

ISTER-GRANUM EUROPEAN GROUPING FOR TERRITORIAL CO-OPERATION LTD

STATUTES

The undersigned founding members,

- *with reference to* Regulation 1082/2006/EC on European Grouping for Territorial Cooperation adopted by the European Parliament and Council on 5 July 2006 (hereinafter: Regulation), to Act XCIX of 2007 on European Grouping for Territorial Cooperation adopted by the Hungarian National Assembly on 25 June 2007 (hereinafter: Act) and
- *having regard to* the principles and ethos of the Contracts, Statutes, Protocols, Declaration and Objectives included in the Preamble of the Convention (hereinafter: Convention) deciding on the foundation of the Ister-Granum Grouping for Territorial Co-operation Ltd

hereby set up a non-profit making organisation, having legal personality, according to the following:

Article I

OBJECTIVES OF THE GROUPING

1. The general objective of the Ister-Granum Grouping for Territorial Co-operation Ltd (hereinafter: Grouping) is the establishment and maintaining of the co-operation extending to the full range of regional development activities between its members (hereinafter: Members), within the boundaries of the delineated area specified in the Annex of the Grouping, and with regards to further areas affected by the cooperation, for promoting and strengthening economic and social cohesion.
2. The specific objective of the Grouping is that by the co-financing of the European Union, through the implementation of territorial co-operation programmes, by taking advantage of the legal personality of the Grouping, within the administrative boundaries of the delineated area specified in the Annex, and with regard to further areas affected by the cooperation to enable and assist promoting and strengthening economic and social cohesion.

Article II

TASKS OF THE GROUPING

1. The primary task of the Grouping is the implementation of territorial cooperation programmes and projects co-financed by the European Union.
2. Further tasks of the Grouping:
 - a) Within the scope of its objectives, the implementation of other specific actions, programmes, projects with or without financial contribution from the European Union;

- b) Within the framework of its independent management in order to achieve its objectives, with consideration to the limited responsibility role taken on, the continuation of company activity;
- c) Raising awareness to the competitive advantages occurring at local and national level of the territorial cooperation targeting the strengthening of economic and social cohesion within its operational territory, as well as to its cross border competitive advantages, to the fundamental conditions for achieving these competitive advantages, the process of obtaining them and the roles Members can undertake in this;
- d) Ensuring the human and financial resources and know-how necessary for achieving the objectives and implementing the tasks, the free flow of and data and information, and the widespread publicising of the achievements of the Grouping;
- e) Influencing of the decisions involving regional politics within the institutional framework created by the European Union;
- f) In case of adequate financial conditions are ensured the establishment and operation of representation in Brussels.

3. The working languages during accomplishing of the tasks of the Grouping: Hungarian and Slovakian.

Article III

LEGAL STATUS OF GROUPING

1. The Grouping is an independently managed non-profit organisation, which shall acquire legal personality on the day of registration, and as such it has full legal capacity. It may, in particular, have rights and obligations of any kind, acquire or dispose of movable or immovable property, and be a party of legal proceeding.

Article IV

MEMBERS OF THE GROUPING, HEADQUARTERS, TERRITORY, AND CREATION OF THE GROUPING

1. The Grouping is established by the local governments of the Hungarian and Slovakian settlements located in the territory of the Republic of Hungary and the Republic of Slovakia, referred to in the Annex attached to the present Statutes, for an indefinite period. Its territory is identical to the administrative territories of the establishing local governments.

2. The Hungarian name of the Grouping: Ister-Granum Korlátolt Felelősségű Európai Területi Együttműködési Csoportosulás

Abbreviated Hungarian name: Ister-Granum Korlátolt Felelősségű Csoportosulás.

Slovakian name: Európske zoskupenie územnej spolupráce s ručným obmedzením Ister-Granum.

English name: Ister-Granum European Grouping for Territorial Co-operation Ltd.

3. The country of the registered headquarters of the Grouping: Republic of Hungary. The headquarters of the Grouping: H-2500 Esztergom, Széchenyi tér 1, Republic of Hungary.

4. Members of the Grouping in addition to forwarding the necessary documents shall also inform their own Member State regarding their desire to participate in the Grouping. Based on the notification with consideration to the relevant legislation, the competent authority of the Member States shall approve the participation or by stating its reasons refuse it. The Grouping shall only be registered if each Member indicating their participation has the necessary Member State approval.

