The specific tasks of the members of the Board are divided at the first Board meeting following their election, based on a simple majority vote of the Board.
5. The Secretary is an official organising the basic operation of the Association and performing especially, but not exclusively, the following tasks:
 - preparation of the meetings of the Board and the Committees
 - supervision of the establishment of documents required for the regular operation of the Association
 - official communication with members
 - performance of daily administrative tasks;
6. An official shall have the right to resign from their office with a written declaration submitted to the Board. Unless this declaration or the Board provides otherwise, the resignation shall become effective when it is delivered to the Board.
7. The General Meeting may recall the officials with a two-third majority vote of the members present.
8. If any official status becomes vacant, the General Meeting shall have the right to elect a new official. If the Chairman cannot serve the given official period or resigns, the Secretary shall take over the Chairman's tasks until the Chairman is elected and registered by the court.

IV. 4. The Presidency

1. The Association is managed by the presidency. The association's executive officers are the members of the presidency: the Chairman, the Vice Chairmen and the Secretary.

2. Requirements for executive officers, grounds for exclusion

The executive officer must be of legal age and must have full legal capacity in the scope required for discharging his functions.

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

The executive officer shall perform management functions in person.

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

A person may not be an executive officer if they have been prohibited from practising that profession. Any person who has been prohibited by final court order from practising 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 an executive officer within the time limit specified in the prohibition order.

3. Management functions

The responsibilities of management shall include:

- a.) performing daily administrative tasks, taking decisions within the competence of management;
- b.) preparing reports and accounts and submitting them to the general meeting.
- c.) preparing the annual budget and submitting it to the general meeting,
- d.) managing the assets of the Association, and taking decisions relating to the allocation and investment of assets, for which the General Meeting has no responsibility, and the implementation of such decisions;
- e.) making preparations for setting up bodies provided for by law and by the Association's Articles of Association, and for the election of officials for these bodies;
- f.) convening the General Meeting, notifying members and the bodies of the Association;
- g.) setting the agenda for the general meeting convened by the managing body;
- h.) attending the General Meeting and providing answers to questions concerning the Association;
- i.) keeping records on members,
- j.) keeping record of the resolutions of the Association, organizational documents and other books;
- k.) safeguarding documents pertaining to the operation of the Association;
- l.) monitoring the existence of any other cause for winding up the Association, and taking measures as provided for in this Act if such cause has occurred; and
- m.) taking decision under the statutes concerning the admission of new members.

4. Termination of the mandate of executive officers

The mandate of an executive officer shall terminate:

- a.) upon expiry of the designated term of office;
- b.) if the mandate is rendered subject to some condition for termination, when the condition is met;
- c.) with recall;

- d.) resignation;
- e.) upon death or dissolution of the executive officer without succession;
- f.) if executive officer's legal capacity is limited in the scope required for discharging his functions;
- g.) upon the occurrence of any grounds for exclusion or any reason giving cause to conflict of interest.

If the PMI or PMI Budapest membership of any board member is cancelled due to lack of payment or the board member does not attend 3 consecutive board meetings, the board membership shall be terminated (terminating condition).

Members of the legal person, or the founders in the case of non-membership legal persons, shall be entitled to dismiss the executive officer at any time, without giving any reason, with an at least 2/3 majority vote of the highest body that has a quorum.

The executive officer may resign at any time by means of notice addressed to the Association or to another elected executive officer or decision-making body of the Association.

If the resignation does not specify a date for resignation, then the office shall be terminated on the day when the resignation is received by the Board on condition that if so required by any vital interest of the Association, the resignation shall only take effect upon the delegation or election of a new executive officer, or failing this on the sixtieth day after the announcement thereof.

If the operation of the Board requires, the Board shall immediately arrange for an extraordinary General Meeting in order to elect a new board member.

5. The Presidency shall be the Association's management and representative body. The Board consists of 10 (ten) persons, and its members shall include the Chairman, the Vice Chairmen and the Secretary. If the number of the members of the Board drops below 5 due to resignations or for any other reason, a new election shall be organised.

