

ASSOCIATION STATUTE

consolidated with the amendments approved at the general meeting of the Assembly on April 30, 2017

I. Legal Status and Address of the Association

- 1.) Name of the Association: Klímabarát Települések Szövetsége
Name of the Association in English: Association of Climate Friendly Municipalities
Short version of the name: Klímabarát Települések
- 2.) Address of the Association: 23-25 Böszörményi Road, Budapest, 1126
- 3.) Area of Operation: International

II. Purpose and Activities

- 1.) The association brings together municipalities that have or are in the preparation of projects concerning climate change along with individuals who support the goals of the Association. The aims of the Association include:
 - a, promoting the formation of professional climate strategy, in accordance with the National Climate Change Strategy, in as many municipalities as possible and, on the basis of the member municipality's intention, the establishment of climate-friendly circles to implement the local climate project; providing a forum for member municipalities to exchange their experience and other information;
 - b, organizing and coordinating effective and sustainable energy management in Hungary, improving municipal operations and representing common municipal interests;
 - c, providing assistance to members by promoting international relationships (within the Carpathian Basin in particular) and by offering and sharing information about tenders;
 - d, representing the common interests of the members in climate protection matters;
 - e, issuing opinions and representing interests in questions concerning the draft versions of legislation affecting municipal rights or other decisions and the energy management of the entire country;
 - f, promoting the methods of effective energy management among local authorities and the public;
 - g, promoting the methods of sustainable environmental protection among local authorities and the public;
 - h, assistance in developing and implementing local energy policies, coordinated action for the introduction of technical guidelines to serve the interests of the municipalities;
 - i, promoting energy-awareness and education, strengthening the position of local authorities in the preparation of invitations to tender and the conditions of application;
 - j, supporting the preservation and development of surface and groundwater resources and wetlands;
 - k, exchanging up-to-date professional information on a national and international scale;
 - l, sharing know-how and experience among the members of the Association concerning their investments and projects aiming at the enhancement of sustainability;
 - m, promoting awareness about matters related to the profile of the Association,
 - n, in accordance with the goals of the Association, building broader interprofessional relations among local and regional municipalities, businesses, professional and civil organisations and scientific research centres;
 - o, promoting the adaptation of the results related to the purpose of the Association into the local and regional decision-making mechanisms;
 - p, providing further assistance to member municipalities.
- 2.) The Association operates in accordance with Act 175/2011 on the Right of Association, Non-profit Status, and the Operation and Funding of Civil Society Organisations.
With relation to points II/1. a)-d), the Association carries out the following public benefit activities:

- education,
- transfer of knowledge,
- scientific research,
- formulation of professional opinion,
- counselling,
- releasing printed and electronic publications,
- organisation of conferences and study visits and
- organisation of actions related to climate, nature and environmental protection.

3.) The Association carries out its non-profit activities with regards to the following public mandates:

- Scientific activity, research. [Section 53 of Act LIII of 1995 on the General Rules of Environmental Protection; Section 2 of Act LXXVI of 2014 on Scientific Research, Development and Innovation.]
- Nature conservation. The development of the culture of nature conservation, the transfer of knowledge related to the protection of nature involving state and local institutions and other organisations. [Act LIII of 1995 on the General Rules of Environmental Protection; subsection (1) of Section 64 of Act LIII of 1996 on Nature Conservation; paragraphs 3, 11, 12 of subsection (4) of Section 23 of the Act CLXXXIX of 2011 on Local Governments of Hungary.]
- Environmental protection. Local protection of environment and nature, water management, water damage remediation, drinking water supply, the treatment and disposal of waste-water (sewerage services), waste management [paragraphs 11, 19 of subsection (1) of Section 13 of the Act CLXXXIX of 2011 on Local Governments of Hungary.]

4.) Provisions concerning public benefit

4.1. The Association may carry out business or financial activities only in order to achieve its goals determined in its statutes and only if doing so does not hinder its public benefit objectives. The Association is only authorized to offer business activities that are directly related to the objectives of the Association.

