

# **STATUTES OF THE HUNGARIAN DISTRICT HEATING ASSOCIATION**

- in accordance with the provisions of Act V of 2013 on the Civil Code -  
Consolidated text with amendments

Amended by the General Assembly on April 18, 2024

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The General Assembly of the Hungarian District Heating Association (in these Statutes: the Association) hereby adopts the following Statutes in accordance with the provisions of Act V of 2013 on the Civil Code and Act CLXXV of 2011 on the right of association, the status of public benefit and the operation and support of non-governmental organisations.

## **1. LEGAL STATUS OF THE ASSOCIATION**

### **1.1. The name of the Association:**

- a) Full name: Hungarian District Heating Association
- b) Short name: MaTáSzSz
- c) English full name: Hungarian District Heating Association

### **1.2. The headquarters of the Association:**

1116 Budapest, Fehérvári út 126-128.

### **1.3. The status of the Association:**

The Association is an independent legal entity.

### **1.4. The year the Association was founded:**

1993

### **1.5. The geographical scope of the Association's operations:**

A social organisation with a national scope.

### **1.6. The Association's registration number:**

01-02-0005622

### **1.7. Seal:**

Stamps containing the name of the strip.

### **1.8. The working language of the Association is Hungarian.**

## **2. PURPOSE AND TASKS OF THE ASSOCIATION**

### **2.1. Activities of the Association**

- 2.1.1. The Association is an independent legal entity, a professional interest representation organisation bringing together the business organisations of district heating suppliers and/or district heating producers holding an operating licence under Act XVIII of 2005 on District Heating Services, as well as district heating industry organisations contributing products or services to the activities of district heating suppliers and/or district heating producers, and other organisations professionally related to district heating services.

### **2.2. The mission of the Association**

- 2.2.1. The Association acts sensitively to the needs of different social actors and to changes in the social environment;
- 2.2.2. its openness, professional competence and credibility make it an indispensable player in the domestic energy sector;
- 2.2.3. influences the decision-making mechanisms in the sector, in the interests of district heating consumers and in coordination with the professional and economic interests of district heating suppliers;

2.2.4. is at the forefront of innovation, environmental and climate protection and energy efficiency.

## 2.3. Objectives of the Association

### 2.3.1. Sectoral advocacy

- 2.3.1.1. It reconciles, mediates and represents the interests of its members and the district heating service from a professional and economic point of view before the state administration and local authorities, as well as in its relations with other social groups and professional interest groups.
- 2.3.1.2. Based on the coordinated opinion of its members, it takes a position on government and municipal decisions and drafts legislation concerning the operational regulation, management and development opportunities of district heating and district heating production.
- 2.3.1.3. The Association represents the interests of employers in the district heating sector.
- 2.3.1.4. During the preparation of legislation, the Association represents the agreed-upon interests to ensure the realization of its goals.
- 2.3.1.5. It monitors the practical implementation of the legislation applicable to its members and initiates the review, amendment and drafting of new regulations and measures with the competent bodies.
- 2.3.1.6. It keeps its members informed about the government's long-term and timely general economic and development goals, economic and development policy ideas.
- 2.3.1.7. Together with the Members, it develops and maintains professional ethical standards specific to the profession, ensures that they are upheld and acts against behaviour that deviates from generally accepted standards.
- 2.3.1.8. Represents the profession to the press and the public.

### 2.3.2. Knowledge sharing

- 2.3.2.1. The Association promotes the dissemination of knowledge and best practices within the profession by obtaining professional information, organising professional days and running committees.
- 2.3.2.2. It contributes to the development of the district heating sector in Hungary by sending and receiving professional delegations and organising professional programmes.
- 2.3.2.3. It provides its members with regular information on changes affecting district heating services and production.
- 2.3.2.4. It assists Members by publishing general conditions, recommendations and guidelines on professional and organisational matters relating to services, management and business.
- 2.3.2.5. It promotes the understanding of innovative technologies and R&D results in the district heating sector and supports them in the light of their potential.
- 2.3.2.6. Primarily through its members, it promotes the introduction and dissemination of advanced technologies, solutions, processes, etc.

### 2.3.3. National and international cooperation

- 2.3.3.1. The Association establishes and maintains information and decision-preparation relations and cooperation with all those local government, social and business organisations and interest groups where the interests of the Members require and justify it.
  - 2.3.3.2. In matters relating to its field of activity, it liaises with the competent ministries and parliamentary committees, local authorities, and professional and other social organisations.
  - 2.3.3.3. As a member, it may participate in the work of Euroheat & Power.
  - 2.3.3.4. It represents its members' interests in Euroheat & Power and other international organisations in the field of district heating and energy production and supply. It may represent Members in international associations and forums.
  - 2.3.3.5. It maintains contacts with foreign professional organisations and associations, with which it organises direct contacts of its membership within the framework of reciprocal agreements.
  - 2.3.3.6. It assists its members with international contacts.
- 2.3.4. Developing business relationships
- 2.3.4.1. It promotes the development of the business activities of district heating suppliers, district heating producers and members of the district heating industry in a competitive manner and the establishment of business relations.
- 2.3.5. Education, training
- 2.3.5.1. The Association promotes high-quality Hungarian professional education in cooperation with educational institutions and governmental bodies.
  - 2.3.5.2. It organises and provides professional, economic training and further training for its members' employees.
- 2.3.6. Shaping mindsets
- 2.3.6.1. Through its own activities and the activities of its members, the Association contributes to increasing the social acceptance of district heating and raising awareness of the role of district heating in increasing energy efficiency and in environmental and climate protection by actively communicating and organising events.
- 2.3.7. Good offices activity
- 2.3.7.1. The Association performs conciliatory and good offices functions in the settlement of disputes between its members.
- 2.4. Running a professional database on district heating
- 2.4.1. The Association operates a data collection and market data analysis system for the district heating sector as a sector in its own right (hereinafter referred to as the "District Heating Database").
  - 2.4.2. The aim of the District Heating Database is to

- 2.4.2.1. Establishing an information base to inform Members, providing an information background for sectoral regulation.
- 2.4.2.2. To provide the professional basis for the Association's initiatives, national and international sectoral relations and advocacy activities.
- 2.4.2.3. Supporting the informed preparation of the Association's recommendations and resolutions.
- 2.4.2.4. Supporting sectoral cooperation for the professional development of the sector and promoting the wide dissemination of best practices.
- 2.4.3. The Office of the Association, under the direction of the Secretary General, is responsible for the overall data management of the District heating professional database.
- 2.4.4. The District heating professional database consists of three separate, but functionally unified parts, according to the district heating supplier, district heating producer and district heating industry sections.
- 2.4.5. No personal data can be processed in the District heating professional database.
- 2.4.6. The content of the District heating database is proposed by the Office of the Association, in consultation with the Committees, and approved by the Board of Directors.
- 2.4.7. Failure to provide information in relation to the District heating professional database constitutes a serious breach of the obligation to provide information. If a Member is in serious breach of its obligation to provide information, it shall not be entitled to the benefits of membership until it has fulfilled its obligation to provide information.
- 2.5. Additional (business) activities of the Association
  - 2.5.1. The Association may carry out entrepreneurial activities in order to achieve its objectives and ensure the economic conditions of its operation.
  - 2.5.2. The Association conducts its business activities in a manner consistent with fair market competition.
  - 2.5.3. The Association may not distribute the profits made in its business activities but may use them exclusively for its activities in accordance with the basic objective defined in the Statutes.
- 2.6. The core activities of the Association, as defined by its purpose
  - 2.6.1. The core activities of the Association are the activities carried out in pursuance of the objectives set out in the Statutes, as listed in Annex 1, according to the TEÁOR classification, and the deposit and rotation of free funds in deposits and securities.

### **3. MEMBERSHIP OF THE ASSOCIATION, MEMBERSHIP FEES, VOTING RIGHTS**

- 3.1. Membership of the Association may be, according to its legal status
  - 3.1.1. Regular Member,
  - 3.1.2. Member for District Heating Industry Division and
  - 3.1.3. Associate Member.
- 3.2. Regular Member

3.2.1. Regular Members of the Association may be economic entities with a district heating supplier and/or district heating production licence subject to Act XVIII of 2005 on District Heating Services, which accept the Statutes and the Code of Ethics of the Association as binding and comply with the conditions set out in the Statutes.

### 3.3. Member for District Heating Industry Division

3.3.1. Membership of the Association's District Heating Industry Division is open to any domestic or European Economic Area member or Swiss-based or established business organisation, individual entrepreneur, which, with its activities, products manufactured or distributed by, or the services it provides are connected with the district heating supply and/or district heating production activities of the Regular Members, and that it accepts the Statutes and Code of Ethics of the Association and the Rules of Operation and Election of the District Heating Industry Division as binding on itself and complies with the conditions set out in the Statutes.

### 3.4. Associate Member

3.4.1. Associated professional organisations, educational and research institutions, public benefit organisations, foundations, associations, public bodies and other legally qualified organisations with their registered office or place of business in Hungary, which have been established for the primary purpose of non-profit activities (non-profit organisations) and which meet the conditions set out in the Statutes, may become Associate Members of the Association.

### 3.5. Membership procedure

#### 3.5.1. Documents required to become a Regular Member

3.5.1.1. Regular Members join the Association directly on a voluntary basis.

3.5.1.2. Admission to the ranks of Regular Members of the Association may be initiated by a written declaration addressed to the Board of Directors of the Association and sent to the Office of the Association, accompanied by:

3.5.1.2.1. a declaration that the applicant has read the Statutes and the Code of Ethics of the Association and accepts to be bound by them,

3.5.1.2.2. a membership application form containing a commitment to pay the membership fee in force at all times during the membership period,

3.5.1.2.3. a copy of the valid operating licence issued by the Hungarian Energy and Public Utility Regulatory Office.