5. The court registration of the Grouping (through legal representative) shall be initiated before the Budapest Metropolitan Court. The Grouping shall commence its activity from the day of the order following the court registration becoming final.

Article V

FINANCIAL CONTRIBUTION OF THE MEMBERS OF THE GROUPING

1. The Members of the Grouping shall contribute to the running costs of the Grouping, from the start of the operation of the Grouping in the form of membership fees payable by bank transfer by 31st March each year (or in the first year the registration takes place after 31st March, within 60 days of registration).
2. The start up capital of the Grouping is the total amount of the membership fees paid in cash following the start of the operation.
3. Establishing the amount of the membership fee shall fall within the competence of the General Assembly. The amount of the membership fees approved at the time of foundation in case of Hungarian and Slovakian local governments are 20 HUF, and 2.50 SKK respectively per each permanent resident.
4. Of the Members of the Grouping the accounting and budgetary rules that will be applied, and regarding other financial arrangements Act LXXXI of 1996 (Taotv) on Corporation Tax and Dividend Tax, created primarily in accordance with Hungarian national law, Act C of 2000 on Accounting and Governmental Decree 224/2000. (XII. 19) on the reporting and accounting obligations of other organisations are applicable.
5. The first business year of the Grouping shall start with the day of the registration, and shall close with 31st December of the same year. Hereinafter the business year is identical with the calendar year.
6. Within 150 days of the balance sheet closing day of the given year the report of the Grouping shall be published in the Official Notices published as an annex to the Official Journal of Hungary.

Article VI

FINANCIAL LIABILITY OF THE MEMBERS OF THE GROUPING

1. Considering that the liability of at least one Member of the Grouping that was established under Hungarian national law, under the provision of Article 80 (3) of Act LXV of 1990 on local governments, is limited, the liability of this Member of the Grouping and other Member under the provision of the same legislation shall not exceed the amount of the asset contribution undertaken.
2. The founding Members of the Grouping established under Slovakian national law having regard to Article VI (1) *limit their own liability*.
3. Having regard to the limited liability in the name of the Grouping the expression “limited liability” shall appear.
4. The Grouping is responsible for the acts performed by its bodies towards third parties even if the acts are not included amongst the tasks of the Grouping
5. The Member, for the amount of asset originating from limited liability, even following the termination of membership shall undertake the liability for those obligations created during the membership.
6. The Grouping having regard to the limited liability is obliged to publish its Convention, Statutes and fundamental financial reports to the same extent that under the provision of Hungarian national law the other, limited liability legal entities publish their similar documents.

Article VII

LIST OF THE FOUNDING MEMBERS OF THE GROUPING

1. The list of the Members of the Grouping is contained in the Annex of the Convention. The extent of the territories expressed in Hectares belonging to the Member settlements and other Member organisations, increasing the operating territory of the Grouping, are also included in the above Annex.
2. Following foundation the change in the number of the Members as well as in the composition of the Grouping shall take place based on the decision of the highest authority of the Grouping by amending the Statutes. Methods of amendments in particular: joining, resignation, handing and taking over territory area, exchanging and uniting territory areas

Article VIII

THE LAW APPLICABLE TO THE INTERPRETATION AND IMPLEMENTATION OF THE STATUTES

1. The law applicable to the interpretation and enforcement of the Convention shall be the law of the Republic of Hungary, where according to the statutes of the Grouping it has its registered office.
2. The interpretation and enforcement of the Convention and the relevant regulations cannot be in contravention of a Member State's provision on public policy, public security, public health, public morality or public interest. In case such activity is carried out the specific Member State may prohibit that activity on the territory of the Grouping, or require those members which have been formed under its law to withdraw from the Grouping.
3. Such prohibitions shall not constitute a means of arbitrary or disguised restriction on territorial cooperation between the members of the Grouping.

Article IX

ARRANGEMENTS IN REGARDS TO MUTUAL RECOGNITION

1. Members of the Grouping not under Hungarian national law understand the application of the national law of the Republic of Hungary relevant to the Grouping, in accordance with the current Community law on the subject, and in harmony with the Convention and Statutes of the Grouping.
2. Members of the Grouping not under Hungarian national law understand the authority regarding the Grouping of the controlling authorities under national law of the Republic of Hungary, and the necessity of the assistance to be provided for performing their tasks.
3. The Members of the Grouping in case of a territory, which is affected by the activity of the Grouping where Community legislation overruling national legislation has not yet been accepted, the mutual recognition arrangements in force shall be applicable between the specific Member States.
4. Member States of the Grouping shall endeavour to ensure that the mutual recognition in the interest of strengthening the trust of the Member States in each others rules and procedures operates efficiently, especially for promoting cross-border administrative cooperation.