4.2. The Association may not divide its revenues arising from its financial management and must spend them on public benefit activities determined in the statute.

4.3. The Association does not engage in political activities, its organisation does not depend on political parties and it does not support any of them financially, it does not nominates candidates either at parliamentary or local elections.

4.4. The documents related to the operation of the Association are free to examine and copy at own cost at a time during office hours previously arranged with the Chair of the Association. The examination of the documents can be requested in written form, by post or via the e-mail address of the Association. The Chair of the Association is required to complete requests within 8 (eight) working days after the notice of the request.

4.5. The decisions made by the collegiate bodies of the Association have to be published on the website of the Association, and, in addition, those directly affected by the decision are to be informed by post or, if their email addresses were submitted previously, electronically.

4.6. Assembly decisions that concern the funds to be provided through tenders related to the public benefit activity of the Association need to be published on the webpage of the Association within 30 (thirty) days after the decision.

4.7. At the same time of the approval of the annual report, the Association is obliged to prepare a public benefit annex. The public benefit annex of the Association has to be published on the webpage by no later than June 30 of the following year.

4.8. The Association is required to publish its services provided in connection to its public benefit activity along with the ways and conditions of the use of these services and related reports. The public benefit services of the Association may be used by anyone but the members of the Association with no restrictions.

4.9. The decisions of the Assembly and the Board of the Association have to be included in the register dedicated for this purpose and filled in separately by each body: the Book of Resolutions.

These register must contain:

- the content of the decision
- the validity of the decision
- the distribution of votes in favour of and against the decision, if possible, their names, and those who abstained or refrained from the vote.

4.10. The budget for the following year and the report about the economic management of the previous year are submitted to the Assembly for approval by the Chair.

An opinion on the annual report is issued by the Supervisory Board before the report is submitted to the Assembly.

The approval of the annual budget and the annual report (with its annexes) is decided by a simple majority of the votes cast.

5.) The Association shall use its assets according to its objectives, it may not divide them between the members and may not distribute profits to them.

III. Membership of the Association

1.) The members of the Association are the natural and legal persons (the founding members) who participated in the constituent meeting of the Assembly; while, after the constituent meeting, municipalities have the possibility to become full members.

2.) Full membership can be taken by any municipality

a) that makes a declaration of membership in accordance with the decision of the municipal council or the general assembly declaring its wish to become a member.

b) that agrees with the objectives of the Association, takes part in its operations and seeks to follow its climate friendly recommendations (<http://klimabarát.hu/ajanlas>).

c) that starts working on the climate friendly strategy of the municipality in close cooperation with the professional administration of the Association.

d) that pays the membership fee.

e) whose membership application is approved by a qualified majority by the board of the Association.

f) The member with a municipality status names a coordinator on behalf of the municipality who represents it in the Association during professional discussions that are necessary for achieving the fundamental goals of the Association, the preparation of professional issues to be submitted to the Assembly and the execution of the resolutions.

g) that prepares annual reports discussing the steps the municipality took in order to meet the climate friendly recommendations.

3.1.) Full members have the right to

- a) delegate and to be delegated into the bodies of the Association;
- b) initiate discussions on questions concerning the objectives and operations of the Association. Full members also have the right to make proposals and submit motions;
- c) participate in the activities and events organized by the Association, take part in the decision-making processes with a right to vote. Each member has the right to cast one vote.
- d) receive the services of the Association and claim the benefits of the membership.

3.2.) Full members are obliged to

- a) comply with the provisions of the Statute and other regulations of the Association as well as the resolutions of the bodies of the Association;
- b) complete duties previously assumed on a voluntary basis that are related to the operations of the Association and provide reasonable support for the Association in its efforts to attain its objectives;
- c) pay membership fees without undue delay;
- d) avoid risking the attainment of the objectives or the operations of the Association;
- e) regularly (at least once a year) inform the secretariat about the outcomes of the projects and investments related to sustainability, which were carried out within their own competence.
- f) help and support, in all the fields of its competence, the efforts of the Association to build broader interprofessional connections.