#### 3.5.2. Documents required to become a member of the District Heating Industry Division

3.5.2.1. Membership of the District Heating Industry Division may be initiated by a written declaration addressed to the Board of Directors of the Association and sent to the Office of the Association, accompanied by:

3.5.2.1.1. a declaration that the applicant has read the Statutes, the Code of Ethics and the Rules of Procedure and Elections of the District heating Industry Section of the Association and accepts the obligations contained therein as binding,

3.5.2.1.2. a declaration of commitment to pay the membership fee in force at all times during the membership period,

3.5.2.1.3. the recommendation of at least two Regular Members and at least two District Heating Industry Division holding a district heating operating licence,

3.5.2.1.4. the decision of the Board of Directors to establish membership of the District Heating Industry Division must be accompanied by the decision of the District Heating Industry Division's Executive Committee to admit the member.

### 3.5.3. Documents required to become an Associate Member

3.5.3.1. Associate Membership may be initiated by a written declaration addressed to the Board of Directors of the Association and delivered to the Office of the Association, accompanied by:

3.5.3.1.1. a declaration that the applicant has read the Statutes and the Code of Ethics of the Association and accepts the obligations contained therein as binding,

3.5.3.1.2. a declaration of commitment to pay the membership fee in force at all times during the membership period,

3.5.3.1.3. a copy of its articles of association, clearly showing that its activity is linked to the district heating sector.

### 3.5.4. Decision on the admission of members

3.5.4.1. On the basis of a written declaration that meets the substantive and formal requirements, the Secretary General submits a proposal to the Board of Directors for a decision on the admission of members. The Secretary General shall inform the applicant in writing of the Board of Directors' decision within 8 days of its adoption.

3.5.4.2. Membership starts on **the date of** acceptance of the application for membership by the Board of Directors of the Association.

3.5.4.3. An appeal against a decision of the Board of Directors rejecting an application for membership may be lodged by the applicant within 15 days of receipt of the decision, addressed to the General Assembly and sent to the Office of the Association. The appeal shall be considered at the next meeting of the General Assembly. The General Assembly shall decide on the appeal by a simple majority of the votes present. If the General Assembly upholds the appeal, it shall at the same time annul the Board of Directors' decision not to admit the member.

3.5.4.4. There is no further right of appeal within the Association against the decision of the General Assembly upholding the refusal to admit a member.

## 3.6. Termination of membership

### 3.6.1. Membership is terminated:

3.6.1.1. when the Member leaves,

3.6.1.2. by termination of membership by the Association,

3.6.1.3. the Member ceases to exist without legal succession (deletion),

3.6.1.4. by revoking or withdrawing the operating licence of the Regular Member;

3.6.1.5. by excluding the Member.



### 3.6.2. Leaving

- 3.6.2.1. The member must send his/her written and duly signed resignation addressed to the Board of Directors of the Association to the Office of the Association. It may also be sent electronically from the Member's e-mail address registered with the Association. Membership shall terminate on the date indicated in the declaration. Failing this, the date of termination of membership shall be the date of receipt of the withdrawal declaration.

### 3.6.3. Termination of membership by the Association

- 3.6.3.1. The Board of Directors may terminate the membership of a member in writing, subject to a 30-day notice period, if the member fails to demonstrate compliance with any of the requirements for membership otherwise required for membership in accordance with the Statutes, despite a prior request to do so, after a maximum period of 6 months for compliance.

### 3.6.4. Termination without succession (Deletion)

- 3.6.4.1. A Member shall be deleted if the legal person Member ceases to exist without successor. In this case, the date of termination of membership shall be the date on which the decision of the authority or court declaring the Member to be dissolved becomes final (becomes enforceable).

### 3.6.5. Surrender or withdrawal of the licence of an Regular Member

- 3.6.5.1. An Regular Member shall be deleted if it has surrendered its district heating licence or its district heating producer licence or if it has had its licence withdrawn by the authorising authority. The date of termination of membership in this case shall be the date of termination of the operating licence.

### 3.6.6. Exclusion

- 3.6.6.1. If a Member, despite a written request from the Secretary General, fails to fulfil its obligations under the Statutes, in particular, **but not exclusively**, if it fails to pay, **or pays only in part**, the annual membership fee or any other payment due to the Association within 3 months of the due date, or if its activities are manifestly prejudicial to the interests of the Association or if it commits a serious ethical offence, the Board of Directors, on a proposal from the Secretary General, shall be entitled to exclude the Member from membership of the Association.
- 3.6.6.2. In the event of a serious breach of the interests or ethical standards of the Association, any member of the Association may appeal to the Secretary General or the Board of Directors. The Board of Directors may request an investigation by the Ethics Committee. The Board of Directors shall take its decision on the basis of the examination and recommendation of the Ethics Committee.
- 3.6.6.3. The exclusion of a Member shall be decided by a secret ballot of a two-thirds majority of the members of the Board of Directors present. If the exclusion concerns a Member of the District Heating Industry Division, the proposal of the Board of Directors of the District Heating Industry Division must be requested in advance.

- 3.6.6.4. The Secretary General shall ensure that the reasoned decision of exclusion is sent to the person concerned within 8 days of its adoption.
  - 3.6.6.5. A Member may request the General Assembly to review the Board of Directors' decision to exclude it within 8 days of receipt of the decision. The appeal to the General Assembly must be sent to the Office of the Association. The appeal shall have suspensive effect on the implementation of the Board of Directors decision. The General Assembly shall be convened by the Board of Directors within 30 days of the request of the Member concerned by the exclusion. The General Assembly shall decide on the appeal by a simple majority of the votes present. If the decision of the General Meeting upholds the appeal, it shall at the same time annul the Board of Directors' decision to exclude the Member.
  - 3.6.6.6. No further appeal shall lie within the Association against a decision of the General Assembly confirming the imposition of a Board of Directors sanction on a Member.
- 3.6.7. The Member's obligation to pay membership fees shall continue until the date of termination of membership. In the event of expulsion, the membership fee paid for the period beyond the date of expiry shall not be refundable.
- 3.6.8. A former member, its affiliated or partner company, as well as any related company of the former member's owners, whose membership was terminated through exclusion as per Section 3.6.6., may not establish membership with the Association within five years from the date of exclusion.
- 3.7. Rights and obligations of the members of the Association
- 3.7.1. A Member exercises its rights and fulfills its obligations through its representative, proxy, or agent in accordance with the rules governing the company's signatory authority. The Member's representative may only be an executive officer, employee, or a natural person in a long-term agency relationship with the Member, and the authorization or mandate for representation must be documented in writing.
- 3.7.2. Rights of a Regular Member of the Association
- 3.7.2.1. With the exception of the position of the Executive Board of the District Heating Industry Division, the Association may nominate candidates for elective office, or, in the case of an office held by a natural person, by his/her representative or proxy.
  - 3.7.2.2. Through its representative or proxy, the Member may participate in the General Assembly of the Association with voting rights in the adoption of resolutions and recommendations.
  - 3.7.2.3. In accordance with the provisions of applicable laws and the Articles of Association, the Member may initiate the convening of the General Assembly and propose items for its agenda.
  - 3.7.2.4. The Member may submit proposals and initiatives to the General Assembly and the Board of Directors.
  - 3.7.2.5. The Member may nominate individuals to serve on the Committees of the Association.
  - 3.7.2.6. A Regular Member elected to the Board of Directors may participate, through its designated representative, with voting rights in the discussions and decisions on proposals presented at meetings of the Board of Directors.

- 3.7.2.7. The Member may initiate the removal of the Association's officeholders, except for members of the Executive Board of the District Heating Industry Division.
- 3.7.2.8. The Member may utilize the services provided by the Association.
- 3.7.2.9. The Member may indicate its membership in the Association on official letterheads and communication platforms.
- 3.7.2.10. Through its representative or proxy, the Member may inspect documents related to the operation of the Association, excluding personal data, in the presence of the President or the Secretary-General.

### 3.7.3. Obligations of a Full Member of the Association

- 3.7.3.1. Comply with the provisions of the Statutes and other regulations of the Association and with the decisions of the bodies of the Association.
- 3.7.3.2. To fulfil its mandatory and voluntary tasks in relation to the activities of the Association.
- 3.7.3.3. To provide mandatory and ad hoc data requested by the Association.
- 3.7.3.4. Pay the membership fee on time and fulfil any other payment obligations to the Association.
- 3.7.3.5. Comply with the ethical standards adopted by the Association.
- 3.7.3.6. To refrain from any conduct that is contrary to the Statutes, interests and reputation of the Association.

### 3.7.4. Rights of a Member of the District Heating Industry Division of the Association

- 3.7.4.1. Through its representative or proxy, the Member may participate in the General Assembly of the Association with the right to deliberate.
- 3.7.4.2. Through its representative or proxy, the Member may participate in meetings of the District Heating Industry Division with voting rights.
- 3.7.4.3. Through its representative or proxy, the Member may be elected to and vote for positions open to members of the District Heating Industry Division.
- 3.7.4.4. Through its representative or proxy, the Member may propose items for the agenda of the General Assembly or the Members' Meeting of the District Heating Industry Division.
- 3.7.4.5. Through its representative or proxy, the Member may submit proposals and initiatives to the General Assembly, the Board of Directors, and the Executive Board of the District Heating Industry Division.
- 3.7.4.6. The Member may nominate individuals to serve on the Committees of the Association.
- 3.7.4.7. The Member may utilize the services provided by the Association.
- 3.7.4.8. The Member may indicate its membership in the Association on official letterheads.
- 3.7.4.9. Through its representative or proxy, the Member may inspect documents related to the operation of the Association, excluding personal data, in the presence of the President or the Secretary-General.

3.7.5. Obligations of a Member of the Association's Section for the District Heating Industry Division

- 3.7.5.1. Comply with the provisions of the Statutes and other regulations of the Association and with the decisions of the bodies of the Association.
- 3.7.5.2. To fulfil its mandatory and voluntary tasks in relation to the activities of the Association.
- 3.7.5.3. To provide mandatory and ad hoc data requested by the Association.
- 3.7.5.4. Pay the membership fee on time and fulfil any other payment obligations to the Association.
- 3.7.5.5. Comply with the ethical standards adopted by the Association.
- 3.7.5.6. To refrain from any conduct that is contrary to the Statutes, interests and reputation of the Association.