Article X

BODIES OF THE GROUPING , RULES OF PROCEDURES AND AUTHORITY

1.1. During its operation the Grouping, through its bodies, carries out mainly strategic and operational activities and within the framework of its actions, in particular: provides an opinion, takes a position, recommends, prepares, makes decisions and implements.

1.2. The bodies of the Grouping: General Assembly, Senate, Director, Committees, Work Organisation,

1.3. Officers of the Grouping: director, joint chairpersons (executive chair, deputy chair), the chairs of the Committees, members of the Supervisory Committee.

1.4. The representatives of the Members within the framework of the applicable legislation in the interest of assisting the normal operation of the Grouping shall enjoy rights and be subject to obligations. These rights in particular: right of initiative, right of opinion, advisory capacity, right of access.

1.5. The representatives of the Members may elect officers, can be elected to office. The obligations of the Members in particular: comply with the registration obligation specified for formation and joining, participate in the meetings of the general assembly and of other bodies, promoting the successful operation of the bodies of the Grouping, paying the membership fee in the specified amount, form and by the deadline.

2. The General Assembly

2.1. The highest decision-making authority of the Grouping is the General Assembly.

2.2. The permanent membership of the grouping is made up of the representatives of the Members of the Grouping, the number of which at the time of formation is 86 members. In case of the participation of several legal entities of one Member State, the legal entities shall still appoint their own representative.

2.3. The general Assembly has exclusive competence for:

- a) adopting the Convention and statutes, and amending or supplementing the Statutes;
- b) adopting the annual budget, adopting the report under the law on accounting, including the decision regarding the use of profit or loss after taxation;
- c) decision on the admission of new members, on the level of the membership fees and expulsion of a member (it is especially considered as a reason for expulsion if a member endangers the realisation of the objectives of the Grouping by their actions or behaviour, or fail to meet their obligation to pay the annual membership fee after negligence of one year and continues to default after a period of 90 days specified in the notice for settlement of the membership fee. Expulsion of a member can be initiated by the stating of the reason by any of the members. The General Assembly shall make a decision on the expulsion.
- d) the election, appointment, removal (reasons for removal: if the actions or behaviour of the Director is a breach of the objectives and interests of the Grouping, and these actions and behaviour continue despite a written notice from the Senate or does not fulfil their obligation despite a written warning from the Senate; committed crime; is in breach of the rules for conflicts of interest) and the determination of remuneration and wages as well as reimbursement of expenses of the Director;
- e) electing the members of the Senate, specialist committees and the Supervisory Committee, determination of their recall and remuneration;
- f) approving the conclusion of such contracts that are made by the Group with one of its members, its Director or the close relatives of those [Article 685. § b) of the Civil Code];

- g) enforcement of claims against the Director, the members of the Senate and the Supervisory Committee;
- h) resolution on the revocation of the Grouping without a registered legal successor;
- i) approval of the organisational and operational regulations;
- j) any other questions that are classified here by the applicable legislation or the Statutes.

2.4. The General Assembly shall meet at least twice a year.

2.5. In matters that the General Assembly has exclusive competency for, decisions are made by a 2/3 majority of the members present and being quorate, except point 2.3 (a). A unanimous vote is required for adopting and amending the Convention and Statutes.

2.6. The Grouping shall ensure adoption of its annual accounts by the General Assembly in compliance with the content of the law on accounting. Decision on the accounts and the use of the profit or loss after taxation in compliance with the law on accounting shall be made by the General Assembly only having obtained the written report of the Supervisory Committee.

2.7. Members of the General Assembly have equal voting rights. In the case of equal voting ratio the decisive vote is that of the executive chair.

2.8. The member may be represented at the General Assembly by a duly authorised person. The following persons cannot be authorised; the Director, Members of the Senate or the Supervisory Committee. The authorisation shall be embodied in an notarial act or in a fully substantiating deed.