4.) The Board, with the unanimous decision of the members adopted by an open vote and having learnt the opinion of the Supervisory Board, can exclude the member, which

- a) behaves in a way that is incompatible with the objectives, the spirit or the statute of the Association, does not meet its duties previously assumed according to the Statute;
- b) seriously violates the legislation, internal rules or resolutions concerning activity within the Association.

Before the adoption of the decision, the Board provides the opportunity to the person/member to present their position in a written or oral form.

The decision to exclude the member shall be prepared in writing and include justification; justification must contain the facts and evidence that have served as a ground for the exclusion and, in addition, information about the available legal remedies. The decision must be communicated to the member.

Appeals against the resolution of exclusion may be filed to the Assembly, which shall put it on the agenda of their next meeting, discuss it and make a decision.

5.) Membership terminates

- a) following the submission of a written declaration to the Board, from the day of its receipt;
- b) in case the legal person ceases to exist without a legal successor;
- c) with deletion due to a delay in paying membership fees, if, despite repeated, demonstrably communicated, written requests with a warning about the consequences of non-payment, the member fails to pay membership fees overdue by more than six months;
- d) through exclusion;
- e) in case of a natural person through death;
- f) if the member fails to satisfy the conditions that the membership is made subject to in the Statute, the Association may terminate relationship in written form within 30 days. The decision about the dissolution is adopted by the Assembly of the Association.

6.) Financing membership:

- a) Any natural and legal person that agrees with the objectives and operations of the Association and wishes to provide support of financial, professional, moral or other nature to achieve them, can become financing member of the Association.
- b) Municipalities cannot apply for financing membership, only for full membership.
- c) In order to grant financing membership, a qualified majority of the Board is needed in open vote.
- d) Financing members can attend Assembly meetings in a consultative capacity, but they cannot vote, participate in the delegation of the officers or be delegated for offices. They can use the name and the logo of the Association only with a permission from the Board.
- e) A financing member is required to provide the contractually assumed financial contribution, to comply with the provisions of the Statute concerning them, and not to pose any risk to the realization of the objectives of the Association.
- f) A financing member commits to prepare its sustainability strategy.
- g) A financing member is expected to take sustainability into account when formulating its business policy.

IV. The Structure of the Association

The bodies of the Association: 1.) Assembly;
 2.) Board;
 3.) Supervisory Board;
 4.) Secretariat.

1.) The Assembly:

- a) The main body of the Association is the Assembly, that is, the whole of the members that rules on matters within its exclusive competence.
- b) Matters within the exclusive competence of the Assembly include:
 - the adoption and amendment of the Statute;
 - the election and recall of the Board and the Chair;
 - the election and recall of the members and the head of the Supervisory Board;
 - setting the sum of the annual membership fee and the adoption of the budget;
 - accepting the annual report and the public benefit annex;
 - the declaration of the merger the Association with another association or its dissolution;
 - settling appeals against a resolution of exclusion made by the Board.
- c) The general meeting of the Assembly shall be convened by the Board following either its own decision or the proposal (including the reason and the objectives) of at least one third of the membership. The Board adopts the agenda and sets the place and date of the meeting. A meeting shall also be convened on court order. At least one meeting shall be convened per year.

Invitation to the meeting shall include:

- the name and address of the Association;
- the date and venue of the Meeting;
- the agenda of the Meeting. The invitation shall come with the written proposals attached.

The Meetings of the Assembly are open to the public.

- d) The members shall be informed about the convocation by written notification at least 14 days before the set date. The notification shall be deemed to have been received also in case of notification through e-mail if the member has previously determined in writing their official e-mail address.
- e) At the same time with the convocation, the Board shall inform all of the members about its proposal for the agenda of the Meeting.

