

CONSTITUTION of the

Association of Hungarian Independent Schools

Year of Foundation: 1992

1.) General information

1.1 Name of the organisation:

Association of Hungarian Foundation, Communal and Private Educational Institutions

Founding president: György Várhegyi

1.1.1 Short name of the organisation: **Association of Independent Schools**

1.2 Seat of the organisation: Hungary, 1096, Budapest, Vendel u. 3.

1.3 Postal address of the organisation: Hungary, 1035, Budapest, Szentendrei út 9.

1.4 Field of activity: Hungary

1.5 Nature of the organisation:

According to law II./1989. on right to form associations and to law CLVI./1997. on public benefit companies, the Association of Hungarian Independent Schools (henceforth: Association) is the legal and representational organisation of Hungarian foundation and private kindergartens, primary and secondary schools, and higher education institutions, which is based on the principles of democratic authority, and acts as a legal entity.

2.) Aims of the Association of Hungarian Foundation, Communal and Private Educational Institution

- reviving and fostering foundation and private school traditions; acquainting with and adapting modern foreign experiences;
- effective representation of the legal and financial recognition of activities outside state and municipal education, in order to create the conditions of equality, emancipation and equal opportunity;
- active participation in the legal regulation related to the activities of the Association;
- organised improvement concerning the national and international respect, and also the social and moral recognition of foundation and private educational activities (including the creation of an ethical codex which is supposed to eliminate uncertainties arising from the unresolved state of the legal area);
- creating an informational system to support the members of the Association;
- providing (under defined conditions) legal, financial, pedagogical and other professional support for its members and others;

- creating a solidarity fund to support its members' financial activities by granting credit or by other appropriate means;
- creating and cultivating connections with national and foreign professional and representational organisations, unions;
- expects its members to provide regular self-evaluation;

The Association maintains and operates Független Pedagógiai Intézet (Independent Pedagogical Institution) with a seat at 1027, Budapest, Frankel Leó út 6. to help the activities of foundation and private schools. Thus, on the basis of Ministerial Decree 10/1994. (V.13.) "on institutions providing pedagogical-professional services and on the conditions of participating in pedagogical-professional services", the Association fulfils activities of outstanding public benefit.

The Association does not participate in direct political activities, its organisation is independent from political parties and does not provide financial support for them.

The Association does not participate in political activities, and operates without supporting political organisations and parties, and without requesting or accepting support from them. The Association does not nominate or recommend candidates for Parliament, county or municipal authorities. The Association will not participate in political activities in the future either.

3.) Activities of the Association of Hungarian Independent Schools

The Association, in order to fulfil its aims, does activities defined by its authority elected on a democratic basis.

Main activities:

- as of public benefit, takes care of the enforcement of professional, cultural, business and moral aspects of foundation and private education; for the sake of this the Association creates its ethical codex;
- takes a stand in questions concerning education which are significant or of public benefit;
- expresses an opinion on drafts of new laws concerning education, proposes the creation of new laws;
- keeps an eye on the social, financial and moral state of foundation and private education;
- organises and supplies the representation of interests of the institutions, and the protection of interests of the Association members;
- supports the improvement of the standard of education, keeps an eye on international expectations;
- provides its members with legal, financial or pedagogical advice;
- makes society become acquainted with the real value and importance of foundation and private education;
- facilitates and organises its members' professional, self-evaluation, (financial) activities;
- promotes cooperation and reconciliation of interests with scientific and professional (educational) organisations (unions) of protecting interests;

- maintains connections with similar organisations in foreign countries, the connections include providing reference and information to foreign organisations; and facilitating the exchange and further training of experts in foreign countries;
- assembles and spreads professional and informational publications;
- in order to fulfil its aims, carries out financial-entrepreneurial activities;
- operates an informational system and a solidarity fund;
- supports the special scientific and cultural activities of students attending independent schools.

4.) The Association carries out entrepreneurial activities only in order to fulfil its aims of public benefit, not imperilling its aims. The profit gained during its entrepreneurial activities can not be distributed, it has to be allocated for the Association's activities of public benefit.

Those concerned are informed about the decisions of the general assembly via circular letter, while the conditions of utilising the Association's activities and services, and the most important data of its reports are published on its website: www.maganiskolak.hu.

