

**ARTICLES OF ASSOCIATION OF THE  
HUNGARIAN BUSINESS COUNCIL FOR UNITED ARAB EMIRATES**

**Article 1 (Name)**

The Hungarian Business Council (HBC) is a non-profit association governed by the present Articles of Association ("AOA"), the Regulations Organizing Business Councils of Dubai Chambers (the "Regulations") and the laws and regulations of Dubai and the UAE.

**Article 2 (Seat and Duration)**

The HBC's headquarter is located in Dubai. The HBC shall be of unlimited duration.

**Article 3 (Objectives)**

The HBC shall pursue the following objectives:

1. to support the development of commercial, economic and cultural relations between Hungary and the UAE;
2. to facilitate the exchange of business information and to promote business opportunities between Hungary and the UAE as well as among Hungarian and other nationalities in the UAE;
3. to organize and support trading and cultural seminars and conferences;
4. to develop and maintain close relationship with the Embassy of Hungary in Abu Dhabi;
5. to promote Hungarian – Arab relations within the UAE community in order to facilitate the mutual understanding of both peoples and cultures;
6. to maintain close social and business links with the Chambers of Commerce in Dubai and all other Emirates of the UAE;
7. to develop links and affiliations with other trade or business groups in the UAE and worldwide;
8. to promote social and sporting activities.

**Article 4 (Resources)**

The HBC's resources are derived from:

1. Membership Fee as per Article 5;
2. sponsorship arrangements, as far as permitted under the Regulations;
3. income from the activities carried out by the HBC or in which it participates;
4. any other resources authorized by the Regulations.

The funds shall be used in accordance with the HBC's objectives. Only the HBC's assets may be used for obligations/commitments contracted in its name. Members have no personal liability.

### **Article 5 (Members)**

The following shall be eligible for membership of the HBC:

- Corporate/organizations with a valid license in the UAE, or
- Business owners and experts of good standing and with business links to Hungary who are interested in furthering the objectives of the HBC.

The HBC's Administrative Board (the "Board", see Article 11 to 15) may accept a member from any nationality to join the HBC as it deems fit and/or members who are in line with the HBC's objectives.

The HBC comprises individual members, corporate members and honorary members. The Board is authorized to introduce new levels or kinds of memberships and to determine their rights and obligations.

To become a new member of the HBC, an applicant shall address a request to become a member (the "Membership Request") to the Board. The Board decides on the admission of new members and informs the General Assembly accordingly; the Board shall have the right to decline any Membership Request at its sole discretion.

All members shall pay an annual membership fee (the "Membership Fee") to keep their membership active; such Membership Fee shall differ between professional individual members and corporate members, as determined by the Board. The Membership Fee is due on the 15th of January of each year. Membership will be deemed to be inactive if the Membership Fee is not paid within two months of the due date, i.e., by March 15th.

The conditions for membership, due dates and any consequence of non-payment, shall be determined by the Board, taking into consideration (i) the fees at comparable associations, (ii) the changes in the costs and expenses of running the HBC and (iii) future financial requirements of the HBC.

Honorary members may be persons or organizations with an interest in supporting and promoting the HBC's objectives. Honorary memberships are bestowed by the Board. Honorary members are exempt from paying fees.

The member shall lose and forfeit his membership in any of the cases stated in Article 8 of the Regulations.

### **Article 6 (Organs)**

The HBC shall have the following organs:

1. the General Assembly, and
2. the Board

### **Article 7 (General Assembly)**

The General Assembly is the HBC's supreme authority. It is comprised of all members who satisfy membership requirements in accordance with Article 5 and have paid their membership fees prior to the General Assembly Meeting.

It shall hold an ordinary General Assembly once each year. It may also hold an extraordinary General Assembly whenever necessary, at the request of the Board or at least 10 of its members.

The General Assembly shall be considered validly convened regardless of the number of members present, as long as the notification of the members has been affected in accordance with these AOA.

The secretary general (the "Secretary General"; see Article 16) shall inform the members in writing of the date, time, place and agenda of the meeting of the General Assembly (ordinary and extraordinary) at least four weeks in advance. Other items for inclusion on the Agenda must be received by the Secretary General fourteen days prior to the date of the meeting, and he shall advise the final agenda to all members at least one week prior to such meeting.