The agenda shall be detailed in a way that it allows those with a right to vote to formulate their opinions in the matters in question.

On an Assembly Meeting, decisions may be adopted in matters that were properly included in the agenda, unless all of those who are entitled to participate attend the Meeting and unanimously agree to discuss a question off the agenda.

Within 5 days from the publication and receipt of the invitation, the members and the bodies of the Association can request amendment to the agenda from the Board with justification.

The amendment of the agenda is to be decided upon by the Board. If the Board does not make a decision in the matter of the amendment for the agenda or declines the request, the Assembly decides upon the amendment separately before the decision concerning the adoption of the agenda.

é) Conduct of the Meeting

Having opened the meeting, the officers of the general assembly shall be appointed including a chairperson, a registrar and officials for authenticating the minutes of the meeting (who are also in charge of counting votes, if necessary).

The meeting is conducted by the Chair of the Association, if he/she is prevented from attending, the Deputy Chair shall be in charge of this task.

The registrar is called upon by the Chair. Non-members can also become registrars.

The chairperson shall ask two attending members to authenticate the minutes. They commit to be present throughout the entire meeting and to sign the minutes.

The Assembly shall decide on the appointment of the registrar and the signatories of the minutes (tellers) by vote.

Subsequently, the Assembly shall establish the quorum of the general meeting. The quorum shall be verified for each decision. A member who cannot vote in any of the matters shall be disregarded when establishing the quorum for the given decision.

If the quorum is established, the Assembly votes about the amendments for the agenda, then about the adoption of the agenda.

f) The quorum for the Assembly shall be established if at least 50% plus one of the members with voting right are present.

The decisions are adopted through the voting of the members. When adopting a decision, voting is not permitted to those

- who become exempt from duties or responsibilities by the decision or who are provided other benefits at the disadvantage of the Association;
- who will be contracted according to the decision;
- who shall be sued based on the decision;
- who have relatives interested in the decision, but are not members or founding members of the Association;
- who are related to (in terms of influencing or being influenced by) another organization that is interested in the decision; or
- who are personally interested in the decision.

If a member is not allowed to vote, he/she shall be disregarded when establishing the quorum for the decision.

Members who are natural persons shall attend the meetings in person, while, for legal persons, attendance is possible through a registered representative or a proxy. If a quorum cannot be established, the Meeting, without any change in the program, shall be convened on the date indicated in the invitation or within 2 weeks at the latest. The repeated Meeting, regardless of the number of the attendants, shall be conducted according to the original agenda, and quorum shall be established only if the members were previously informed about the consequences of absence in the invitation.

g) The Assembly adopts its decisions through open vote, with the simple majority of the attending, voting members. Amendments to the Association Statutes require a three-fourth majority decision of the voting members present. Amendments to the objectives of the Association and the dissolution of the Association require a decision adopted by a three-fourth majority of all members with a right to vote.

h) In the event of a tied vote the voting shall be repeated. In case that also ends in a draw, the proposal for decision shall be considered declined.

The decisions of the Assembly shall be recorded in the minutes. The minutes shall contain the subject, validity and time of the decision along with the number of votes and persons, if possible, in favour and against. The minutes shall be signed by the registrar, the Chair or, in case of absence, the Deputy Chair and the two signatories elected by simple majority.

- i) The dates and decisions of the meetings shall be published by the Association on its website.
- j) The members of the Board are obliged to attend the general meetings, where they are required to answer questions concerning the Association and to report on the operations and finances of the Association.
- k) In order to take the necessary actions, the Board is obliged to convene an Assembly Meeting, in cases when
 - the assets of the Association do not cover its debts due;
 - the debt is not expected to be paid by the time it is due;
 - the attainment of the objectives of the Association may be endangered.

At meetings convened for the reasons detailed in point k), the members shall act in order to rectify the conditions leading to the meeting or adopt a decision to dissolve the Association.