The Association's activities of public benefit, according to law 1997./CLVI. 26.§C.), are:

- (4) pedagogy and education, improvement of abilities, popular education;
- (5) cultural activity
- (20) services provided for organisations of public benefit, only to be used by organisations of public benefit.

The informational services of the Association can be used, without restrictions, by anybody who accepts the principles of the association.

5. Rules of the membership

5.1. Membership

The following can be a member of the Association:

- a.) any Hungarian educational institution operated by a legal entity, by a company not in possession of a legal entity, or by a private individual;
- b.) any Hungarian-language foundation or private educational institution outside the borders of Hungary, which accepts the Association's constitution and ethical codex, follows and enforces it during its activity and operation; pays the membership fee; and is enlisted as member, on the request of the presidium, following the foundation, by the general assembly.

5.2. Supporting membership

The supporting member of the Association can be any Hungarian or foreign legal entity, financial organisation not in possession of a legal entity, or private individual, who agrees with the aims of the Association, and whose joining the Association is accepted by the Association's presidium.

5.3. Admission of new members

5.3.1. The founders of the Association are members of the Association from the day of the founding general assembly.

5.3.2. Following the foundation of the Association, the requests for admission of any new members are accepted by the presidium with open ballot and by a simple majority of votes. In case of – written and reasoned – dismissal of a request for admission, it is possible to appeal to the general assembly of the Association.

5.4. Registering of members

Members and supporting members are registered by the secretariat of the Association. As a supplement of the registry, it is necessary to keep the original and signed request for admission, including the document proving the member's admission.

5.5. Membership rights

5.5.1. The member of the Association

- may use the title “Member of the Association of Hungarian Independent Schools”;
- any person representing a member may fulfil a function in the Association, unless there is a case of a ban from performing public affairs;
- may turn to the departments of the Association with suggestion, remark or request;
- may participate in the Association's general assembly, may rise to speak, and possesses the right to vote.

5.5.2. The supporting member of the Association

- may use the title “Supporting Member of the Association of Hungarian Independent Schools”;
- may use the services of the Association, under the conditions defined in the Association's constitution and code of practice;
- may turn to the departments of the Association with suggestion, remark or request.

5.6. Duties of the members

5.6.1. Any member of the Association is obliged to

- fulfil its educational activity in accordance with the Association's aims, constitution and ethical codex;
- participate in the Association's work of representing interests, facilitate the execution of the Association's decisions, resolutions;
- pay a membership fee.

5.6.2. The duties of supporting members are limited to the activities occurring in their case.

5.7. Membership fee

5.7.1. The amount of the annual membership fee is defined by the general assembly, along with the system, method and deadlines of payment. The general assembly is entitled to define the amount of membership fee in various amounts.

5.7.2. Supporting members contribute to maintaining the Association with a voluntary fee or with other kinds of allocation.

5.7.3. In case the legal relationship of membership or supporting membership discontinues, due to any reason, the membership fee or other allocation can not be claimed back.

5.8. Discontinuation of membership

5.8.1. Any member or supporting member of the Association – with regard to 5.7.3. – can leave the Association, if they do not wish to participate in the work of the Association.

5.8.2. Expulsion

A member or supporting member can be expelled by the presidium of the Association, providing a written resolution including reasons.

The date of membership or supporting membership discontinuation is the date of the legally binding resolution passed. The deliverance of the resolution to the expelled member or supporting member must be proved.

The expelled member or supporting member may appeal against the expulsion to the general assembly, within thirty days from receiving the resolution. No further appeal lies to the decision of the general assembly.

5.8.3. Deletion

The presidium of the Association suspends from its registry any member who has not paid the membership fee for one year, and has not fulfilled this duty within thirty days after receiving the prompt note. After one year the presidium deletes from its registry the member who refuses to meet their obligations to pay the fee. The presidium must produce a written resolution on the subject of deletion.

The date of membership deletion is the date of the legally binding resolution passed. The deliverance of the resolution to the deleted member must be proved.

5.8.4. Termination, death

Association membership or supporting membership, apart from the previous cases, discontinues if a legal entity, or a company not in possession of a legal entity terminates without a legal successor, if a private individual dies, or if the legal successor does not wish to participate in the activities of the Association.

6.) The organisation of the Association

6.1. The general assembly

The general assembly – consisting of all the members of the Association – is the main decision-making and directing organisation of the Association. At the general assembly the supporting members, the legal representative of the Association and the head of its secretariat may participate with consultative rights.