2.9. The General Assembly in connection with the operation, activity and management of the Grouping is public, therefore in any questions connected to the operation, activity and management of the Grouping ensuring publicity is mandatory.

2.10. The Director shall convene the Members to the headquarters of the Grouping by providing the agenda and the proposals for decisions. The period between the date of which the letter of invitation is sent and the date of the General Assembly shall be no less than 8 days. When convening the General Assembly (and the repeated General Assembly) in addition to announcing the venue, date and agenda of the General Assembly, 8 days prior to the General Assembly the invitation shall be published on the website of the Ister-Granum Euroregion.

Quorum

2.11. The General Assembly has a quorum if more than half of the members are represented by those present. In case there is not a quorum, the General Assembly repeated for this purpose in the matters of the original agenda, independent of the number of representatives present has a quorum. Convening the General Assembly repeated in the case when there was not a quorum, can also take place in the original invitation. In the section of the invitation containing the conditions for a repeated General Assembly it shall be indicated that the repeated General Assembly in the matters of the original agenda, independent of the number of representatives present has a quorum. In this case the 8 day period reference to the above shall not apply.

Rules applicable for conflicts of interest

2.12. In the adopting of a resolution by the General Assembly and in making a General Assembly decision, during the decision making affecting the Grouping, a person who has or the member with a determining influence, or a close relative of such member (Article 685 *b*) of the Civil Code), or cohabitant (hereinafter jointly: relatives) cannot take part, pursuant to the decision:

a) exempted from the obligation and liability,

b) receives any other advantages, and otherwise involved in the operation to be concluded.

Non-cash benefits that are available for anybody do not count as an advantage within the framework of the target allowance of the Grouping.

Publicity of the Grouping

2.13. Minutes of each General Assembly meeting shall be drawn up. The minutes of meetings shall include the venue and date of the General Assembly, those present and the proportion of voting rights represented by them. From the minutes of the meeting the content, date and effect of the decision, and proportion of votes in favour, against, and abstaining and if possible, their person can be identified.

2.14. The minutes of meeting is signed by the Director and by a member, present in the General Assembly and elected as verifier. The decisions shall be entered immediately into the Book of Decisions. This obligation extends to decisions made by written voting.

2.15. The concerned shall be informed regarding the decisions within 15 days from their making and of their entry into the Book of Decisions by post. The Grouping shall only fulfil a shorter deadline, if that is required by the nature of the decision made. At the same time, for not less than 30 days, the text of the decisions made shall be posted on the public notice board at the headquarters of the Grouping. Members shall provide notice board surface regarding their notices at the headquarters of the members, at the latest on receipt of the order registering the Grouping.

2.16. The resulting documents in relation to the operation of the Grouping, based on preliminary agreement with the Director of the Grouping, are available for inspection or for making a copy at their own cost during the official operating hours of the Grouping. Requests regarding the inspection of the resulted documents can take place by telephone, in writing, by fax or by e-mail. The Director shall fulfil the request for inspection within 3 working days of becoming aware of it. When the Director is unavailable the Director shall find a replacement.

2.17. The annual accounts of the Grouping are public and are open for public inspection. The statutory place and date of its publication is in accordance with Article V (6). The annual accounts of the Grouping are also available for inspection on its website, and the publication of the accounts may also take place by posting them on the notice board.

3. Joint chairperson hereinafter chair (executive chair, deputy chair)

3.1. The general Assembly elects two joint chairs for the period of two years (executive chair, deputy chair).

3.2. The yearly changing joint chairs are Hungarian and Slovakian citizens. During the two year chair period the two joint chairs shall lead the General Assembly alternatively for one year each and shall perform the tasks of the executive and deputy chair.

3.3. The election of the chair shall take place based on territorial principal.

Territorial principle means the division of the entire territory of the Grouping to such units, which ensures without prejudice the objectives of the Grouping, in a democratic way the manifestation and assertion of the economic, cultural and cultural identity of the separable, larger geographical units.

3.4. The duties of the Executive Chair:

- a) prepares and leads the meetings of the General Assembly;
- b) between the meetings of the General Assembly directs the activity of the Senate;
- c) can make recommendations for the person of a new member to the general assembly,
- d) represents the General Assembly on the internal meetings of the Grouping, as well as in front of external bodies or organisations;
- e) co-operates in the implementation of the decisions of the General Assembly;
- f) directs the work of the professional committees and makes recommendations to the chair of the committee;
- g) concludes contracts, collaborates with the Director, exercises the contractual rights on behalf of the General Assembly regarding the Director;
- h) substitutes the joint chair heading the Regional Advisory Body;
- i) undertakes any other function referred within their competence by the General Assembly.