3.7.6. The rights of a Associate Member of the Association

- 3.7.6.1. Through its authorized representative, the Member may participate in the General Assembly of the Association with the right to deliberate.
- 3.7.6.2. The Member may utilize the services provided by the Association and benefit from advantages arising from membership and collaborations within the Association.
- 3.7.6.3. The Member may submit initiatives to the Board of Directors of the Association.
- 3.7.6.4. Upon prior consultation, the Member may cooperate with the Association on professional matters.
- 3.7.6.5. The Member may attend events organized by the Association.
- 3.7.6.6. The Member may indicate its membership in the Association on official letterheads.
- 3.7.6.7. Through its authorized representative, the Member may inspect documents related to the operation of the Association, excluding personal data, in the presence of the President or the Secretary General.

3.7.7. Obligations of the Associate Member of the Association

- 3.7.7.1. Comply with the provisions of the Statutes and other regulations of the Association and with the obligations laid down in the decisions of the bodies of the Association.
- 3.7.7.2. To fulfil its voluntary tasks in relation to the activities of the Association.
- 3.7.7.3. Pay the membership fee on time and fulfil any other payment obligations to the Association.
- 3.7.7.4. Comply with the ethical standards adopted by the Association.
- 3.7.7.5. To refrain from any conduct that is contrary to the Statutes, interests and reputation of the Association.

3.8. Rules for the assessment and payment of membership fees

- 3.8.1. Members of the Association are required to pay annual membership fees, which are paid by transfer to the Association's bank account.
- 3.8.2. The annual membership fee for Regular Members holding a district heating licence consists of two parts:

- 3.8.2.1. an annual base fee of HUF 93 750 in 2023, and
- 3.8.2.2. in addition to the base annual fee, the number of dwellings included in the district heating service on 1 January of the year in question multiplied by the fee of HUF 95,625 in 2023.
- 3.8.3. Regular Members with a licence to operate exclusively as a district heating producer shall pay the following different membership fee in 2023, based on their installed thermal capacity for district heating:
  - 3.8.3.1. 281 250 HUF for installed thermal capacity for district heating of less than 5 MW,
  - 3.8.3.2. HUF 562 500 for an installed thermal capacity of 5 MW or more but not exceeding 50 MW for district heating,
  - 3.8.3.3. HUF 843 750 for installed thermal capacity for district heating of more than 50 MW.
- 3.8.4. Members of the District Heating Industry Division with a registered office or a branch in Hungary pay membership fees based on the net turnover of domestic sales in the last closed business year. For the year 2023, they shall pay the following different membership fees:
  - 3.8.4.1. HUF 562 500 for annual net turnover exceeding HUF 5 billion;
  - 3.8.4.2. HUF 450 000 for annual net turnover exceeding HUF 2 billion but not exceeding HUF 5 billion;
  - 3.8.4.3. HUF 393 750 for annual net turnover exceeding HUF 1 billion but not exceeding HUF 2 billion;
  - 3.8.4.4. HUF 281 250 for annual net turnover exceeding HUF 300 million but not exceeding HUF 1 billion;
  - 3.8.4.5. HUF 225 000 for annual net turnover exceeding HUF 50 million but not exceeding HUF 300 million;
  - 3.8.4.6. HUF 168 750 for annual net turnover not exceeding HUF 50 million.

Members of the District Heating Industry Division not having their seat or establishment in Hungary are required to pay the membership fee specified in Section 3.8.4.3, adjusted according to the indexation outlined in Section 3.8.5.
- 3.8.5. The annual membership fees established in Sections 3.8.2–3.8.4 shall be adjusted annually starting from the following year. The adjustment is based on the indexed amount, which takes into account 60% of the change in the minimum wage and 40% of the Hungarian Central Statistical Office's (KSH) annual average consumer price index.
- 3.8.6. The annual membership fee of the Association's Members shall be invoiced rounded to thousand forints.
- 3.8.7. Members who join in the middle of the year must pay a membership fee calculated pro rata temporis for the calendar year in question from the date of joining.
- 3.8.8. If a Regular Member is admitted in the first semester, the pro rata membership fee shall be invoiced and paid in two instalments. The dues of the District Heating Industry Division Member, the Associate Member and the Regular Member to be admitted in the second semester shall be invoiced and paid in one lump sum.
- 3.8.9. The annual membership fee for District Heating Industry Division Members must be paid by the last business day of the last week of January of the given year, upon receipt of the invoice. Regular Members are required to pay the first installment of the fee by the last business day of the last week of January of the given year, and the second installment by the last business day of the second quarter of the given year, also upon receipt of the invoice.

- 3.8.10. A newly admitted member is required to pay the pro rata membership fee, calculated based on the time elapsed, no later than the 30th day following their admission, upon receipt of the invoice.
- 3.8.11. The Board of Directors may, by a decision taken with the support of two-thirds of the Board of Directors Members present, in particularly justified cases, and on a fair and equitable basis, grant a reduced payment of dues to a Member who has taken the initiative to pay them, or may waive the payment of dues in whole or in part for a limited period.
- 3.8.12. As part of an agreement on mutual membership with Associate Member partner professional organizations, the Association and the partner professional organization may agree on exemption from membership fees. The agreement must be put in writing and approved by a two-thirds majority of the members present at the Board meeting.
- 3.8.13. With the Board's approval, one or more members may decide to pay an extraordinary membership fee, which the Association must use for a specified purpose. The agreement must be documented in writing.

### 3.9. The right to vote

- 3.9.1. The General Assembly has voting rights for Full Members, and, except in the cases specified in the Statutes, the District Heating Industry Division.
- 3.9.2. The District Heating Industry Division does not have voting rights, and for the purpose of quorum, only the votes of Regular Members shall be considered when electing:
- 3.9.2.1. the Board of Directors,
  - 3.9.2.2. the Supervisory Board and
  - 3.9.2.3. the members of the Ethics Committee.
- 3.9.3. At the General Assembly, each Regular Member of the Association is entitled to 1 vote, in addition to which each Regular Member is entitled to 1 additional vote for every 10 000 dwellings supplied with district heating.
- 3.9.4. A Regular Member may have up to 10 votes. If the Board of Directors has made a decision regarding the annual membership fee payment as per section 3.8.11, the Regular Member affected by the decision will have 1 vote during the duration of the decision.
- 3.9.5. The Secretary General is responsible for preparing the document listing the number of votes entitled to Regular Members, based on the number of apartments used for the fee determination.
- 3.9.6. A Regular Member cannot exercise voting rights at the General Assembly if, by 16:00 on the day before the Assembly, they have an outstanding debt of more than 30 days or exceeding 50,000 HUF to the Association.
- 3.9.7. The District Heating Industry Division has votes equivalent to 10% of the votes of the Regular Members, rounded to the nearest whole number.
- 3.9.8. If the Association has a claim against a District Heating Industry Division Member in accordance with section 3.9.6, the number of votes entitled to the District Heating Industry Division will decrease by the number of affected Division Members.

## 4. THE GOVERNING BODIES AND OFFICERS OF THE ASSOCIATION

### 4.1. Organisations of the Association

- 4.1.1. General Assembly,

- 4.1.2. General Assembly of the District Heating Industry Division,
- 4.1.3. Board of Directors,
- 4.1.4. Supervisory Board,
- 4.1.5. Management of the District Heating Industry Division,
- 4.1.6. Ethics Committee,
- 4.1.7. Committees:
  - 4.1.7.1. Permanent Committees,
    - 4.1.7.1.1. Subcommittees of Permanent Committees,
  - 4.1.7.2. Provisional Committees,
- 4.1.8. Office of the Association.

4.1.9. In the work of the bodies of the Association, unless otherwise provided for in the Statutes, the members of the relevant body shall perform their duties in person or through the authorised persons appointed to represent them.

4.1.10. The members of the Association's organisations, with the exception of the employees of the Association's Office, perform their activities without any remuneration. The members of the Board of Directors may be reimbursed by the Association for the certified expenses incurred in the performance of their duties (reimbursement of expenses).

## 4.2. The General Assembly

### 4.2.1. General rules for convening and conducting the General Assembly

4.2.1.1. The main deliberative and decision-making body of the Association is the General Assembly, which is composed of all the members of the Association.

4.2.1.2. The General Assembly shall be convened at least once a year by the President or the Vice-President General, or, if they are unable to attend, by one of the Vice-Presidents, on the basis of a decision of the Board of Directors and on their behalf.

4.2.1.3. An extraordinary meeting of the General Assembly shall be convened if

- a) the assets of the Association do not cover the debts due, and the Association is not expected to be able to meet the debts when due,
- b) the achievement of the Association's objectives is at risk,
- c) the Supervisory Committee, in a decision addressed to the Board of Directors, shall take the initiative, together with the agenda item and the proposed decision,
- d) the mandate of the Supervisory Board expired before the end of the term of office granted by the General Meeting,
- e) it is initiated by at least four members of the Board of Directors or one third of the Members, stating the reason and the purpose, in a proposal addressed to the Board of Directors,
- f) An appeal has been submitted to the General Assembly against the decision of the Board.

4.2.1.4. The General Assembly's extraordinary meeting must be convened within 30 days from the receipt of the proposal or appeal by the Board.