The Chairman is the chair of PMI Budapest and the Board and shall fulfil all the obligations with due care generally expected from such officials, also including all appointments with the approval of the Board. The Chairman shall be an ex officio member of all committees with a voting and participation right, with the exception of the Nominating Committee.

The Secretary shall keep the minutes of all business meetings of PMI Budapest and the minutes of the meetings of the Board and shall also supervise the management of the funds in line with the objectives defined by the PMI Budapest, Hungarian Chapter.

The Vice Chairmen shall be responsible primarily for the following:

- managing issues relating to the members,
- financial arrangements (annual budget, financial reports for the Board and the general meeting)
- communication,
- training,
- event organisation.

The specific tasks of the Vice Chairmen shall be defined at the first board meeting after their election in compliance with the agreement between the members of the Board.

6. The Board shall exercise all the rights that are not rendered into the competence of any other Body by these Articles of Association, the General Meeting or the laws. The Board shall have the right to adopt and publish all directives, procedures and policies that are necessary and are in line with the Articles of Association and the PMI bylaws and may also exercise the rights relating to the financial management and finances of the Association.
7. The meetings of the Board may be convened by the Chairman or 3 (three) members of the Board with a written request submitted to the Secretary. *The A 10-member Board has a quorum if at least 5 (five) members of the Board or, if the Board has any different number of members, at fifty percent of the members of the Board are present.* Each board member has 1 (one) vote. They can attend the meetings and vote there only in person. An affirmative vote of the majority of the board members present at the Board meeting is required for adopting a board decision. The other rules of conducting a meeting shall be established by the Board itself. *The Board may also decide to hold a meeting in the form of a telephone conference, through fax or in some other legally acceptable manner.* The meetings of the Board shall be open to the public. The public may be excluded from the meetings of the Board only in relation to personality rights or for privacy purposes.
8. The meetings of the Board shall be convened at least on 2 (two) occasions a year. The times and venues of the meetings shall be defined by the Chairman.
9. The Secretary shall send the invitation to the Board Meeting containing the time, venue and agenda of the Board Meeting, to all Board members via e-mail at least 7 (seven) days prior to the meeting.
10. A person may not take part in the decision-making process of the decision-making body and the managing body, if, by virtue of such decision, he or a close relative of his:
 - a.) is released from any obligation or liability, or
 - b.) receives any other benefit, or otherwise has a vested interest in the legal transaction to be concluded.

Any non-pecuniary service provided by a public-benefit organization within the framework of its target-specific assistance that is available to the general public without restriction, or any target-specific assistance provided, by virtue of membership, by an association to its member in accordance with its instrument of constitution shall not be construed as a benefit.

IV. 5. Board Consultation Body

The Board Consultation Body is the permanent consultation body of the Board. It is a professional body involved in the preparation and drafting of strategic decisions of the board in order to facilitate the effective implementation of the objectives of the Association. The members of the Board Consultation Body are invited by the Board based on a proposal of the Chairman of the Association, for a definite term of one year, from internationally and/or nationally recognised and respected experts operating primarily in project management.

The members of the Board Consultation Body are invited to the Board Meetings by the Chairman and attend the meetings with consultation rights.

IV.6. Nomination and Election

1. The officials are nominated and elected every two years. *Any member of the Association may take part in the election and may exercise their voting rights there. During nomination and voting any discrimination is prohibited with regard to race, creed, colour, age, sex, marital status, national origin, religion or physical or mental disability. If possible, the vote shall be conducted by making sure that it is closed at least 6 months prior to the expiry of the mandate of the former officials and the start of the mandate of the new officials.*
2. The candidates elected as *officials* take up office on the day *specified in the General Meeting resolution* and shall remain in that office for a definite term *stated in the General Meeting resolution*.
3. The *at least 3-member Nominating Committee established by the Board* shall prepare a list of candidates for each position and shall define the conditions of becoming a candidate. *A candidate can only be a member and if they are elected, they must spend sufficient time on performing voluntary task and tasks related to their official mandate. The voting shall be held at the annual general meeting or at an extraordinary General Meeting. The candidate who receives the highest number of votes for the given position shall be deemed the elected candidate. The Nominating Committee shall collect the ballots.*
4. Members of the Nominating Committee cannot be included in the list of candidates.
5. *The resources of PMI or PMI Budapest may not be used to support the election of candidates or officials. Candidate themselves may not organise any election procedure, communication or fund raising activity. The election materials related to the candidate's position may only be distributed by the Nominating Committee or some other authorised body.*