2.) The Board

- a) The governing body of the Association is the Board of 5 members, one of which is the Chair;
- b) The Chair and the Board are elected for 4 years by the Assembly. The Deputy Chair is elected from and by the members of the Board;
- c) The Board provides assistance in the work of the Chair, and develops and prepares the objectives of the Association;
- d) It shall adopt decisions about taking part in or launching tenders;
- e) It shall establish the organisational structure of the Association and has the right to make decisions in matters concerning the aims of the Association (except for those in the Assembly's area of competence) and to publish them as the decisions of the Association.
- f) The Board shall meet whenever necessary but at least once a year. The Board is convened by the Chair. The notification shall be deemed to have been received also in case of notification through e-mail if the member has previously determined in writing their official e-mail address.
- g) A meeting is convened properly insofar as the members of the Board and the head of the Supervisory Board have been notified in writing at least 8 days before the meeting and have been informed about the program in details.
- h) The quorum for the Board shall be established if the majority of its members attend the meeting. The Board adopts decisions by a simple majority of the attendees' votes. Any member of the Board may submit a proposal for the agenda. The agenda shall be detailed in the invitation. The Board may modify the agenda only if all of the members are present and agree with it.
- i) The meetings of the Board are open to the public. The Association shall publish the date and the decisions of the meetings on its website. (www.klimabarat.hu)
- j) The Board shall prepare minutes of the meetings. The minutes shall contain the subject, validity and time of the decision along with the number of votes and persons, if possible, in favour and against. One copy of the minutes shall be deposited into inventory according to points VII. 5-7. The minutes shall be signed by the registrar, the Chair or, in case of their absence, the Deputy Chair.

3.) The Supervisory Board

- a) The operations and financial management of the Association shall be supervised by Supervisory Board of 3 members. The Supervisory Board shall meet whenever necessary but at least once a year. The meetings shall be convened by the head of the Supervisory Board. The quorum shall be established if at least two members attend the meeting. The decisions shall be adopted through open vote, by simple majority. Upon request of two of the members, a meeting shall be convened.
- b) The members and the head of the Supervisory Board are elected for 4 years by the Assembly. In this matter, all members of the Association have the right to make a proposal.

c) The Supervisory Board shall control the operations and financial management of the Association. As a part of this, it may request reports from the management executives, ask for information and clarification from the employees of the Association, and it has access to the accounts and documents of the Association and may inspect them.

d) The Supervisory Board is obliged to inform and convene the managing body entitled to adopt measures upon gaining knowledge of any of the following:

- During the operations of the Association, an infringement of the law or an event seriously affecting the interests of the Association took place, the dissolution of which or the elimination of its consequences require a decision from a body entitled to adopt measures.

- Upon discovery of a fact that indicates the responsibility of a management executive.

The body entitled to adopt measures shall be convened upon the proposition of the Supervisory Board and within 30 days after its notice. If the convocation was not successful during this period, the Supervisory Board also may convene the governing body.

e) If the authorised body fails to adopt the necessary measures to restore lawful operation, the Supervisory Board is obliged to inform the body in charge of legal supervision.

4.) The Secretariat

The organisational structure and management of the Secretariat is the General Secretary's area of competence. They provide assistance to the Association, perform tasks related to general administration, coordination and execution and, in addition, prepares and executes the decisions of the meetings of the Assembly and the Board. The Secretariat coordinates the administration and financial management tasks related to the operations of the Association. The employees in charge of the activities of the Secretariat shall be employed by way of a contract or an employment relationship.

V. Chief Executives

1.)

a) The chief executives of the Association are the Chair, the Deputy Chair, the members of the Board, the head of the Supervisory Board and the members of the Supervisory Board.

b) The management executives, except for the Deputy Chair, shall be elected by the Assembly by 50% of the votes plus 1 person for a period of four years.

c) Before the mandate expires, a chief executive can be recalled by two-thirds of the votes of the Assembly, indicating the grounds and reason for the decision. Since the Deputy Chair is elected by the Board, the Assembly and the Board both have the right to recall them. The reason for recalling the Deputy Chair may include activities that might be contrary to the objectives of the Association, their violation of the Association Statute, the law, internal rules or resolutions concerning activities within the Association or if they have been given final custodial sentence or have been prohibited from participating in public affairs.