3.5. The duties of the Deputy Chair:

- a) collaborates with the Executive Chair of the General Assembly in directing the general activity of the General Assembly, substitute the Executive Chair in case of absence;
- b) in the interest of extending professional work initiates and maintains contact with different bodies and organisations as well as institutes;
- c) maintains contact with the professional committees;
- d) initiates, develops and maintains international professional contact
- e) initiates tender project plans to the Director.

4. Senate

4.1. The Senate is the managing body of the General Assembly, and it represents the General Assembly between two meetings. The Chair of the Senate is the current Executive Chair of the General Assembly.

4.2. The Senate is made up of 8 members. Its members: the current Joint Chair of the General Assembly, three delegated Hungarian and three delegated Slovakian General Assembly representatives who are delegated by the General Assembly. The term of office for the members shall be two years.

4.3. The Senate meet when necessary, but at least twice a year. The Senate is convened by the chair in writing by announcing the venue, the date and the agenda. The convening of the meeting, by indicating the reason at the same time, may be initiated by any member of the body, in this case the decision rests with the Chair regarding the convening of the meeting. Absence from the meeting shall be indicated by the member of the body in advance.

4.4. The Senate has a quorum if at least six of its members are present. The Senate makes its decisions by open vote and by majority, in the event of a tied vote; the Chair shall have the casting vote. If the quorum is not met, within 15 days at the latest the Senate shall be convened again. Any member may lodge an appeal against an unlawful decision of the Senate within 30 days to the General Assembly. The chair shall not vote in the matter.

4.5. The meetings are not public, but minutes of the meeting or notes shall be taken, and kept by the Chair.

4.6. The Chair occasionally invites the experts or other persons to the meetings, whose presence is important for the purpose of the discussed items on the agenda. Those invited shall be in an advisory capacity and have the right to express opinion.

4.7. The Senate shall lay down further rules governing its operation, the rules of implementation of its tasks, furthermore the division of labour between its members.

4.8. The tasks of the Senate shall be; proposing, reviewing, decision preparation, tasks assisting implementation.

4.9. The Senate when exercising its tasks

a) prepares decisions, in particular:

- in connection with convening and operation of the General Assembly;
- procedures in connection with the expulsion of a Member of the Grouping;
- in connection with the economic activity of the Grouping;
- in any other subjects referred to by the Chair;

b) organises the implementation in particular:

- in the interest of the implementation of corporeal or other managerial decision.

c) makes proposals in particular:

- for the renewal of the activity of the Grouping based on the positions taken by the professional committees,
- for the planning of projects, for improving their efficiency;
- for the development of the resources of the Grouping,

d) delivers an opinion regarding in particular:

- the work of the professional committees;
- the regulations of the Grouping;
- the draft submissions of the General Assembly;
- the reports of the Director.

5. Director

5.1. The Director of the Grouping:

Gyula Ocskay (18.05.1970, mother's maiden name: Mária Horváth) address: Esztergomi út 54, Pilismarót, 2028 (Hungary)

5.2. The terms of office for the Director shall be two a year period from the day of accepting the Statutes. Following the termination of the duties the Director may be re-elected for the post.

5.3. The Director shall perform their duty in the management of the Grouping with due diligence, with having primary regard to the interest of the Grouping. The Director shall be held responsible for any damage caused to the Grouping by their criminal breach of the relevant legislation, of the Statutes or their obligation of management, in accordance with the relevant legislation..

5.4. The duty of the Director shall only be performed in person, representation shall not take place.

5.5. The tasks not referred to the competence of the General Assembly, or the Senate shall fall under the competence of the Director.

5.6. The general duty of the Director:

Creating the conditions for long-term stable management as specified in the relevant legislation, in the Statutes, and in professional requirements, and ensuring continuing effectiveness in regard to the institutional operation of the Grouping.