IV.7. The committees

1.
The Board shall have the right to establish or authorise the establishment of standing or temporary committees. The Board shall establish a charter for each committee, which defines its purpose, authority and outcomes. The members of the Board may take part in the activities of the committees unless such participation is restricted by the Articles of Association.
2. All members and the chairman of the committee shall be nominated by the Chairman and the elected by the Board. Any member may be elected into any committee.

IV.8. The chapters

1. *The chapters:*

- *Sections operate on professional basis within the Association, in order to achieve the objectives of the Association. They are established on the basis of special professional interest or a regional (geographical) principle.*
- *A chapter may be established if at least 10 members initiate it. The establishment of a chapter is approved by the Board.*
- *A chapter ceases to exist if the number of members taking part in its activities drops below 10 or the chapter dissolves itself or does not pursue any relevant activity for at least 6 months; in this latter case, it may be terminated with a resolution of the Board.*

2. *Operation of the chapters:*

- *They cooperate with the managing bodies of the Association and represent themselves there through the elected leader of the respective chapter.*
- *They may use the infrastructure and communication channels of the Association.*
- *Each chapter establishes their rules of operation and activities in compliance with the Articles of Association and other activities of the Association and are approved by the Board based on a proposal of a chapter meeting.*
- *The activities of the chapter are controlled by a leader elected by the chapter meeting (Chapter Leader). The Chapter Leader is not entitled to represent the Association.*
- *The section shall regularly inform the Board of its establishment (by submitting its name, area and rules of operation and the list of registered members), work resolutions and cessation. The resolutions shall be recorded and kept in an official record.*

Branches

1. *Establishing of a Branch*

Based on an occasional written authorisation granted by PMI, PMI Budapest may establish a Branch. A Branch pursues its activities in compliance with the guidelines laid down in the Articles of Association and the agreement with PMI.

2. *Geographic area*

A Branch established to serve a specific geographic area may not extend its services beyond the geographic boundaries defined by the PMI Hungarian Chapter.

3. *The director of the Branch reports to the Board, which supervises its operation.*

4. *Restrictions: each Branch must comply with the restrictions/terms and conditions included in the agreement with PMI.*

IV.9. Former Chairman, Elected Chairman

5. *In order to make sure that no change in the Chairman should negatively influence the operation of the Association, the Former Chairman (the individual holding the chairman's position directly before the mandate of the chairman) shall assist the Chairman, for a reasonable and justified period requested by the Chairman up to 6 months from the start date of the Chairman's mandate, passing over the information and documents that are required for the continued smooth and seamless operation of the Association.*

6. *The Elected Chairman is the person elected as Chairman but the start date of their mandate has not yet occurred. The Chairman shall assist the continued seamless operation of the Association after the change of chairmen for the period between the date of election of the Elected Chairman and the start date of their mandate, by informing the Elected Chairman of the matters of the Association and providing all information requested by the Elected Chairman to the extent permitted by law.*

V. Representation

The Chairman shall have the right to individually represent the Association by writing his name below or above the pre-written or pre-printed name of the Association. In case the Chairman is impeded, two Board members shall jointly represent the Association by jointly signing their names below or above the pre-written or pre-printed name of the Association.

VI. Assets and Financial Management of the Association

The Association shall be liable for its debts with its own assets.

The members shall not be liable for debts of the Association over and above their membership dues.