2.) The Chair's Duties and Areas of Competence

a) coordinates issues related to the operations of the Assembly and the Board, furthermore, conducting the Board meeting and the general meeting of the Assembly;

b) represents of the Association;

c) convenes the Board Meetings;

d) keeps in contact with other municipal associations, social and public management bodies, professional organisations, scientific institutions;

e) takes measures and decisions in cases that are conferred in the area of competence of the Assembly and the Board;

f) in between Board meetings, makes decisions in matters that require immediate measures. The Chair shall report on these decisions at the following Board meeting;

- g) exercises their power of signature to represent the Association in administrative and economic matters in order to guarantee the continuity in its operations;
- h) exercises their remittance power as authorized signatory by the financial institution;
- i) exercises autonomous signatory power;
- j) exercises their employers' rights over employees of the Secretariat and other departments;
- k) performs the tasks that are referred to them by the law, the Statutes or other rules of the Association, the Assembly or the Board;
- l) informs communications services about the operations of the Association, keeps in contact with the members of the Association.

3.) The Deputy Chair

The Deputy Chair is elected by the Board upon the Chair's proposal. If the Chair is permanently prevented from performing their tasks, the Deputy Chair shall take over their duties and powers.

4.) The Honorary Chair

The Association may elect an Honorary Chair from amongst its members for an indefinite period of time. Any person whose professional record and reputation is considered to be the ground for further contribution to the fulfilment of the goals of the Association may become Honorary Chair. The Honorary Chair is elected upon the proposal of the Board by two-thirds of the Assembly's vote. It is the task of the Honorary Chair to provide professional assistance to the Association and the Board.

5.) The Chair is authorised to represent the Association autonomously.

VI. Assets and Financial Management of the Association

- 1.) The members of the Association pay a membership fee, the amount of which is established by the Assembly upon the proposal of the Board.
- 2.) The assets of the Association may be increased by receiving or being awarded aids related to the objectives.
- 3.) The Association may not divide its revenues arising from its financial management and must spend them on public benefit activities determined in the statute.
- 4.) The Association shall not carry out investment activities. Along with the approval of the annual report, the Association is obliged to prepare a public benefit annex.

VII. Rules of Registration

- 1.) The revenues and expenditure of the Association that are in connection with its public benefit and business activities shall be registered separately.
- 2.) The revenues of the Association
 - a) aids for public benefit purposes and operating expenses that were received from or awarded by the sub-sectors of the general government;
 - b) revenue arising from public benefit activity or one that is directly related to it;
 - c) revenue arising from other activities that are in connection with the objectives or activities that are directly related to it;
 - d) the membership fees;

- e) other kinds of revenue, specified in legislation;
- f) revenue arising from business activities.

3.) The expenditure of the Association:

- a) direct costs incurred in public benefit activities (inputs, expenses);
- b) direct costs incurred in other activities related to the objectives (inputs, expenses);
- c) direct costs incurred in the business activity (inputs, expenses);
- d) indirect costs incurred in public benefit and business activities (inputs, expenses);
- e) other indirect costs, expenses that incur in the operations of the Association.

4.) As to the remainder, the respective standard accounting methods shall be employed for the registrations of the Association.

5.) The method of registration used by the Association is in accordance with the Act 175/2011 on the Right of Association, Non-profit Status, and the Operation and Funding of Civil Society Organisations.

6.) The documents of Association are held at the Mayor's Office of District XII (Hegyvidék), Budapest.

7.) Anyone may consult the documents that are connected to public benefit activity. Upon written request, the Chair provides the opportunity for consulting the documents at the Mayor's Office of District XII (Hegyvidék), Budapest (23-25 Bösörményi Road, 1126 Budapest).