### **Article 8 (Tasks of the General Assembly)**

The General Assembly:

- notes the report of the chairman of the Board (the "Chairman"; see Article 15);
- notes the Secretary General's report.
- approves the account
- decides on the release of the Board members from liability.
- elects or confirms Board members, if applicable
- decides on any modification of the AOA; and
- decides on the dissolution of the HBC,

however only in so far as any of the above is included in the final agenda notified to all members by the Secretary General as per Article 7.

### **Article 9 (Voting)**

Each individual member shall have one vote and each corporate member shall have three vote except for the election of Board members, Voting is by a show of hands, unless otherwise decided by the Board; the votes of a representative of a corporate member shall be multiplied by three. If more than one representative of a corporate member is present at a General

Assembly, only one is authorized to vote. Voting can also take place by secret ballot if at least ten members so request.

Decisions of the General Assembly are taken by a majority vote of the members present. However, decisions concerning the amendment of these AOA and the dissolution of the HBC must be approved by a two-third majority of the members present.

The Election of Board members shall be affected as follows:

- Together with the invitation to the General Assembly in which Board members are to be elected, the Secretary General shall include the names, programs and CVs of candidates who have put forward their candidacy.
- If there are eight candidates or less (but at least the minimum number stipulated in Clause 12 I), no election shall take place and all candidates are automatically deemed elected to the Board. In case there are more than eight candidates and thus elections have to take place, all members present at a General Assembly convened for that purpose shall receive a ballot paper with the names of the candidates and shall mark the eight candidates he/she wishes to elect.
- A representative of a corporate member shall receive a differently-coloured corporate ballot paper, and votes cast on such corporate ballot papers shall be counted triple. Thereafter, the Secretary General, under the supervision of the Chairman of the Board, shall count the votes cast for each member and compile a ranked list of candidates.
- The eight candidates who received the most votes are elected to the Board.

A member (individual or corporate) who is entitled to vote but cannot attend the General Assembly, may nominate a proxy in his stead, by notifying the Secretary General prior to the General Assembly who the proxy will be. The proxy must be a member of the HBC (individual or corporate) and shall receive only one proxy on behalf of another member eligible to vote.

The names of the nominated members shall be provided to the Dubai Chambers in advance of the Meeting.

#### **Article 10 (Membership List)**

The Secretary General shall provide a Membership List for the General Assembly, in which proxy holders are registered. The General Assembly is presided over by the Chairman of the Board.

#### **Article 11 (Board)**

The Board is authorized to carry out all acts that further the objectives of the HBC. It has the powers to manage the HBC's day-to-day affair.

In urgent cases, the Board may issue some of its Resolutions by circulation. Such Resolutions shall be considered valid and effective as if they had been taken in a convened and duly held meeting.

### **Article 12 (Number of Members of the Board)**

The Board is composed of five elected members.

The Board's term of office shall last for 2 years.

In the event of a resignation or termination of an HBC Board Member, the HBC Board shall notify the Dubai Chambers. With regard to the exact composition of the Board, Article 10 c. of the Regulations applies accordingly.

### **Article 13 (Rules on Members of the Board)**

- The Board meets as often as the HBC's business requires, but at least (6) six meetings annually,
- The Agenda of the first Board meeting after an election of the new Board members shall include the election of the Chairman of the Board, the Vice-Chairman of the Board and any other position as decided by the Board. Decisions shall be made by simple majority vote and a quorum shall be five Board members. Each member of the Board shall have one vote. In case of a tie, the Chairman shall have the casting vote. If the Chairman is absent, the Vice-Chairman shall have the casting vote and in every other case, the most senior (by age) elected board member shall have the casting vote.
- The Board members work on a voluntary basis for the HBC. Any elected member of the Board shall be a full subscribing member of the HBC or be employed by a full subscribing member.
- Every Board member has to participate in at least 2/3 of the Board meetings per year, calculated from such member's election; otherwise, the Board may exclude such member. Furthermore, the membership of the Board is lost and forfeited in the cases stated in Article 11 of the Regulations. The vacant seat in the Board shall be filled as stipulated in the AOA and Article 10 a. of the Regulations.
- If the number of Board members falls below five, within thirty days thereof the Board shall call an extraordinary General Assembly to vote new Board members in their position. The paid employees of the HBC have only a consultative vote on the Board.
- Members of the Board must act according to Articles 17 (Conflict of Interest) and 18 (Confidentiality) of the Regulations.