The financial management of the Association is supervised by the Accounting Committee in compliance with the provisions of these Articles of Association.

1. The financial year of the Association shall be the same as the calendar year, except for the fiscal year in which the Association is founded, which shall be calculated from the date of registration of the Association and shall end on 31 December of the same year.
2. The annual membership due shall be established by the Board *and communicated to PMI based on the Guidelines published by PMI.*
3. In order to manage the finances of the Association, the Board shall have the right to adopt various policies and procedures in compliance with the provisions of the Articles of Association. The Board shall keep the business books of the Association and close them at the end of the financial year in accordance with the provisions of the law. The Board prepares a balance sheet and income statement for the General Meeting at the end of the financial year, *and shall submit the tax declarations to the authorities.*
4. In order to achieve its public benefit objectives and without aiming at any profit or jeopardising its public benefit objectives (in line with TEAOR'08), the Association pursues the following ancillary and secondary business activities:

18.14 Binding and related services

58.11 Book publishing

58.14 Publishing of journals and periodicals

58.19 Other publishing activities

58.12 Publishing of directories and mailing lists

58.29 Other software publishing

63.12 Web portals

72.20 Research and experimental development on social sciences and humanities

70.22 Business and other management consultancy activities

78.10 Activities of employment placement agencies

85.59 Other education n.e.c

94.12 Activities of professional membership organisations

94.99 Other community and social activities n.e.c. (core activity)

82.30 Organisation of conventions and trade shows

The Association shall not distribute the profit it may generate, and shall use any such profit for the activities specified in the Articles of Association.

With the exception of normative subsidy, the Association may receive any assistance from the sub-systems of the budget only based on a written contract. The contract must specify the terms and conditions and mode of settlement of the assistance. The assistance options that may be used in compliance with the above, the respective amounts and conditions must be published with the help of the press. Anyone can obtain information about the target benefits offered by the Association. The Association may not extend any target-specific assistance to its responsible officers, benefactors or volunteers, or to the close relatives of such persons, with the exception of services which are made available to the general public without restriction and designated provisions defined in the Articles of Association and provided by the Association to its members.

The Association shall be entitled to award any target-specific assistance by way of tender under the rules set out in the memorandum of association. In this context the tender notice may not prescribe any conditions from which it is apparent, taking into consideration all applicable circumstances of the case, that the tender has already been decided (sham tender). No target-specific assistance may be awarded on the basis of a sham tender.

The Association may not issue bills of exchange or other debt securities.

The Association

- a) may not obtain loans in connection with their economic-business activities of an amount that may jeopardize its public benefit activities;
- b) may not use any assistance received from any sub-system of the budget as collateral or repayment of any loan.

Any public benefit organisation engaged in investment activities shall draw up investment regulations, approved by their highest body.

VII. Supervisory body of the Association: the Accounting Committee

VII.1. General Rules pertaining to the Accounting Committee

The Accounting Committee supervises the management in order to protect the interest of the legal person. The Chairman and members (2 individuals) of the Accounting Committee are elected by the General Meeting or 2 (*two*) years. The Accounting Committee consists of 3 (three) persons. The Accounting Committee establishes its own rules of procedure

Members of the Accounting Committee must be of legal age and must have full legal capacity in the scope required for discharging their functions. A person who is subject to any grounds for exclusion applicable to executive officers may not hold a seat on the Accounting Committee, nor any person who himself or whose family member holds an executive office in the legal person.

The members of the Accounting Committee shall take part in the work of the Accounting Committee in person. Accounting Committee members shall be independent of the management of the legal person, and shall not be bound by any instructions in performing their duties.

The members of the first Accounting Committee shall be designated in the memorandum of association, after which such members are appointed by the decision-making body. Membership in the Accounting Committee shall take effect when accepted by the person appointed.

The provisions on the termination of the mandate of executive officers shall also apply to the termination of membership of Accounting Committee members, with the proviso that Accounting Committee members shall send their resignation to the executive officer of the Association.