The general assembly's exclusive competence

- defining the Association's aims; making statements of educational policy and fashioning other joint opinions in issues of public benefit;
- acceptance and modification of the Association's constitution and ethical codex;
- acceptance and modification of the Association's constitution and code of practice;
- election and recalling members of the presidium, the supervisory board and the ethical board;
- accepting the presidium's work schedule, annual account and the public benefit report; defining the annual programme and the budget;
- determining the amount of membership fee, defining the system of payment, and practising the right of equity based on 5.7.1.;
- decision on the Association's joining an international organisation or union, on its dissolution, or on its union with other social organisations;
- decision in issues bound by law to be in the competence of any social organisation's highest body, or in issues bound by the Association's constitution to be in the competence of the general assembly.

The general assembly is prepared and summoned by the presidium at least annually. The time and date, and also the planned schedule of the general assembly is published in writing by the presidium at least thirty days before the general assembly. The presidium is obliged to summon the general assembly in case of measures taken by a supervisory authority, or in case of the written initiative of the Association's supervisory board or 25 % of the Association members.

The general assembly is open to public.

The quorum of the general assembly is half of the members plus one member. In case the properly summoned general assembly is inquorate, it must be summoned again within fifteen days. The re-summoned general assembly is quorate in the originally scheduled issues, regardless of the number of members present.

At the general assembly every Association member possesses one right to vote. The general assembly normally makes decisions by open voting, with a simple majority of votes. On the issue of accepting the budget, however, 2/3 of the votes is required. In personal matters (election, recalling, assignment), a secret ballot is required. 2/3 of the votes is necessary to accept the annual account and the public benefit report.

Decision-making as a member of the general assembly is banned from any person who, or whose close relation (Ptk.685. § b.), spouse (henceforth together: relation):

- a.) is exempted of obligation or responsibility, or
- b.) benefits in any other form, or has an interest in the legal transaction to be made. The non-financial service available to any person without restrictions, within the framework of a public benefit organisation's aimed allowances, does not qualify as a benefit.

A record of the general assembly must be taken.

The record must contain the date of the general assembly, the exact words of the decisions made, the provisions of the decisions coming into effect, the ratio – and possibly names –

of the supporters and opponents of decisions. The opponents can enclose their contrary opinion in written form.

The reports must be kept among the documents of the Association, and a book of decisions must be kept, which contains the above data.

The examination of documents concerning operation, and of public benefit reports, is possible for anybody on working days, within working hours. A copy of the public benefit reports is possible to be made for anybody at their own expense.

A secret ballot must be held when making any other decision in case the majority of the members present at the general assembly wishes to do so.

When evaluating the results of a voting, the draft receiving the most votes must be accepted. In case there is an equal number of votes, the involved two (or more) alternatives (personal recommendations) must be put to the vote again.

6.2. The presidium

The presidium is elected by the general assembly as needed, but at least every four years. The duty of the presidium is to direct the activities of the Association in the periods between general assemblies. The presidium is obliged to report on its activities to the general assembly.

The number of the members of the presidium is defined by the general assembly.

The presidium consists of members elected by the general assembly, and by members delegated by professional sections, if any such sections are in operation. The presidium consists of at least three – at the moment nine – members. The rights and obligations of elected and delegated members are the same.

Decision-making as a member of the presidium is banned from any person who, or whose close relation (Ptk.685. § b.), spouse (henceforth together: relation):

- a.) is exempted of obligation or responsibility, or
- b.) benefits in any other form, or has an interest in the legal transaction to be made.
The non-financial service available to any person without restrictions, within the framework of a public benefit organisation's aimed allowances, does not qualify as a benefit.

Main office-bearer of a public benefit organisation can not be a person who acted as main office-bearer (at least for a period of one year within two years prior to its termination) at a public benefit organisation which has not settled its unpaid public dues based on the tax law.

The main office-bearer, or candidate for any such position, is obliged to inform the Association and every public benefit organisation involved about the fact that they perform such functions simultaneously at another public benefit organisation.

The head of the presidium is the president. The president and vice-president(s) of the Association is elected by the members of the presidium by a secret ballot and the simple majority of the votes.

The meetings of the presidium is summoned by the president (or if prevented, by the vice-president) at least eight days prior to the planned meeting, as needed, but at least every three months, with the preliminary publication of the planned schedule. Summoning the meeting of the presidium is obligatory if it is initiated in written form – including reasons – by the supervisory board, or 1/3 of the presidium members. The president of the supervisory board and of the ethical board must be invited to the presidium meetings, where they possess consultative rights.