- 4.2.1.5. At the General Assembly convened under section 4.2.1.3 a), members are required to take action to resolve the circumstances that led to the meeting or to decide on the dissolution of the Association.
- 4.2.1.6. A renewal meeting of the General Assembly shall be held every three years. The renewal may take place at a regular session of the General Assembly.
- 4.2.1.7. The General Assembly is not open to the public, but is open to Members, natural persons who are members of the Board of Directors, members of the Supervisory Board, persons invited by the Board of Directors, the Secretary General and the staff of the Office of the Association.
- 4.2.1.8. Invitations to the General Meeting must be delivered to Members in writing and in a verifiable manner at least 15 days before the General Meeting. The invitation may also be sent by e-mail. The invitation shall include:
- a) the name of the Association and of the body convening the General Assembly and the name of the President or the Vice-President General or the Vice-President or a member of the Supervisory Board,
  - b) the place and date of the General Assembly,
  - c) the items on the agenda, with a reference to the content of the competence (information, approval, debate, etc.) related to the agenda,
  - d) the form of the decision on the agenda (open or secret ballot),
  - e) the name of the person proposing the agenda and his/her position in the Association,
  - f) in the event of a lack of quorum, the date and venue of the reconvened General Assembly,
  - g) the legal consequences of the absence of a quorum,
  - h) in Annex 2, the number of votes of the Members with voting rights in the General Assembly.
- 4.2.1.9. The General Assembly of the Association shall be convened at the seat of the Association or at a place in Hungary suitable for holding the General Assembly. In justified cases, the General Assembly may be held using electronic means of communication, which may be decided by the Board of Directors at the time of convening the General Assembly.
- 4.2.1.10. In the case of a General Assembly convened by electronic means, the agenda of the invitation sent out in advance may not be amended. An appropriate electronic means of communication is any electronic communication method which ensures the transmission of both images and sound, which is capable of ensuring simultaneous contact of all parties involved in the communication without any restriction, of ensuring the protection of business secrets to the required level and of storing the contact events in a reproducible manner. Minutes of the General Meeting held by means of electronic communication shall be drawn up within 15 days of the meeting at the latest.
- 4.2.1.11. If a meeting of the General Assembly has not been duly convened in accordance with 4.2.1.8, the meeting may be held if all those entitled to attend are present and unanimously agree to hold the meeting.
- 4.2.1.12. Within 3 days of receipt of the invitation, a Member may request the inclusion of an additional item on the agenda in its submission to the General Assembly, addressed to the Office of the Association. The initiative must be in the form of:



- a) the title of the agenda item,
  - b) an explanation of the content of the proposal,
  - c) a concrete, textual proposal for a decision.
- 4.2.1.13. The Board of Directors shall, if the time limit and the formalities are met, include a Member's motion for the inclusion of a new agenda on the agenda of the General Assembly and send it to the Members together with the proposals of the meeting.
- 4.2.1.14. The agenda shall be submitted by the President or the Vice-President General or, if they are prevented from so doing, by one of the Vice-Presidents, on the basis of a decision of the Board of Directors and taking into account the proposals received, and shall be decided by the Assembly by a simple majority of the Members with voting rights.
- 4.2.1.15. In the case of an extraordinary meeting of the General Assembly, the agenda item specified in the initiative shall be the first item to be discussed by the General Assembly.
- 4.2.1.16. The proposals of the General Assembly must be sent at least 5 days before the date of the meeting in the same way as the invitation.
- 4.2.1.17. If, at the time of the opening of the General Assembly meeting indicated in the invitation, the presiding President establishes that there is no quorum, but the General Assembly is reconvened in the original invitation to discuss the agenda, the reconvened General Assembly shall have a quorum for the same agenda, regardless of the number of votes represented by those present.
- 4.2.1.18. The meeting of the General Assembly shall be chaired by the President or, if he/she is prevented from doing so, by the Vice-President General. If he is also prevented from attending, the General Assembly shall be chaired by one of the Vice-Presidents.
- 4.2.1.19. The quorum of the General Assembly shall be constituted if more than 50% of the votes counted, excluding the votes of inactive members (point 3.9.6), are represented. The quorum shall be verified each time a decision is taken. A record of inactive members and votes shall be kept.
- 4.2.1.20. The proxy representatives of Members may attend the General Assembly with a letter of appointment. The credentials are valid until revoked. Proxy representatives may be replaced by a single proxy.
- 4.2.1.21. The right to vote at the General Meeting may be exercised by any Regular Member whose voting rights are not temporarily suspended by reason of a sanction imposed on him.
- 4.2.1.22. The General Assembly shall take its decisions by open ballot, with the exception of the election of an officer and the submission of a proposal for an appeal against a decision of the Board of Directors.
- 4.2.1.23. Unless otherwise provided by law or the Statutes, the General Assembly shall take its decisions by a simple majority of the votes present.
- 4.2.1.24. The following may not vote on the decision,
- a) who is exempted from liability or responsibility or otherwise benefited from the decision at the expense of the legal person,
  - b) with whom the Decision provides for a contract to be concluded,
  - c) against whom proceedings should be brought on the basis of the decision,

- d) whose relative is interested in the decision, who is not a member or founder of the legal person,
  - e) who has a relationship with another organisation with a majority influence over the decision, or
  - f) who otherwise has a personal interest in the decision.
- 4.2.1.25. Minutes must be prepared within 15 days of the General Assembly, documenting all significant events, especially the speeches, voting results, and the exact wording of the resolutions. The protocol must be signed by:
  - a) The Chairperson of the General Assembly,
  - b) Two designated and elected protocol verifiers from among the representatives of the members
  - c) The protocol keeper elected by the General Assembly from the Association's staff.
- 4.2.1.26. The Association shall keep a record of its decisions by serial number, from which the date, content and scope of the decision of the General Assembly and the number of those in favour, against and abstentions can be ascertained.
- 4.2.1.27. Appeals against an ethics decision of the Board of Directors to the General Assembly shall be considered by the General Assembly in closed session, in which only the representatives of Members with voting rights, the Chairman or a member of the Supervisory Board, a representative of the Ethics Committee, the Secretary General and a representative of the appealing Member may participate. A separate record shall be drawn up of the ethics decision of the General Assembly, drawn up by a locally elected proxy and certified by two locally elected proxies. The minutes are not public and must be kept in a sealed envelope; only the decision contained therein must be made public.
- 4.2.1.28. A Member may challenge an unlawful decision of the General Assembly before a court within 60 days of becoming aware of it. The time limit shall begin to run from the time when the Member becomes aware of the fact, and any failure to comply with the time limit shall be forfeited.
- 4.2.2. Rules for secret ballots
  - 4.2.2.1. A secret ballot shall be held in the event of a renewal of office, on a proposal from the Board of Directors, or if requested by a majority of the votes present on an item on the agenda.
  - 4.2.2.2. Before discussing agenda items related to secret voting, the General Assembly will establish a 3-member Electoral Committee. The Electoral Committee consists of the Supervisory Board Chairman, the Legal Committee Head, and the Secretary General.
  - 4.2.2.3. The role of the Electoral Committee is:
    - a) supervising the procedural acts of secret ballots,
    - b) preparing ballot boxes, closing them before voting, checking their labelling,
    - c) preparation of the ballot papers,
    - d) registering members who have cast their votes, distributing ballot papers, destroying surplus ballot papers,
    - e) the opening of the ballot boxes after the vote, the counting of the votes,

- f) the completion and signature of a record of the procedural acts and results of the secret ballot, certifying its authenticity,
  - g) after the announcement of the results of the ballot, placing the valid and invalid ballot papers and envelopes in boxes ensuring the secrecy of the ballot and certifying the same.
- 4.2.2.4. The Electoral Commission acts as a body, and in disputed situations it makes its decisions and findings by simple majority vote. The Secretary General shall direct the work of the Electoral Committee.
- 4.2.2.5. In order to provide operational support to the work of the Electoral Committee, the Secretary General may appoint 1 additional person from the staff of the Office of the Association as Committee Administrator.
- 4.2.2.6. The secret ballot procedure will be explained before the secret ballot.
- 4.2.2.7. During the secret voting process, the Member exercises their voting right by submitting a number of paper ballots equal to the number of votes they hold.
- 4.2.2.8. The ballot papers will indicate:
  - a) the full name and logo of the Association,
  - b) a reference to the General Assembly meeting, indicating the place and date,
  - c) the title of the agenda to be voted on,
  - d) in the case of an act for the election of an officer, the names of the candidates or the persons appointed to represent them,
  - e) the seal of the Association.
- 4.2.2.9. The representative of the Member, at the General Assembly location, in the case of a secret vote related to elections or a locally initiated secret vote, receives the number of ballots corresponding to the number of votes the Member is entitled to cast, just before submitting the vote.
- 4.2.2.10. For each secret vote, the number of ballot boxes will be set up corresponding to the number of positions to be elected or the different types of votes logically possible in the given vote.
- 4.2.2.11. The ballot box shall be a non-transparent-walled box with a slot, the front of which shall bear a label with the following content:
  - a) the title of the agenda to be voted on,
  - b) in the case of a vote for the election of an officer, the name of the body to be elected,
  - c) in the case of a vote for the election of a non-elected official, the logical content of the votes collected in the ballot box (YES, NO, ABSTAIN),
- 4.2.2.12. Votes shall be cast in separate polling booths in the polling station designated for the conduct of voting.
- 4.2.2.13. At the polling station during the voting period only
  - a) a number of voters equal to the number of polling booths to receive the ballot papers and cast their votes,
  - b) the members of the ballot counting committee and
  - c) the Committee administrator designated by the Secretary General may abstain.