VII.2. Operation of the Accounting Committee

The Accounting Committee must have at least 1 (one) meeting a year. The meetings of the Accounting Committee are open to the public. The Accounting Committee shall have a quorum if more than 50% of its members are present at the meeting. The Accounting Committee adopts its resolutions with simple majority vote.

The Chairman and the members of the Accounting Committee may attend the Board meetings with consultation rights.

The General Meeting shall be convened at the initiative of the Accounting Committee, within 30 (thirty) days of the date of submission thereof. In the event of failure to meet the aforementioned deadline, calling the General Meeting shall fall within the jurisdiction of the Accounting Committee.

If the General Meeting fails to implement the measures necessary to restore the legality of operations, the Accounting Committee shall be required to notify the prosecutor's office exercising legal control without delay.

In every other aspect the Accounting Committee shall establish its own rules of procedure.

VII.3. Tasks of the Accounting Committee

The Accounting Committee supervises the operation and financial management of the Association. In this function, it may request reports from the executive officers and information from the employees of the organization, furthermore it may review and audit the Association's books and records.

The members of the Accounting Committee may participate with the right of consultation in the meetings of the Association's executive body, or shall do so if expressly stipulated by the relevant legislation or the instrument of constitution.

The Accounting Committee shall notify the decision-making body or the administration and representation body, and request a meeting thereof as appropriate with respect to their power to act, in the event of finding

- a.) any infringement in the course of operation of the organization or any other event (omission) liable to severely jeopardize the interests of the organization, the termination or alleviation of which requires the decision of the executive body vested with powers to act;
- b.) any fact substantiating some degree of liability of an executive officer.

The General Meeting or the administration and representation body shall be convened for taking action at the initiative of the Accounting Committee, within thirty days of the date of submission thereof. In the event of failure to meet the aforementioned deadline, calling the General Meeting and the administration and representation body shall fall within the jurisdiction of the Accounting Committee.

If the body vested with powers to act fails to implement the measures necessary to restore the legality of operations, the Accounting Committee shall be required to notify the organ exercising legal control without delay.

VII.4. Conflicts of Interest

A person who:

- a.) serves as the chairperson of or has a seat in the decision-making body or in the managing body (not including the members of the association's decision-making body without any office),
- b.) is in the employment of the public-benefit organization to perform work other than his official duties or is in any other work-related legal relationship, unless otherwise provided for by law,
- c.) benefits from any target-specific assistance the public-benefit organization provides, not including a non-pecuniary service made available to the general public without restriction and any target-specific assistance provided, by virtue of membership, by an association to its member in accordance with its instrument of constitution, furthermore
- d.) is a close relative of the persons referred to in Paragraphs a)-c), may not be the chair person or member, or auditor of the Accounting Committee.

The rules of exclusion defined in Section 39 (1) a) – d) of Ectv. may not apply to the Chairman or members of the Accounting Committee.

VIII. Organisational unit

1. The Association may establish an organisational unit for a geographically separate major community of members if the Board and the PMI international organisation granted written consent to it. The organisational unit may provide local services to the members. The services may not be limited to the actors of the local section and its results may be enjoyed by all members of the Association.
2. The organisational unit is governed by all laws and internal policies of PMI, which may not be violated. All rights shall be exercised and financial decisions shall be made in relation to the organisational unit by the Board of PMI Budapest.
The organisational unit is not a separate legal person.
3. The Association allocates a budget for the operation of the chapter, the organisational unit itself may not have any contract with any member immediately and may not collect any membership dues.
4. The body of organisational unit consists of 2 (two) members, the Chairman and the Vice Chairman.
5. The body of the organisational unit shall directly report to the Board.

IX. Record keeping rules

The Association shall keep separate records of the revenues and expenses of the activities specified in its objectives and of its business activities.

In every other aspect the books of the Association shall be kept in accordance with the applicable bookkeeping regulations.

X. Reporting Rules

Being a public benefit organisation, the Association shall also prepare a public-benefit status report simultaneously with the approval of the annual report. The approval of the public-benefit status report shall fall into the exclusive competence of the General Meeting.