5.7. Further tasks of the Director in particular:

- a) Coordinating the implementation of the tasks in accordance with the objective of the Grouping;
- b) the full legal, contractual, ethical, financial and administrative management of the Grouping; in case of a contract or an undertaking exceeding 5 million HUF or the equivalent in SKK or EUR obtaining the consent of the Senate;
- c) Coordinating the enlargement of the Grouping if required, preparing of appropriate documents,
- d) Providing information to the Senate, the General Assembly, the Professional Committees and the Work Organisation with information;
- e) presenting and auditing accounts;
- f) preparation of decisions falling within the exclusive competence of the General Assembly and of the Senate; collecting the accounts and reports prepared for decision preparation for the General Assembly and the Senate by the Professional Committees and the Work Organisation; preparation of aggregated interim and final reports;
- g) monitoring (the continuous monitoring of the fulfilment of the objectives, the financial and physical realisation of projects) and controlling (monitoring the effectiveness of the adoption to the environment, the improvement of and ensuring of) the Grouping, the creating and operating of processes;
- h) monitoring to what extent the result indicators, undertaken in the projects in line with the objectives, have been reached;

- i) representation of the Grouping, within the framework of this undertaking contractual rights and obligations;
- j) the operational management and control of significant procurements and investments affecting the entire Grouping;
- k) establishing partnerships, furthering own interests.;
- l) management of staff matters, management of agreements in connection with employment procedures and work contracts, exercising of employer's rights;
- m) right of proposal and consultation rights regarding the members of the Professional Committees and their Chairs;
- n) keeping a set of accounts of the Grouping in accordance with legislation;
- o) fulfilling the registration and publicity obligations regarding the Grouping in accordance with the relevant legislation;
- p) representation of the Grouping to the two member States affected, the European Union and to the institutions of a third country.

5.8. procuration from the part of the Director takes place by the Director alone, independently signing their name under the specified, pre-printed or printed company name of the Grouping.

5.9. One person may only be elected for office at a maximum of three companies, or economic entity. The elected person within 15 days of acceptance of the post shall inform in writing the companies and economic entities where they are already holding office.

5.10. The Director shall not be a senior official in another economic entity that exercises identical activities to that of the Grouping, except with the consent of the General Assembly. The General Assembly may give a general or individual consent in this question, however in the case of giving general consent, the fields of activity that the consent extends to shall be recorded in the decision.

5.11. Grounds for refusal regarding the Director of the Grouping are included in the relevant legislation, and the Director declares the non existence of these causes in the contract concluded with them.

5.12. The Director shall not acquire share in another economic entity that exercises identical activities to that of the Grouping, except with the consent of the General Assembly. The General Assembly may give a general or individual consent in this question, however in the case of giving general consent, the fields of activity that the consent extends to shall be recorded in the decision.

5.13. The Director of the Grouping or their close relatives shall not be elected as members of the Senate, the Supervisory Committee, or any of the Professional Committees or as an auditor of the Grouping.

5.14. No benefits in line with the objectives shall be granted to the Director of the Grouping, or to their close relatives, with the exception of services available to all without restriction.

6. Committees

6.1. Permanent professional committees of the General Assembly:

- External Relations Committee
- Human Resource Policy Committee
- Economic and Asset Management Committee
- Environment Protection Committee
- Industrial and Transport Committee
- Cultural and Tourism Committee

6.2. The professional work of the Committees is directed by the Chair elected from the members of the Committee. The organisational structure and operations of the Committees shall be detailed in the organisational and operational regulations.

6.3. The Professional Committees operate to a working plan, the design of which is the duty of the Chair of the Committees. The working plan contains the schedule for the meetings of the Professional Committee, its main tasks and the schedule of their implementation. The meetings of the Professional Committee are convened by the Chair based on the working plan at least twice a year and when necessary.

6.4. Between the meetings of the Professional Committee the Chair shall carry out the management of periodical matters, who shall inform the members of the Committees regarding their activities.

6.5. The Professional Committees during their operation:

- a) prepare professionally the General Assembly within their expertise;
- b) collaborate with the Working organisation;
- c) maintain contact with professional-scientific organisations and institutes within their professional field through the Chair of the Committee;
- d) maintain contact with other professional Committees of the General Assembly;
- e) initiate and make preparations for conferences and workshops.

6.6. The duties of the Chair of the Committee in particular:

- a) convene the Committee;
- b) heads the meetings of the Committee;
- c) signs the decisions of the Committee;
- d) submits the decisions of the Committee to bodies involved (primarily to the General Assembly);
- e) professionally supervising ongoing projects connected with the topic of the Committee.