- 4.2.2.14. Voting is only possible with ballot papers received from the Electoral Committee. On receipt of the ballot paper, the Returning Officer shall stamp the ballot paper.
- 4.2.2.15. Only candidates on the ballot paper are eligible to vote.
- 4.2.2.16. Voting for candidates is done by placing two intersecting lines in the box next to their names.
- 4.2.2.17. The vote is null and void:
- a) if not the 4.2.2.8. has been cast on a ballot paper which meets the content requirements set out in point 4.2.2.,
  - b) if it was cast on a ballot paper without a postmark,
  - c) if the Member does not cast their vote in the manner described in paragraph 4.2.2.16.,
  - d) if the Member does not put the ballot paper in the ballot box.
- 4.2.2.18. In the calculation of the quorum, null votes shall be disregarded.
- 4.2.2.19. A vote shall be invalid if it cannot be established beyond reasonable doubt for whom or how the Member voted. An invalid vote shall be counted for the purpose of quorum.
- 4.2.2.20. If, before the ballot papers are placed in the ballot box, a Member indicates that they have spoiled the ballot papers, the Electoral Committee shall withdraw the spoilt ballot papers, replace them with new ones and record this fact.
- 4.2.2.21. To ensure the secrecy of the ballot, the ballot papers must be placed in the urn on their own, without being placed in an envelope.
- 4.2.2.22. The members of the Electoral Committee entitled to cast their votes shall be the first to cast their votes after the voting has begun.
- 4.2.2.23. The vote shall be suspended if more than half of the members of the Electoral Committee are not present in the polling station.
- 4.2.2.24. During the counting of the votes, no one other than the members of the Electoral Committee may enter the polling station.
- 4.2.2.25. After the ballot boxes have been opened, the members of the Electoral Committee shall count the ballot papers in the ballot box and compare the number of ballot papers with the number of votes that may be cast. The members of the Electoral Committee shall then group and count the valid and invalid votes separately. The valid and invalid ballot papers shall be separately bundled and placed in separate envelopes sealed by them.
- 4.2.2.26. If, during the election of the members of the Executive Board (as per Section 4.3.2) or the Supervisory Board members (as per Section 4.7.2), the counting of valid votes reveals a tie between candidates, meaning no one was elected due to equal votes, a re-vote will be held immediately among the candidates with the most votes. This will follow the secret ballot procedure as specified in section 4.2.2. The re-voting will continue until the required number of Executive Board and Supervisory Board members is elected, as outlined by the bylaws.
- 4.2.2.27. The envelopes referred to in 4.2.2.25. shall be kept by the Office of the Association for at least 90 days after the vote. The Secretary General shall then destroy the ballot papers and inform the Supervisory Committee thereof without delay.

#### 4.2.3. Exclusive powers of the General Assembly

- 4.2.3.1. To establish and amend the Statutes of the Association.
- 4.2.3.2. Election of the Board of Directors of the Association at the renewal meeting of the General Assembly.
- 4.2.3.3. Election and recall of the members of the Supervisory Board.
- 4.2.3.4. To approve the annual accounts of the Association and, as part of them, the professional report.
- 4.2.3.5. Adoption of the annual budget and, as part of it, the professional work plan.
- 4.2.3.6. The amount of the annual membership fee.
- 4.2.3.7. To approve the conclusion of a contract that the Association concludes with its own member, its executive officer, a member of the Supervisory Board or their relatives.
- 4.2.3.8. To decide on the enforcement of claims for damages against current and former Members, senior officers and members of the Supervisory Board or members of other organisations of the Association.
- 4.2.3.9. All tasks that the Association's Board of Directors refers to the General Assembly for discussion and decision.
- 4.2.3.10. Other tasks conferred exclusively on the General Assembly by the Statutes.
- 4.2.3.11. Decisions on the dissolution of the Association, on mergers with other social organisations and on the dissolution of the Association.

#### 4.2.4. Other non-exclusive powers of the General Assembly

- 4.2.4.1. Recall of a member of the Board of Directors, election of a new Board of Directors member to replace the recalled member.
- 4.2.4.2. Other tasks which are not exclusively referred to the competence of the General Assembly by the Statutes, and which the General Assembly has taken it upon itself to decide, as well as those which the President submits to the General Assembly, whether or not the decision is taken by the Board of Directors.

#### 4.2.5. Decision-making requiring qualified majority

- 4.2.5.1. The adoption and amendment of the Statutes of the Association shall require a three-quarters majority vote of the members present.
- 4.2.5.2. A decision of the General Assembly to amend the purpose of the Association and to dissolve the Association shall require a three-quarters majority of the Members with voting rights.

#### 4.2.6. Decision-making without holding a General Assembly Meeting

- 4.2.6.1. If the General Assembly has to decide on a matter falling within the exclusive competence of the General Assembly, but it is not possible to convene a General Assembly as provided for in 4.2.1, the General Assembly may, in exceptional cases, decide without holding a meeting.
- 4.2.6.2. Decision-making procedure without holding a General Assembly:

- 4.2.6.3. a 2/3 majority of the Board of Directors is required to initiate a decision without holding a General Assembly;
- 4.2.6.4. the proposal adopted by the Board of Directors shall be sent by electronic message to the address of the representatives of all Members, duly ensuring that all Members' representatives have received the Board of Directors' proposal;
- 4.2.6.5. the Members' representatives have 10 (ten) calendar days to give their consent to the decision without holding a General Assembly and to cast their votes;
- 4.2.6.6. the provisions of this Section 4.2 shall apply to the validity and effectiveness of the vote, with the addition that the vote shall be invalid if the Members do not consent to the decision without holding a General Meeting by at least 50% of the total number of votes;
- 4.2.6.7. the result of the vote shall be established by the Board of Directors within 3 days of the last day of the deadline for casting votes. The General Secretary shall inform the membership in writing of the validity and result of the vote within a further 3 days;
- 4.2.6.8. the day on which the decision is taken shall be the last day of the voting period, or, if all the votes are received before that day, the day on which the last vote is received.

#### 4.3. The Board of Directors

- 4.3.1. The Board of Directors is the chief administrative body of the Association acting as a body. The Board of Directors, in cooperation with the Conference of Vice-Presidents and the President, is jointly responsible for the formulation of the Association's professional strategy.
  - 4.3.1.1. In the case of a natural person, a member of the Board of Directors shall be a person of full age whose capacity to act has not been restricted to the extent necessary for the performance of their duties.
  - 4.3.1.2. A person who has been sentenced to a custodial sentence by a final and binding judgment for a criminal offence shall not be a member of the Board of Directors, unless he or she has been exonerated from the adverse consequences of the criminal record.
  - 4.3.1.3. A person who has been disqualified by a final and binding decision from holding such office shall not be a member of the Board of Directors. A person who has been disqualified from exercising any of the activities specified in a judgment which has the force of res judicata may not, during the period of disqualification, be a manager of a legal person exercising the activity specified in the judgment.
  - 4.3.1.4. A person who has been disqualified from holding office as a member of the Board of Directors may not be a member of the Board of Directors for the period specified in the disqualification decision, in the case of a natural person.
- 4.3.2. The Board of Directors is composed of 15 members, 14 of whom are elected by the Regular Members at the renewal meeting of the General Assembly for a 3-year term by open nomination and secret ballot. The 15th member of the Board of Directors is the President of the Executive Committee of the District Heating Industry Division.
 

The Board of Directors shall be elected from among the members, although, by decision of the General Assembly, 4 members of the Board of Directors may be elected from among natural persons other than members of the Association.
- 4.3.3. The Regular Members of the Association may nominate one candidate for the Board of Directors for every 5 votes they have begun to cast, at the latest at the renewal meeting of the General Assembly. The same Member or natural person may be nominated by more than one Member.

- 4.3.4. Membership of the Board of Directors requires the acceptance of the elected member. The term of office of a Member elected to the Board of Directors by by-election or by co-option shall be the same as that of the other Members.
- 4.3.5. Membership of the Board of Directors shall cease:
- 4.3.5.1. By the death of a member of the Board of Directors,
  - 4.3.5.2. by the resignation of a member of the Board of Directors,
  - 4.3.5.3. the termination of the Board of Directors Member's membership of the Association for any reason,
  - 4.3.5.4. if the Regular Member who delegated the natural person to the Board of Directors withdraws his/her request in writing,
  - 4.3.5.5. if the natural person is a member of the Board of Directors who has been disqualified from holding public office,
  - 4.3.5.6. if the natural person is a member of the Board of Directors whose capacity to act has been restricted to the extent necessary for the performance of his or her duties,
  - 4.3.5.7. if a disqualification or conflict of interest occurs against a member of the Board of Directors,
  - 4.3.5.8. after the fixed term (3 years) specified in point 4.3.2.
- 4.3.6. If during the term of office (before the expiry of the term of office) a natural person ceases to be a member of the Board of Directors, the 4.3.3The Member or Members nominating a Board of Directors Member pursuant to point 4.3.3.3 shall be entitled to nominate a new candidate. The Board of Directors shall decide on the co-option of the candidate.
- 4.3.7. If the number of members of the Board of Directors falls below 11 for a period of more than three months, an extraordinary renewal meeting of the General Assembly must be convened within 30 days. The election of the new Board of Directors Members at the renewal meeting of the General Assembly and their acceptance of office shall terminate the term of office of the former Board of Directors Members.
- 4.3.8. The Board of Directors elects a President and up to four Vice-Presidents from among its members for a term of 3 years. The Board of Directors may elect a Vice-President-general from among the Vice-Presidents by a simple majority.
- 4.3.9. The Board of Directors meets as often as necessary, but at least once a quarter.
- 4.3.10. Meetings of the Board of Directors are convened in writing (letter, e-mail) by the President or, on behalf of the President, by the Vice-President General or, if they are unable to attend, by one of the Vice-Presidents.
- 4.3.11. Extraordinary meetings of the Board of Directors shall be convened at the request of at least 4 Board of Directors members, specifying the place, date and proposed agenda. The extraordinary meeting shall be convened by the President or, if they are prevented from so doing, by the Vice-President General.
- 4.3.12. The invitation to the Board of Directors meeting shall be sent to the members of the Board of Directors by e-mail at least 10 days before the meeting.
- 4.3.13. Each proposal for a planned agenda item for a board meeting must be sent by e-mail at least 5 days before the meeting.
- 4.3.14. The members of the Board of Directors shall be entitled to participate in the Board of Directors meetings with the right to deliberate and vote.