The meetings of the presidium are open to the public.

The presidium is quorate if the majority of the members are present at the meeting. The presidium normally makes decisions by open voting, with a simple majority of votes. A secret ballot must be held if the Association's constitution orders so, or in case the majority of the presidium members present at the meetings wishes to do so.

A record of the presidium meeting must be taken, which must contain the issues discussed and the decisions made. The report must contain the minority opinions.

The resolutions, decisions, recommendations etc. made at presidium or board meetings must be regularly sent to the members and supporting members of the Association for the sake of execution and application.

The presidium is entitled to decide on:

- summoning the general assembly, its recommended schedule;
- issues concerning Association membership deletions;
- approval of major measures taken by the president;
- making statements concerning significant public affairs (in periods between two general assemblies);
- conditions of using the services of the Association (the fees of using the services);
- preliminary approval of the creation of a professional section;
- any other issues not falling into the competence of the general assembly.

The presidium makes a suggestion to the general assembly in the following issues:

- the Association's joining an international organisation;
- modifying a professional section's decision in case it is contrary to the law or the Association's constitution.

6.2.1. Managing directory

The presidium may create a managing directory from among its members or the people employed by the Association in order to carry out operational duties in between presidium meetings.

6.3. The president, co-president and vice-presidents of the Association:

At the head of the Association, representing its activities, its president stands, who:

- represents the Association and its presidium;
- manages the operation and administration of the Association, acts as chairman at general assembly and presidium meetings;
- arranges for the presidium's continuous operation in periods between presidium meetings;
- arranges for the publication and execution of the resolutions made by the general assembly or the presidium;
- ensures the correct, economical and lawful appropriation of sums of money allocated in the Association's budget;
- reports to the general assembly and informs the presidium about his activities and the execution of resolutions;
- practises employer and disciplinary rights over Association employees (excluding the rights belonging to the exclusive competence of the general assembly), gives tasks, and requires an account on the execution of tasks from individuals bound by contract to the Association;
- may divide his/her tasks with his/her vice-president(s), members of the managing directory or the presidium, may involve other Association members or outside experts in his/her tasks; these measures do not affect his/her one-person responsibility.

The president, if prevented, may be substituted – in his/her competence – by the co-president, the assigned vice-president or presidium member.

6.4. The boards

For fulfilling its aims, the Association can create permanent boards to make a statement, express an opinion or make a decision in certain cases; and temporary boards to fulfil one-off duties.

Permanent boards:

- Supervisory Board
- Ethical Board
- Assessment Board

In case the development of the Association's operation requires it, the presidium can create further permanent boards within its own competence.

The boards are obliged to give a subsequent report on their operation to the general assembly. Temporary boards can be created as needed – for one-off opinion-making, nomination, vote-counting etc. The board is obliged to report on their operation to the general assembly, and dissolves itself afterwards.

6.5. Supervisory Board

- 6.5.1. The supervisory board consists of at least three members, elected for four years by the general assembly.
- 6.5.2. The position of president or member of the supervisory board is prohibited for he who:
 - a.) is the president or member of the managing organisation;
 - b.) is employed or is in other employment-related legal relationship with the public benefit organisation, beyond his commission, unless ordered otherwise by law;

- c.) benefits from the public benefit organisation's normal allowances – except the non-financial services available to any persons without restrictions, and the benefit allocated to the member of a social organisation on the basis of membership relations, in accordance with the establishment documents;
- d.) is a relation of the individuals defined in points a.)-c.).

Within two years after the public benefit organisation's termination the main office-bearer of a public benefit organisation can not be a person who acted as main office-bearer (at least for a period of one year within two years prior to its termination) at a public benefit organisation which has not settled its unpaid public dues based on the tax law.

The main office-bearer, or candidate for any such position, is obliged to inform every public benefit organisation involved about the fact that they perform such functions simultaneously at another public benefit organisation.

6.5.3. The supervisory board determines its own system of operation.

The supervisory board supervises the operation and management of the public benefit organisation. During this activity the board may require reports from the leading office-bearers, or information from the Association employees.

The supervisory board may observe and examine the Association's bookkeeping and documents.