7. Supervisory Committee

7.1. A Supervisory Committee operating at the Grouping consists of three members.

Members of the first Supervisory Committee:

1. László Szigeti (Búcs 1957. 08. 03., mother's maiden name: Mária Szabó) address: 943 01 Štúrovo, Kossuth u. 65., Republic of Slovakia;

2. Dr Géza Entz (Koložsvár, 24.05.1949., mother's maiden name: Erzsébet Klíma) address: 1118 Budapest, Ménesi út 70., Republic of Hungary;

Dr Jenő Hámory (Pécs, 29.09.1949, mother's maiden name: Ida Acsádi) address: 1016 Budapest, Mihály u. 5/b., Republic of Hungary.

7.2. The appointment of the members of the first Supervisory Committee shall last from the Statutes entering into force for two years. The members of the Supervisory Committee after expiry of the term in office may be re-elected and may be recalled by the General Assembly at any time.

7.3. A person elected as a member of the Supervisory Committee within 15 days of acceptance of the new post shall inform the companies and economic entities where they already hold office as member of a Supervisory Committee in writing, furthermore they shall also inform the Grouping regarding these office(s).

7.4. The Supervisory Committee membership shall be concluded by the election to be a member and by signing the declaration of consent.

Rules applicable for the operation and competency of the Supervisory Committee

7.5. The Supervisory Committee shall act collectively. The Supervisory Committee shall elect one of its members as Chair. The Supervisory Committee has a quorum if all of its members are present. Decision is made by simple majority.

7.6. The members of the Supervisory Committee shall perform their duties in person, representation shall not take place.

7.7. The meetings of the Supervisory Committee are convened and chaired by the chair. The Supervisory Committee shall meet as required, but at least once a year. The convening of the meeting, by indicating the reason, the objective and the agenda, may be initiated by any member of the Supervisory Committee in writing to the Chair, who shall act within 8 days of receipt of the initiation on the convening of the Supervisory Committee within thirty days. In case the Chair does not fulfil the request, the members themselves are authorised to convene the meeting.

7.8. The Supervisory Committee otherwise shall draw up its procedures which are then approved by the General Assembly.

7.9. If the number of the members of the Supervisory Committee fall below the number defined in the statutes, or there is no-one to convene its meeting, the Director of the Grouping shall convene the General Assembly for the re-establishment of normal operation of the Supervisory Committee.

7.10. The term of office of the members of the Supervisory Committee may differ from the period of the Director elected by the General Assembly, however the termination of duties may only take place after the adoption of the public-interest report regarding the last business year that falls within the period of their activity.

7.11. The members of the Supervisory Committee shall have unlimited joint and several liability for any damage caused by breaching their inspection obligation to the Grouping.

7.12. The Supervisory Committee checks the operation and management of the Grouping, approves the conclusion to those contracts or undertakings that exceeds the value of 5 million HUF. For that purpose it may request a report from the Director, information from the employees of the Grouping, furthermore may inspect and examine the accounts and documents of the Grouping.

7.13. A member of the Supervisory Committee shall take part in the General Assembly with consultational and reporting rights.

7.14. The Supervisory Committee shall inform the General Assembly and initiate its convening, if it becomes aware in the activities of the Grouping of any offence or any event (failure) which seriously infringe the interest of the Grouping taking place (realised), the termination and/or the elimination and alleviation of its consequences of which shall necessitate a decision by the General Assembly.

The General Assembly at the request of the Supervisory Committee, within thirty days of the request being made, shall be convened. In case of unsuccessful passing of this deadline, the Supervisory body is also authorised to convene the General Assembly.

7.15. In case the General Assembly shall does not take the necessary measures in order to re-establish legal operation, the Supervisory Committee shall inform immediately the competent registry court for the headquarters of the Grouping that provides legal supervision.

7.16. For the proposed new members, the non existence of the rules concerning conflict of interest in connection with membership of the Supervisory Committee, shall be evidenced by the signing the acceptance declaration.

8. Work organisation

8.1. Based on the decision of the General Assembly the administrative tasks of the Grouping, the preparation and implementation of decisions shall be carried out by a work organisation of its own or by contractual appointment.

8.2. In case of an own working organisation, the Director shall provide tasks for the Work Organisation, manage the operational functions and exercise the Employer's rights over the employees.