- 4.3.15. The Chair of the Supervisory Board and the Secretary General participate in Board meetings with the right to consult. Additionally, a staff member from the Association's Office responsible for taking minutes is present at the meetings.
- 4.3.16. The Board of Directors shall be entitled to invite Members, as well as representatives of public administration, authorities and other organisations, to participate in the discussion of certain items on the agenda of the Board of Directors meeting.
- 4.3.17. The Board of Directors may order a closed meeting for personnel and economic matters. Only the members of the Board of Directors, the Chairman of the Supervisory Committee and the Secretary General may attend a closed meeting. Minutes of the closed meeting shall be taken and kept in a special register and only the decisions contained therein shall be made public. Publication may be subject to a time limit.
- 4.3.18. The Board of Directors shall discuss the proposal of the Ethics Committee in a closed meeting, in which only the members of the Board of Directors, the Chairman or a member of the Supervisory Committee, the proposer on behalf of the Ethics Committee, the Secretary General and the person concerned may participate. Minutes of the private meeting shall be drawn up by the Secretary General and authenticated by two members of the Board of Directors. The minutes shall not be public and shall be kept in a sealed envelope; only the decision contained therein shall be made public.
- 4.3.19. If both the President and the Vice-President General are prevented from attending, the Board of Directors meeting may be chaired by the Vice-President appointed by the President or by the Secretary General, or by a majority vote of the Board of Directors meeting at which a quorum is present.
- 4.3.20. The quorum of the Board of Directors is constituted when more than half of the Board of Directors members are present.
- 4.3.21. The Board of Directors shall be entitled to hold meetings by electronic means of communication.
- 4.3.22. In the case of a meeting convened by electronic means, the agenda of the meeting may not be amended after the invitation has been sent out.
- 4.3.23. An appropriate electronic communication medium is any electronic communication method that provides for the transmission of both images and sound, is capable of ensuring simultaneous contact of all parties involved in the communication, ensures the protection of trade secrets to the required level, and allows the storage of contact events in a reproducible manner.
- 4.3.24. The minutes of the meeting of the Board of Directors shall be drawn up within 15 days of the event at the latest.
- 4.3.25. The Board of Directors may take decisions without holding a meeting. The President shall take the initiative by sending the draft decision to the Board of Directors members.
- 4.3.26. If any member of the Board of Directors requests a meeting of the Board of Directors on a matter on which a decision is to be taken, the meeting shall be convened by the President within 15 days.
- 4.3.27. Board of Directors members have a maximum of 10 days from receipt of the draft decision to send in their votes.
- 4.3.28. A quorum is reached if at least the number of votes required to constitute a quorum for a Board of Directors meeting is reached within the time limit.
- 4.3.29. Within 3 days of the last day of the deadline for casting votes, the President, or in his/her absence the Vice-President General, if he/she is also prevented from doing so, the Secretary General shall, with the assistance of the Office of the Association, establish the result of the vote



and shall communicate it in writing to the Members of the Board of Directors within a further three days.

4.3.30. The day on which the decision is taken shall be the last day of the period for the casting of votes, or, if all the votes are received before that day, the day on which the last vote is received.

4.3.31. The Board makes its decisions by a simple majority unless specified otherwise in the Statutes. When counting votes, abstentions are considered as votes against.

4.3.32. In the case of a tie, the vote shall be repeated, and in the case of a further tie, the agenda proposal shall be considered rejected.

4.3.33. The Board of Directors shall act by a majority of at least two-thirds of the votes cast on the following matters.

4.3.33.1. to adopt proposals for the Code of Ethics of the Association and its amendment,

4.3.33.2. to elect the chairman and three members of the Ethics Committee of the Association,

4.3.33.3. the appointment, recall and remuneration of the Secretary General,

4.3.33.4. approving the rules of procedure and operation of the Ethics Committee,

4.3.33.5. to approve the content of the professional database on district heating.

4.3.34. The role and powers of the Board of Directors:

4.3.34.1. provides strategic direction to the professional work and management of the Association,

4.3.34.2. decides on all matters which do not fall within the exclusive competence of the Assembly,

4.3.34.3. decides to convene a General Assembly, sets its agenda, venue and date,

4.3.34.4. implement the decisions of the General Assembly,

4.3.34.5. prepares, discusses and submits to the General Assembly for approval the draft annual accounts of the Association and, as part of them, the draft professional report.

4.3.34.6. prepares, discusses and submits to the General Assembly for approval the draft annual budget of the Association and, as part of it, the draft professional work plan,

4.3.34.7. on a proposal from the President, decides on the appointment, recall and remuneration of the Secretary General,

4.3.34.8. approve the Code of Ethics of the Association on the proposal of the Ethics Committee,

4.3.34.9. publishes resolutions on behalf of the Association,

4.3.34.10. represents the Association in its relations with public administration, local authorities, other professional and social groups, interest groups and the public and the press,

4.3.34.11. invite applications and decide on the creation and awarding of prizes (honours),

4.3.34.12. take a decision on the admission of a member,

4.3.34.13. approves in advance the conclusion of contracts with a gross commitment amount of more than HUF 5 (five) million.

#### 4.4. The President

4.4.1. Duties and powers of the President:

- 4.4.1.1. strategically leads the professional work of the Association,
- 4.4.1.2. has the independent right to represent the Association,
- 4.4.1.3. independently exercise the right to dispose of the Association's bank account and to issue orders,
- 4.4.1.4. in matters concerning district heat production and district heat supply, either independently or together with the members of the Association, liaises with the ministries, the committees of the National Assembly, the Hungarian Energy and Utility Regulatory Office, local governments, professional and other social organisations,
- 4.4.1.5. proposes to the Board of Directors the appointment, recall and remuneration of the Secretary General,
- 4.4.1.6. exercise the powers of an employer over the Secretary-General, with the exception of appointment, recall and the fixing of remuneration,
- 4.4.1.7. chairs the meetings of the Board of Directors and the General Assembly, and keeps and certifies the minutes,
- 4.4.1.8. ensure the representation of the Association in Euroheat & Power, liaise with foreign professional organisations with which it promotes direct contacts between member companies through reciprocal agreements,
- 4.4.1.9. manage the affairs of the Association in accordance with the decisions of the General Assembly and the Board of Directors,
- 4.4.1.10. liaises with the member organisations of the Association.

#### 4.5. The Vice-President General

- 4.5.1. The General Vice President, with the Board of Directors' approval, performs all tasks of the President that the President delegates either permanently or on an ad hoc basis.
- 4.5.2. The General Vice President elected by the Board is authorized and obligated to perform the President's duties in their absence or when they are unable to act.
- 4.5.3. The General Vice President is authorised by the President or, in the event of his/her permanent incapacity, is entitled to exercise independently the right to dispose of the Association's bank account and to issue orders.

#### 4.6. The Meeting of Presidents

- 4.6.1. The Meeting of Vice-Presidents shall consist of the President and Vice-Presidents of the Association.
- 4.6.2. The Meeting of Presidents :
  - 4.6.2.1. Serves as the strategic advisory body of the Association.
  - 4.6.2.2. Monitors the Association's financial management and the implementation of its professional tasks.
  - 4.6.2.3. Reviews the draft of the Association's annual report, including the professional report.
  - 4.6.2.4. Reviews the draft of the Association's annual budget plan, including the professional work plan.

4.6.2.5. Discusses any topic deemed strategically necessary by the President.

4.6.3. The Meeting of Presidents shall meet as necessary, convened and chaired by the President. A meeting of the Meeting of Presidents shall be convened within 5 working days at the request of at least 2 of its members.

4.6.4. If the Meeting of Presidents fails to reach consensus on a matter and a member requests it, the matter shall be referred to a meeting of the Board of Directors. In this case, the Board of Directors meeting shall be convened within 10 working days.

4.6.5. The Secretary General shall participate in the Meeting of Vice-Presidents in a consultative capacity.

#### 4.7. Supervisory Board

4.7.1. The economic work of the Association and the legality of its operation are monitored by a 5-member Supervisory Board.

The 4 members of the Supervisory Board shall be elected by the General Assembly by open nomination, by secret ballot, for a term of 3 years, unless otherwise decided by the General Assembly at the time of the election, at the same time as the election of the Board of Directors, at the renewal meeting of the General Assembly. Membership requires the acceptance of the elected member. The term of office of the member of the Supervisory Board elected by by-election shall be the same as that of the other members of the Supervisory Board. The 5th member of the Supervisory Board shall be the person appointed by the General Vice-Chairman of the Executive Board of the District Heating Industry Division as the person entitled to act on his/her behalf. Members of the Supervisory Board shall be persons of full age whose capacity to act is not restricted to the extent necessary for the performance of their duties. No person who is disqualified from being a member of the Supervisory Board shall be a member of the Supervisory Board, nor shall any person who is or whose relative is a senior officer of the Association.

The General Meeting may at any time decide to recall a member of the Supervisory Board by the same procedure as the election, without giving reasons. The General Meeting shall decide on the recall in accordance with the general rules.

A member of the Supervisory Board may resign at any time by a declaration addressed to the Association and addressed to the Association's chief executive officer.

If the Association's ability to function so requires, the resignation shall take effect upon the appointment or election of a new member of the Supervisory Board, failing which no later than sixty days after the notification.

4.7.2. The Chairman of the Supervisory Board is elected by the members of the Supervisory Board from among themselves. The Chairman of the Supervisory Board may be proposed by any member of the Supervisory Board. After the termination of the term of office of the Chairman of the Supervisory Board, the Members of the Supervisory Board shall elect a new Chairman of the Supervisory Board at their next meeting.