### **Article 14 (Board Functions)**

In addition to Article 11, the functions of the Board are:

- To fulfil the objectives desired from founding the HBC to enhance business network, bilateral economic relations, interests and knowledge sharing.
- To adopt the HBC's strategic, developmental, operational, and financial plans, and oversee their implementation.
- To perform all the functions specified in the AOA.
- To develop the vision, mission, strategic objectives, and propose action plans to be approved by the General Assembly and communicate it accordingly.
- To organize at least two events, trainings and workshops as set out and adopted by the Board to contribute to the improvement and development of the nationality represented.
- To jointly work with Dubai Chambers to implement a mechanism to grow the membership base and expand the HBC.
- To adopt the AOA, the Membership Fees and procedures.
- to convene ordinary and extraordinary General Assemblies.
- To take decisions with regard to admission of new members as well as the resignation and the possible expulsion of members.
- To form HBC Board Committees as it deems fit whether at the Board level or at the Members' level, headed by an HBC Board Member.
- To review the AOA once every five years at least or when needed and propose amendments if required.
- To liaise between the HBC and Dubai Chambers and present the issues and proposals requiring consideration by the Government Entities to Dubai Chambers for intervention and assistance to resolve the same.
- To discuss the issues referred to it by Dubai Chambers and provide recommendations thereto.
- To engage in Dubai Chambers activities through participation in surveys, studies, meetings, events, and other activities.
- To submit to Dubai Chambers at least once a year the challenges facing the HBC and propose recommendations and solutions.
- To adopt a succession plan to ensure the sustainability of the HBC.
- To appoint authorized signatories for bank accounts and determine their powers.
- To administer the assets of the HBC.

- Any other tasks necessary to achieve objectives of the HBC and assigned to it by Dubai Chambers.

### **Article 15 (Chairman of the Board)**

The Chairman of the Board

1. shall be a Hungarian citizen.
2. must represent a business licensed in the Emirate.
3. shall chair all meetings of the Board and the General Assembly and represent the HBC.
4. shall establish sub-committees of the Board as necessary, appoint the heads of the sub-committees and may serve on them.
5. shall schedule meetings of the Board as needed;
6. shall ensure that the objectives of the HBC are met; and
7. shall perform such other duties and exercise such other powers as may be necessary to achieve the objectives of the HBC and as may be delegated to him/her by the HBC Board or in accordance with the Rules of Procedure, in particular Article 13.

The Vice Chairman of the Board, who must also be a Hungarian citizen, shall perform the aforementioned duties of the Chairman of the Board in the absence of the Chairman.

### **Article 16 (Secretary General)**

The Secretary General shall:

1. be an Hungarian citizen.
2. keep all records and membership lists.
3. conduct the business of the HBC in accordance with the requirements of the Board and the members.
4. organize regular networking events.
5. draft the minutes of all meetings.
6. collect the Membership Fee.
7. safe keep the funds and resources of the HBC.
8. prepare accounts on a yearly basis and prepare a report for the Annual General Assembly.

The HBC is legally bound by the signature of the Secretary General, who shall only act if a majority of the Board Members has approved a decision.

### **Article 17 (Financial Year)**

The financial year shall begin on 1st January and end on 31 December of each year.

The General Assembly shall appoint an Auditor who will audit the HBC's accounts every year.

### **Article 18 (Use of Technology)**

The HBC shall maximize the use of technology where appropriate. As such e-mail will be used as the preferred means of communication. In this context any reference to “notify” or “notification” in these AOA shall mean communication by email.

### **Article 19 (Use of Dissolution Proceeds)**

Should the HBC be dissolved, the available assets shall be transferred to a non-profit organization pursuing public interest goals chosen by the Board.

### **Article 20 (Regulations)**

For all matters not provided for herein, the Regulations apply, in particular with regard to the HBC’s obligations (Article 19) and prohibited acts (Article 20) of the Regulations.

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