The public-benefit status report shall specify the organization's public benefit activities, the main target groups and achievements of such activities, and the data and indices specified in Section 32 of Ectv. for determining the public-benefit status.

The public-benefit status report shall contain a list of target-specific assistances, the amounts paid to the organization's executive officers and a list of executive offices to which benefits are provided.

The public-benefit status report of the Association shall be open to the public for inspection, and they may obtain copies at their own expense.

The Association shall disclose its public-benefit status report on its website or, if there is no website, in some other manner accessible for the public by no later than 30 June of the subsequent year.

Upon termination of its public-benefit status, the Association shall be liable to settle all its outstanding public dues and to perform its other contractual obligations for public services for the applicable period of time.

XI. Conflicts of Interest, *indemnity provisions*

1. The members of the Association may not receive any financial or other benefit for the resources of the Association even in an ad hoc manner, unless these Articles of Association provides otherwise.
2. The elected official of the Board, or members of the committees shall not be entitled to any remuneration or tangible or other financial benefit in exchange for their activities provided for the Board. However, the Board may be authorised by the General Meeting to reimburse the eligible and reasonable costs of official, committee members, directors and authorised representatives relating to the attendance of the meetings of the Board or other authorised activities, on individual basis.
3. All elected officials of the Board and committee members shall operate in accordance with their obligations undertaken in the Association and the applicable laws and regulations, as individuals independent from any other interest, membership or position.

4. Each official and committee member shall report to the Board any interest or participation that relates to a person that has or intends to enter into a contract with the Association *and shall also refrain from voting in such matters or influencing them.*

Nevertheless, PMI Budapest may enter into a contract or into a transaction with a member, executive officer or committee members, other authorised representatives of PMI Budapest and with organisations and legal persons in which these individuals are members or employees, providing that:

- *the relationship or interest is presented to the Board prior to the transaction;*
- *the Board approves such a transaction with a majority vote of its members not involved in the transaction;*
- *the transaction is fair in terms of PMI Budapest and at the time of its conclusion or approval by the Board also complies with the legal regulations prevailing at the time of registration of PMI Budapest.*

5. The members of the Board may not be each other's close relatives (Section 8:1.(1) 1 of the Civil Code).

A person may not take part in the decision-making process of the General Meeting or the Presidency if, by virtue of such decision, they or a close relative of them:

- is released from any obligation or liability, or
- receives any other benefit,
- or otherwise has a vested interest in the legal transaction to be concluded.

Any non-pecuniary service provided by a public-benefit organization within the framework of its target-specific assistance that is available to the general public without restriction, or any target-specific assistance provided, by virtue of membership, by an Association to its member in accordance with its instrument of constitution shall not be construed as a benefit.

For a period of three years after the dissolution of the public-benefit organization, any person who previously served as an executive officer for at least one year within a two-year period prior to the dissolution of such public-benefit organization:

- a.) that was wound up without succession without settling any tax and customs debt owed to the state tax and customs authority,
- b.) against whom substantial tax arrears have been assessed by the state tax and customs authority,
- c.) that was sanctioned previously by the state tax and customs authority by store closure, or received a financial penalty imposed in lieu of such store closure,
- d.) whose tax number the state tax and customs authority has suspended or withdrawn pursuant to the Act on the Rules of Taxation, may not be the executive officer of another public-benefit organisation.

The executive officer, or the person nominated as such, shall be required to notify all public-benefit organizations concerned in advance if he is employed in the same position at another public-benefit organization at the same time.