4.7.3. The membership of the Supervisory Board Member shall cease:

4.7.3.1. By the death of the member,

4.7.3.2. By resigning,

4.7.3.3. Recalled by the General Assembly,

- 4.7.3.4. if a member of the Supervisory Board ceases to be an employee of a member of the Association due to a change in his/her legal relationship with the member of the Association,
- 4.7.3.5. upon the termination of the membership of the delegating Regular Member,
- 4.7.3.6. if has been disqualified from the exercise of public office by a final judgment,
- 4.7.3.7. if the Supervisory Board member's capacity to act has been restricted to the extent necessary for the performance of his or her duties,
- 4.7.3.8. if a disqualification or conflict of interest arises against a Supervisory Board member.
- 4.7.4. If the number of members of the Supervisory Board falls below 3, the President shall call a General Assembly and take a decision to restore the proper functioning of the Supervisory Board.
- 4.7.5. Meetings of the Supervisory Board shall be convened by its Chairperson as necessary, but at least once every six months, in writing, with a proposed agenda, sent at least 10 days before the meeting.
- 4.7.6. If the Chairman of the Supervisory Board is prevented from attending, the members of the Supervisory Board may convene a meeting of the Supervisory Board by majority decision. If the Chairman of the Supervisory Board is prevented from attending, the President of the Association may also convene a meeting of the Supervisory Board.
- 4.7.7. A meeting of the Supervisory Board is quorate if at least 3 members are present.
- 4.7.8. The Supervisory Board shall take its decisions by open ballot, by simple majority, in the event of a tie, the vote shall be repeated, and in the event of a repeated tie, the proposal shall be deemed to have been rejected.
- 4.7.9. The Supervisory Board shall otherwise determine its own rules of procedure.
- 4.7.10. The members of the Supervisory Board perform their duties without remuneration. They may, subject to the approval of the President of the Association, account for their justified expenses directly related to their activities.
- 4.7.11. The Chairman of the Supervisory Board attends the meetings of the Board of Directors and the General Assembly with the right to comment on legality.
- 4.7.12. The Chairman of the Supervisory Board reports to the General Assembly on its activities.
- 4.7.13. The Supervisory Board shall give its preliminary opinion on the annual accounts of the Association and inform the Board of Directors and the General Assembly thereof.
- 4.7.14. If the Supervisory Board becomes aware of any violation of the law or of the provisions of the Statutes in the course of the Association's activities, it shall inform the Board of Directors of its findings in writing and request action.
- 4.7.15. If, on the basis of its observations, the Board of Directors fails to take appropriate action, the Supervisory Board shall refer the matter to the General Meeting in order to take the necessary measures.
- 4.7.16. On the call of the President, in an exceptionally justified case provided for by law, an extraordinary meeting of the Board of Directors or an extraordinary meeting of the General Assembly must be convened within 30 days of the motion. If this is not done, the Supervisory Committee shall itself be entitled to convene the Board.
- 4.7.17. If it finds that there has been a serious and persistent breach of the law or of the Statutes and if its observations are not followed up by appropriate action by either the Board of Directors or the General Assembly, it must refer the matter to the Public Prosecutor's Office.

#### 4.8. The Members' Meeting of the District Heating Industry Division

- 4.8.1. The Members' Assembly of the District Heating Industry Division is composed of the Members of the District Heating Industry Division. A quorum shall be constituted when more than one third of the Members are present. If, at the time of the start of the meeting of the Members' Assembly indicated in the invitation, the Chairperson in the Chair finds that there is no quorum, but the Members' Assembly has been reconvened in the original invitation to discuss the agenda, the reconvened Members' Assembly shall be quorate for the same agenda, regardless of the number of votes represented by those present.
- 4.8.2. It is the responsibility of the Members' Assembly of the District Heating Industry Division:
  - 4.8.2.1. election of the members of the Executive Committee of the District Heating Industry Division,
  - 4.8.2.2. regulating the functioning and electoral arrangements of the District Heating Industry Division in accordance with the content of the Statutes,
  - 4.8.2.3. discussing issues concerning the activities of the District Heating Industry Division, which fall within the scope of professional autonomy within the Association, and formulating a position.
- 4.8.3. Each Member shall be entitled to one vote at the Members' Meeting of the District Heating Industry Division.
- 4.8.4. The Members' Assembly of the District Heating Industry Division shall elect the officers of the District Heating Industry Division by secret ballot.
- 4.8.5. The meeting of the Members' Assembly of the District Heating Industry Division may be convened by the Executive Board of the District Heating Industry Division and chaired by the President of the District Heating Industry Division or by the chairperson proposed by the President and voted by the Members' Assembly of the District Heating Industry Division. A meeting of the Members' Assembly of the District Heating Industry Division shall be convened at a date not later than 30 days after the request of at least 1/3 of the Members, stating the reason and purpose, in a written declaration to the Executive Committee of the District Heating Industry Division.
- 4.8.6. The Board of Directors of the Association may take the initiative to convene a General Assembly of the District Heating Industry Division.

#### 4.9. The Management of the District Heating Industry Division

- 4.9.1. The Executive Board of the District Heating Industry Division is the governing body of the Division's professional activities, whose 5 members are elected by the General Assembly of the District Heating Industry Division from among the representatives of the Division's Members as defined in the Statutes for a term of 3 years, for the same period as the term of office of the Board of Directors of the Association. A legal entity is a member of the Executive Board of the District Heating Industry Division, and the legal entity must appoint a natural person to act as the executive officer on its behalf.
- 4.9.2. The Executive Board of the District Heating Industry Division elects its own President and **1** General Vice President and **1** Vice President from among its members.
- 4.9.3. The Executive Board of the District Heating Industry Division is entitled to delegate a member of its choice to the Ethics Committee.
- 4.9.4. The Executive Committee of the District Heating Industry Division is entitled to address proposals and initiatives to the Board of Directors of the Association.

#### 4.10. The Ethics Committee

- 4.10.1. The Ethics Committee is the investigating and proposing body of the Association in the event of allegations of ethical misconduct by members of the Association against the Association or against the provisions of the Code of Ethics adopted by the Association's Board of Directors.
- 4.10.2. An ethics investigation may be initiated by any member of the Association at the initiative of the Board of Directors or by the Board of Directors itself. On the basis of the facts and reasons put forward, if the initiator maintains his initiative for an ethics procedure, the Board of Directors shall request the Ethics Committee to examine the case and to make a decision on the basis of its recommendations.
- 4.10.3. The Ethics Committee is responsible for conducting disciplinary investigations against the Member concerned.
- 4.10.4. The Ethics Committee shall be a body of 5 natural persons, the President and 3 members of which shall be elected by the Board of Directors, and 1 member of the Board delegated by the Executive Committee of the District Heating Industry Division in accordance with point 4.9.3, provided that there are no grounds for disqualifying the person appointed to represent the delegate.
- 4.10.5. The Ethics Committee is elected for one renewal term by the new Board of Directors elected at the renewal meeting of the General Assembly.
- 4.10.6. If the number of members of the Ethics Committee falls below 5, the Chairperson of the Ethics Committee or, failing that, 1 member of the Ethics Committee shall apply to the President of the Association for the election of a new member. If the District Heating Industry Division remains unrepresented, the Board of Directors shall initiate the delegation of a new member to the Board of Directors of the District Heating Industry Division. The term of office of the new member elected in the meantime shall be the same as that of the other members.
- 4.10.7. The Ethics Committee shall notify the Member concerned in writing and shall ensure that the facts are clarified by means of an investigation of the merits, which shall last for a maximum of 30 days, and that the representative of the Member concerned is heard in person. The Member concerned may be informed of the proceedings, the steps taken and the outcome of the proceedings, may present its defence at any stage of the proceedings and may be represented by legal counsel at its own expense.
- 4.10.8. Following its investigation, the Ethics Committee shall submit its findings and its position on the matter to the Board of Directors in writing, stating its reasons. In its submission, the Ethics Committee shall also propose a decision to the Board of Directors. The Ethics Committee may propose, as a sanction, a verbal or written warning, the suspension or recall of the Member's officers from office in the Association, the withdrawal of the Member's voting rights. The Ethics Committee may also recommend expulsion as the most severe sanction.
- 4.10.9. The Board of Directors shall take its decision on the basis of a proposal from the Ethics Committee. The Member concerned may appeal against the decision to the General Assembly.
- 4.10.10. The Ethics Committee shall draw up detailed rules for its operation and procedure, in accordance with the provisions of the Statutes, and submit them to the Board of Directors for approval.

#### 4.11. Functions of the Office of the Association and the Secretary General, powers

- 4.11.1. The Association maintains its own administrative organisation, the Office, for operational tasks, which is headed by the Secretary General.
- 4.11.2. Office of the Association:

- 4.11.2.1. operates the District heating professional database,
  - 4.11.2.2. is also involved in the professional work of the Association through its employees and proposals,
  - 4.11.2.3. supports the work of the officers, bodies, committees and subcommittees of the Association, and ensures the preparation and conduct of meetings of the bodies,
  - 4.11.2.4. organises and participates in cooperation with the Ministries, the committees of the Parliament, the Hungarian Energy and Public Utility Regulatory Office, other public administration organisations and the Hungarian representative bodies of the European Union,
  - 4.11.2.5. organises the Association's professional conferences and training courses,
  - 4.11.2.6. organises national and international professional programmes,
  - 4.11.2.7. organises the Association's international cooperation, liaises with Euroheat & Power,
  - 4.11.2.8. records and archives the Association's documents,
  - 4.11.2.9. ensure the functioning of the Association's internal and external communication interfaces,
  - 4.11.2.10. provide services to Members in accordance with the Statutes and the annual work plan approved by the General Assembly,
  - 4.11.2.11. manages the day-to-day running of the Association as an autonomous economic entity,
  - 4.11.2.12. the Office of the Association keeps a record of the decisions of the General Assembly, the Board of Directors, the General Assembly of the District Heating Industry Division and the Supervisory Board, including the serial number, date, scope, content and the number of those in favour and against the decision.
- 4.11.3. Status, duties and powers of the Secretary-General
- 4.11.3.1. The Secretary General is the officer who manages the Office of the Association, contributes to the strategy and is responsible for its implementation.
  - 4.11.3.2. The person occupying the post of Secretary General shall be appointed, recalled and his/her remuneration determined by the Board of Directors on a proposal from the President.
  - 4.11.3.3. The Secretary General shall perform their duties on a permanent basis.
  - 4.11.3.4. The President shall exercise the powers of employer over the Secretary-General, with the exception of the powers of appointment, recall and determination of remuneration.
  - 4.11.3.5. The Secretary General, under the direction of the President, shall be responsible for the running of the Association. In this context:
    - 4.11.3.5.1. regulate the activities of the Board of Directors of the Association in matters not covered by the Statutes,
    - 4.11.3.5.2. directs the activities of the Association's Office and the experts contracted by the Association, and exercises employer's rights over the employees of the Association,
    - 4.11.3.5.3. organises and carries out the advocacy tasks of the Association, independently represents the Association in contacts and negotiations with government, parliamentary and public administration actors,