8.3. In case of a contractual working organisation (not from the bodies of the Grouping), the Director shall provide tasks for the Work Organisation, however the Director does not directly influence its operational functioning and does not exercise the Employer's rights over the employees of the Work Organisation either. The details of the cooperation of the Grouping and the Working Organisation are covered by a contract, which is approved by the Senate and the Director.

Article XI

AMENDING THE CONVENTION, STATUTES

1. Any member of the Grouping can recommend amending of the Convention or the Statutes.
2. The proposed amendment text shall be submitted in writing to the Director of the Grouping, who before the meeting of the General Assembly, by leaving not more than 60 days for the interpretation of the amendment and for wording of the proposal, shall inform all of the Members in writing. Sufficient time shall be left for the members for the interpretation of the amendment and for establishing a position.
3. Member States shall make every effort to ensure that an agreement is reached based on consensus regarding the proposed amendments. In case no consensus is reached by the members, for the adoption of the amendment, the 2/3 majority vote of the Statutes is necessary by the members present with voting rights at the meeting of the highest authority.
4. The Budapest Metropolitan Court shall be notified regarding the amendment within 30 days of approval. The provisions relating to the newly established Grouping shall be applicable to the rules connected with the transfer of the amendment.

Article XII

CONTROL, SUPERVISION

1. The auditing of utilised funds by the Grouping is carried out by authorities defined under Hungarian national law.
2. With consideration to Article 6 of the Regulation, in accordance with the specification of the Act, the State Audit Office of Hungary is authorised to audit the management of the Grouping. When necessary, on the grounds of the decision of the General Assembly, the appointment of an independent Auditor may take place.
3. The auditing of finances provided by the Community is carried out by the Hungarian Government Control Office, whilst with regard to the funds provided by the central budget, the control of this is carried out by bodies specifically authorised for this in separate legislation
4. The auditing of the Grouping is performed by the competent public prosecutor's department in accordance with relevant law.

Article XIII

SETTLEMENTS OF DISPUTES, LEGAL REMEDIES, JURISDICTION

1. If between two or more members dispute arises in connection with the interpretation or application of the Statutes, the members try by negotiation or in other peaceful way to rectify the question in debate.

2. In case any decision made by the Grouping or by its bodies prejudices the right or the legitimate interest of a member, the member concerned may contest the decision before the Budapest Metropolitan Court within a 30 days objective (limitation) period.
3. In case of disputes involving more than one Member State the Community legislation on jurisdiction is applicable.
4. Third party who considers themselves wronged by the acts and the omissions of the Grouping shall be entitled to pursue the Grouping at the court of its headquarters.

Article XIV

ACCEPTANCE, APPROVAL AND ACCESSION

1. The founder members accept this present Statute by the signature of their duly authorised representatives.
2. New members to the Grouping may join in accordance with the specifications of the Regulation, the Act and Statutes from the day of the registration of the Grouping.

Article XV

THE OPERATION AND TERMINATION OF THE GROUPING

1. The Grouping shall operate from the day of registration with the court until an indefinite period. By amending the Statutes the operation period may be changed for a fixed-term.
2. The cases for the termination of the Grouping are included in the applicable law.
3. The Grouping shall cease to exist only without a successor, in which case, except the cases of the application of Act XLIX of 1991 on Bankruptcy Proceedings, Liquidation Proceedings and Voluntary Dissolution, the Grouping shall be wound up. The Regulation 1082/2006/EC of the European Parliament and of the Council on a European grouping of territorial co-operation (Regulation) and Act XIXC of 2007 on European Grouping for Territorial Cooperation (Act) shall be applicable for the cases of initiation of the winding up procedure.
4. The Grouping shall cease to exist only by deletion of registration with the Budapest Metropolitan Court.

Article XVI

AUTHENTIC TEXT

1. The Present Statute was written in the Hungarian language, and an authentic translation was made in the Slovakian language. An original, authentic copy of both texts is each deposited with the Director of the Grouping.
2. The Members have jointly read and interpreted the Statutes, found it identical to their will in everything and by their duly authorised representative signed it on today's date.

Article XVII

ENTRY INTO FORCE

1. This present Statute, together with the Annex in compliance with Article 1 (1) shall enter into force on the day of signing.
2. In questions not regulated in the Statutes, the relevant provisions of the up-to-date legislation are applicable.

Esztergom, 07. 03. 2011

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Éva Tétényi
executive chair