Indemnification:

6. *. In the event that any person who is or was an officer, director, committee member, or authorized representative of PMI Budapest, acting in good faith and in a manner*

reasonably believed to be in the best interests of the PMI Budapest, has been made party, or is threatened to be made a party, to any civil, criminal, administrative, or investigative action or proceeding (other than an action or proceeding by or in the right of the corporation), such representative may be indemnified against reasonable expenses and liabilities, including attorney fees, actually and reasonably incurred, judgments, fines and amounts paid in settlement in connection with such action or proceeding to the fullest extent permitted by the jurisdiction in which the organization is incorporated. Where the representative has been successful in defending the action, indemnification is mandato

- 7. Unless ordered by a court, discretionary indemnification of any representative shall be approved and granted only when consistent with the requirements of applicable law, and upon a determination that indemnification of the representative is proper in the circumstances because the representative has met the applicable standard of conduct required by law and in these Articles of Association.*
- 8. To the extent permitted by applicable law, PMI Budapest may purchase and maintain liability insurance on behalf of any person who is or was a director, officer, employee, trustee, agent or authorized representative of PMI Budapest, or is or was serving at the request of PMI Budapest as a director, officer, employee, trustee, agent or representative of another corporation, domestic or foreign, non-profit or for-profit, partnership, joint venture, trust or other enterprise.*

XII. Amendment of the Articles of Association

1. An amendment may be initiated by the Board individually or 10% of the membership, addressed to the Board. Each proposed amendment is presented by the Board, indicating its report or rejection. *The Board presents the proposed amendments with or without any recommendation. The Board shall disclose to the members the proposed amendments at least 30 days prior to the date of the General Meeting deciding on the amendment.*
2. All amendments shall also be submitted to the PMI Board. During the amendment of the Articles of Association the agreement between PMI and the Association that is not contradictory to the provisions of the currently effective Hungarian laws shall be taken into account. *Each amendment must comply with the Articles of Association of PMI and the guidelines and policies established by PMI.*

XIII. Dissolution of the Association

The association shall be dissolved without succession if:

- a) it was established for a fixed duration, and such period of time expires;
- b) it was subject to termination upon a certain condition, when this condition is met;
- c) declared terminated by its members or founders; or
- d) terminated by a body so authorized;

provided in all cases that the legal person is cancelled from the registry following completion of the appropriate procedure for the settlement of the legal person's financial affairs.

The Association may merge only with another association or may be divided into associations only.

Apart from the general cases of dissolution of a legal person without succession, an association shall be dissolved without succession if:

- a) the association has fulfilled its purpose, or if achieving the association's objective is no longer possible, and a new objective has not been determined; or
- b) the number of members of the association remains below ten for six consecutive months.

PMI has the right to terminate the agreement with the Association and request the Association to adopt a resolution on dissolution if PMI Budapest or its executive officers do not comply with these Articles of Association or the guidelines procedural rules established by PMI or any provision or any agreement concluded with PMI.

If the Association does not convey any values to the members that are included in the objectives of PMI Budapest without any substantive reason, the Association accepts that PMI has the right to terminate with the agreement with the Association and request the Association to adopt a resolution on dissolution.

If the Association decides on its dissolution, the members of the PMI Buda Board shall inform PMI in writing and shall conduct the dissolution procedure in accordance with PMI's guidance and the rules of the Association.

If the Association is dissolved for any reason, its assets shall be distributed among the organisations defined by a General Meeting that has a quorum following the payment of the justified debts, in compliance with the legal regulations.

XIV. Miscellaneous provisions

With regard to any issue not regulated in this document, the provisions of the Civil Code, Act CLXXV of 2011 on the Freedom of Association, on Public-Benefit Status, and on the Activities of and Support for Civil Society Organisations and the currently effective other relevant legal regulations shall be applied.

These Articles of Association were approved by the General Meeting of the Association held on 15 April 2019.

I, the undersigned, László János Kremmer, Chairman of the Association, hereby certify that the text of the Memorandum of Association, in a consolidated structure, complies with the effective contents of the Memorandum of Association. The amendments are indicated in italics in the Memorandum of Association prepared in a consolidated structure.

Budapest, 15.04.2019

László János Kremmer
Chairman of the Association

Witnessed by:
Dated as above

1./ Name: _____ 2./ Name: _____

Address: _____ Address: _____

Signature: _____ Signature: _____