- 4.11.3.5.4. coordinates the work of the association, as part of which it maintains regular contact with the members of the Board of Directors, the Supervisory Board, the Executive Committee of the District Heating Industry Division and the heads of the committees and subcommittees,
- 4.11.3.5.5. ensure the preparation and implementation of the annual professional work plan and the annual budget plan in order to achieve the objectives of the Association,
- 4.11.3.5.6. prepare the annual professional report and the annual financial report on the activities of the Association,
- 4.11.3.5.7. arranges the preparation of the meetings of the various bodies of the Association,
- 4.11.3.5.8. ensure the availability of the human resources necessary for its operation,
- 4.11.3.5.9. maintains regular contacts with the Association's national and international peer professional organisations and represents the Association in these cooperations,
- 4.11.3.5.10. independently represent the agreed position of the Association at national and international conferences and other professional forums,
- 4.11.3.5.11. independently represent the agreed position of the Association in the general assemblies of the organisations in which the Association is a member and in the Municipal Management Council,
- 4.11.3.5.12. independently represent the agreed position of the Association to the press,
- 4.11.3.5.13. acting under the direction and authority of the President in the affairs of the Association,
- 4.11.3.5.14. carry out all the tasks which the General Assembly and the Board of Directors may entrust to it on a case-by-case basis,
- 4.11.3.5.15. keep a register of the membership of the Association,
- 4.11.3.6. The Secretary-General reports to the President on his activities.
- 4.11.3.7. The Secretary General, as defined in the rules of the Association, shall represent the Association autonomously, shall have the right to sign contracts autonomously, shall have control of the bank account, shall exercise the right to issue and issue orders , with the proviso that the Secretary General shall be liable on behalf of the Association, on his own authority, for a gross amount of 1.000.000.000,-Ft (one million forints gross), which have been approved by the General Assembly of the Association as part of the Association's annual budget or professional work plan, with the exception of commitments up to a maximum of 1.000.000,-Ft (one million forints gross) arising from permanent legal relationships under contracts of indefinite duration which have been approved previously. The Secretary General shall be authorised to authorise, on his own authority, the transfer of up to HUF 1,000,000.00 gross (HUF 1 million gross) per case for items approved by the General Assembly of the Association as part of the Association's annual budget or professional work plan, except for the transfer of up to HUF 1,000,000.00 gross (HUF 1 million gross) per case for items arising from permanent legal relationships under previously approved contracts of indefinite duration.



The President is authorised to decide on commitments and appropriations exceeding the gross amount of HUF 1.000.000,- (one million forints) and on items not included in the annual budget and/or the professional work plan.

- 4.11.3.8. In the event of the termination of the Board of Directors' term of office, the Secretary General shall act on urgent matters falling within the competence of the Board of Directors until the new Board of Directors takes office. The Secretary General shall report to the Supervisory Committee on his activities in writing on a weekly basis.

#### 4.12. Committees of the Association

- 4.12.1. Permanent and Provisional Committees, composed of members delegated by the members of the Association, may be set up for 1 renewal term (3 years) to examine technical issues and prepare proposals. A Committee set up between two renewal terms shall also be dissolved at the next renewal. A Committee must be composed of at least five (5) members.
- 4.12.2. The Board of Directors decides on the establishment of the Committees. At the first Board of Directors meeting following each renewal cycle, a decision shall be taken on the committee structure to be set up for that renewal cycle, and the members of each committee shall be elected. Technical, energy management, economic, legal, public relations and marketing committees must be set up for each renewal cycle.
- 4.12.3. The Board of Directors shall decide on the election of the members of the Committees. The members of the Committees shall elect from among themselves the head of the Committee and their deputy, with the proviso that, where a Regular Member is delegated as head of the Committee, the Member of the District Heating Industry Division shall be delegated as deputy and vice versa.
- 4.12.4. The term of office of the members of the Committees is 1 renewal term. The term of office of a member elected between two renewal terms shall also expire at the next renewal. Members of the Commission must act in person and no proxy is possible.
- 4.12.5. The mandate of a member of the Committee elected from among the employees of the members of the Association or other contractors with whom the members have a permanent employment relationship shall automatically terminate if the employment relationship or permanent employment relationship with the member of the Association ceases.
- 4.12.6. The term of office of a Committee member elected from among the employees of the members of the Association or other contractors with whom the members have a permanent employment relationship shall automatically terminate on the day on which the nominating Regular Member or District Heating Industry Division Member ceases to be a member of the Association.
- 4.12.7. The main task of the Committees is to draw up recommendations, resolutions and other professional material in relation to the activities of the Association and to the sectoral tasks of the Association's members in their field of expertise, on the basis of the professional programme, their annual work plan and the Board of Directors' request.
- 4.12.8. The Board of Directors shall report annually in writing to the heads of the Committees on their professional activities.
- 4.12.9. Each year, the Committees prepare a written work plan of the Commission's planned annual activities.
- 4.12.10. Meetings of the Committees are closed and may be attended only by members of the Board of Directors, the Secretary General and the staff of the Office of the Association acting as

coordinators, and by any person invited by the head of the Committee to attend the meeting with the right to speak.

#### **4.13. Subcommittees of the Association's Committees**

- 4.13.1. The Board of Directors of the Association may set up a Subcommittee of at least 3 members belonging to a Committee to examine and discuss a specific professional issue of key importance for the district heating sector and to formulate a professional position. The establishment of Subcommittees shall be subject to the section 4.12.1.
- 4.13.2. Before setting up a subcommittee, the Board of Directors shall consult the head of the committee concerned.
- 4.13.3. For the election of the members and chairpersons of the Subcommittees, the rules described in 4.12.3. - 4.12.6. shall apply, except that the Subcommittees shall not have a deputy chairperson.
- 4.13.4. Subcommittees may also include representatives of natural persons, professional organisations or general authorities who are not members of the Association and are recognised in their field.
- 4.13.5. The Subcommittees shall prepare a work plan according to 4.12.9. for their planned activities and a report on the activities carried out.

### **5. INCOME AND MANAGEMENT OF THE ASSOCIATION**

#### **5.1. Association income**

The income of the Association consists of membership fees paid by Members and other income.

#### **5.2. Association budget**

The Association shall operate within the framework of the legislation in force on the management of social organisations, taking into account the objectives of the Association, on the basis of the budget adopted by the General Assembly.

#### **5.3. Assets of the Association**

The assets of the Association shall be used exclusively for the purposes and tasks defined in the Statutes.

#### **5.4. Management of the association**

The Association shall be autonomous in its management of its income and shall be liable for its debts from its own assets.

#### **5.5. Debt of the association**

Members of the Association shall not be liable for the debts of the Association beyond the obligation to pay membership fees.

#### **5.6. Funds of the Association**

The Association manages its funds in a bank account under an agreement with a financial institution.

### **6. REPRESENTATION OF THE ASSOCIATION**

- 6.1. The President, members of the Board of Directors and the Secretary General are authorised to represent the Association. The President and the Secretary General shall represent the Association individually within the limits laid down in these Statutes and the Regulations, while the members of the Board of Directors shall be jointly authorised to represent the Association, in each case by the joint signature of two members of the Board of Directors.

6.2. In all cases, the President, the Secretary General or at least two members of the Board of Directors together shall have the right to dispose of the Association's bank accounts.

## **7. FINAL PROVISIONS**

- 7.1. In matters not regulated in the Statutes, Act V of 2013 on the Civil Code and Act CLXXV of 2011 on the Right of Association, the Public Benefit Status and the Operation and Support of Non-Governmental Organisations and the provisions issued for its implementation shall prevail.
- 7.2. The founding Statutes were adopted by the General Assembly of the Association convened on 11 November 1993.
- 7.3. The Office of the Association keeps an up-to-date record of further amendments to the Statutes, which members may consult on request and obtain information on the contents of the Statutes.

Budapest, 18th of April, 2024.

.....  
**Tibor Orbán**  
**President**

**Verified on the 18th of April, 2024, in Budapest**

**dr. István Zsolt Somogyi**  
**Lawyer**  
**KASZ36065533**  
**Budapest 5000th Law Firm**

### **Clause pursuant to Article 38 of Act CLXXXI of 2011:**

*I, the undersigned, Dr. István Zsolt Somogyi, attorney-at-law (Budapest Law Office 5000, 1031 Budapest, Szentendrei út 208), hereby certify that the consolidated Articles of Association, as amended, comply with the content of the Articles of Association in force on the basis of the amendments to the Articles of Association, faithfully and appropriately reflect the changes made in accordance with **the resolution of the Annual General Meeting of Shareholders of 18 April 2024, 10/2024 (IV. 18.)** and that the Articles of Association comply with the law.*

**The core activities of the Association by TEÁOR number:**

TEÁOR'08	Title
9412	Professional representation
9411	Business, employer representation
5811	Publishing
5814	Publishing a journal, periodical publication
5819	Other publishing activities
7022	Business management, other management consultancy
7112	Engineering activities, technical consultancy
7219	Other scientific and technical research and development
8211	Complex administrative service
8230	Conference, trade show organisation
8559	N.e.c. other education
7312	Media advertisement
9499	Other community, social and cultural activities n.e.c.