VIII. Conflict of Interest

1.) In accordance with Sections 38-39 of Act 175/2011, the person who or whose relative, in accordance with the resolution,

a) is exempt from obligation or responsibility or

b) enjoys any other advantage or otherwise has an interest in the contemplated act

shall not participate in the decision making process of the governing, the administrative and the representative bodies.

Non-monetary services that anyone has unlimited access to within the allowances related to the objectives of a public benefit organisation and allowances related to the objectives provided to a member by the Association based on their membership status and in accordance with the statutes do not constitute an advantage.

2.) The person who

a) is a member or head of the governing, administrative and representative bodies,

b) has an employment relationship with the public benefit organisation that assigns them to other activity than those related to the mandate, unless otherwise specified in the legislation,

c) receives payment from the public benefit organisation in connection with its objective, except for the non-monetary services that anyone has unlimited access to within the allowances related to the objectives of a public benefit organisation and allowances related to the objectives provided to a member by the Association based on their membership status and in accordance with the statutes,

d) is a close relative of the persons determined in points a)-c),

may not become the head, member or auditor of the Supervisory Board.

3.) A person who had been an executive officer in a subsequently dissolved public benefit organisation for a period of at least one year within two years of the dissolution of that public benefit organisation, shall not be permitted to carry a function of a chief executive, if such public benefit organisation

- a) ceased to exist without a legal successor, without settling its tax or duty payment obligations registered by the governmental tax and customs authority;
- b) with regard to which the tax and customs authority established a tax debt of a significant amount;
- c) which the tax authority closed or imposed a fine instead of closing it; or
- d) the tax number of which the tax and customs authority suspended or deleted in accordance with the act on taxation.

4.) The chief executive or the person who is nominated shall inform in advance all of the affected public benefit organisations that they carry any function of the same sort at another organisation.

5.) The function of a chief executive must be of legal age and must have full legal capacity in the scope required to discharge their functions.

6.) If the chief executive is a legal person, this legal person is obliged to name the natural person who may perform the chief executive tasks in their name. The rules regarding the chief executives shall be applied to the person appointed.

7.) The chief executive shall perform their administrative tasks in person.

8.) The function of a chief executive cannot be filled by a person who has been sentenced to imprisonment for offence, until exonerated from the detrimental consequences of having a criminal record.

9.) The function of a chief executive cannot be filled by a person who has been prohibited from this occupation. A person who is prohibited from practicing the profession by a final judgment, within the time limit of the prohibition order, cannot be the chief executive of a legal person that carries out the activities detailed in the order.

10. For the period set in the prohibition order, the function of a chief executive cannot be filled by a person who has been prohibited from carrying chief executive function.

11. A member of the Supervisory Board must be of legal age and must have full legal capacity in the scope required to discharge their functions. The person against whom there are compelling reasons concerning chief executives and whose relative is a representative of the legal person, cannot be member of the Supervisory Board.

IX. Dissolution

The Association ceases to exist without a legal successor if

- a) it was founded for a fixed period and the time period has expired;
- b) its dissolution is subject to a certain condition which has been fulfilled;
- c) the members or the founding members declare its dissolution; or
- d) the authorised body terminates it

under the condition in all of the cases that, after the appropriate procedure to terminate the financial circumstances of the Association, the court shall delete the Association from the official register.

The Association ceases to exist without a legal successor also if

- a) the Association has achieved its goal or its attainment has become impossible and there is no new goal set; or
- b) for a period of 6 months, the number of the members does not reach 10.

In the matters that are not governed by the Statutes, the provisions of Act 5/2013 on the Civil Code, Act 175/2011 on the Right of Association, Non-profit Status, and the Operation and Funding of Civil Society Organisations and the other respective existing legislation are applicable.

This consolidated version of the Statutes was adopted at the General Meeting of the Association of Climate Friendly Municipalities on April 30, 2017.

Budapest, May 2, 2017

Kovács Lajos
Chair