6.5.4. The member of the supervisory board can participate in presidium meetings with consultative rights.

The supervisory board is obliged to inform and initiate the summoning of the presidium if it is informed about:

- a.) during the operation of the Association a breach of law occurred, or any other event (seriously damaging the interests of the Association), which requires a general assembly decision to come to an end, or to prevent or ease its consequences;
- b.) a fact arose regarding the responsibility of leading office-bearers.

6.5.5. The general assembly must be summoned within thirty days of the initiative of the supervisory board.

In case of the fruitless passing of this deadline, the supervisory board is entitled to summon the general assembly.

In case the general assembly does not take the measures necessary for restoring lawful operation, the supervisory board is obliged to immediately inform the legal supervisory authority.

6.6. **Ethical Board**

6.6.1. In connection with foundation or private educational (in a wider sense, educational) activities, and ethical issues concerning the operation of the Association, the

Association's ethical board is entitled to perform an investigation and make a resolution upon any named initiative.

The ethical board must consist of at least one permanent member, the president of the board. The permanent members of the ethical board are elected by the general assembly for four years.

The procedure is carried out and the resolution is made by a committee of at least three objective and non-involved members, commissioned by the president of the board. The committee may include persons not entitled to represent a member of the Association, however, due to his professional prestige, can facilitate the indisputability of the resolution.

- 6.6.2. The Association initiates an investigation on its member if due to his activities he has been condemned by criminal court in a legally binding sentence. The Association may initiate an ethical inspection in case of a civil court sentence for compensation or amends due to one's educational activities.

An ethical investigation must be carried out if a member (organisation)'s serious professional default is presumable, or if they presumably no longer meet the admission requirements.

- 6.6.3. The ethical board must produce all of its resolutions in written form, with reasons to every statement in its resolutions. In the reasoning it must provide details about used and recommended, but unused evidences. There must be detailed reasons for ignoring the latter ones. The resolution may contain acquittal, warning, published opinion, initiation of a licence, or expulsion of an Association member.

- 6.6.4. Postponing appeal lies to the resolution of the ethical board – within thirty days from receiving the resolution – to the ethical board's appellate board.

Members of the appellate board are the president of the ethical board, the president of the Association, and at least one person with judicial qualifications. The following can not be members of the appellate board:

- any person involved or predisposed, or having taken part in the making of the first-degree resolution;
- the employee, contractual partner, or relation of the person or organisation under inspection.

Regulations defined in 6.6.3. are applicable to the resolutions of the appellate board. No further appeal lies to these resolutions.

- 6.6.5. Regarding appeals to resolutions about the expulsion or deletion of a member, regulations defined in 6.6.4. are applicable.

6.7. Professional section

- 6.7.1. A professional section (henceforth: section) may be established on the basis of any educational degree, vocational training direction, or any other organizing principle which makes collaboration and cooperation possible.

A section can be established by the decision of at least five founding members. The establishment of a section must be announced to the presidium. The section may create

its own practical code, which must be in accordance with the constitution of the Association.

6.7.2. The main tasks of a section are: coordination of its member's activities, and representation of its individual interests. In case the measures to be taken in order to represent the section's interests exceed the possibilities of the section, it may request the help of a higher department of the Association.

6.7.3. The decision-making body of the section is the general meeting. The general meeting is quorate if more than half of the members of the section are present. The resolutions of the general meeting are made with a simple majority of votes and usually with an open ballot.

Secret ballot must be held in personal issues, and in case the majority of the members present wishes to do so. Recording of the resolutions and their maintenance is taken care of by the leadership of the section.

6.7.4. The general meeting

- defines the section's practical code and activities, in accordance with the constitution of the Association;
- elects or recalls the representative of the section, and its member delegated into the presidium of the Association.

6.7.5. The general meeting is prepared and summoned by the representative. The general meeting must be summoned

- at least once every six months;
- in case the presidium of the Association initiates it;
- in case 1/3 of the section demands it.

6.7.6. The representative of the section keeps a record of the Association members belonging to the section.

6.7.7. The presidium of the Association is regularly informed about the section's operation, issues and resolutions. The representative ensures that the section's operation and management is in accordance with legal regulations and with the Association's constitution and practical code.

6.7.8. In case a section discontinues, the legal successor – if there is no other legal successor – of every property, equipment, record and document at disposal, is the Association.

6.8. The secretariat

The operation of the presidium, managing directory, president, vice president(s) and boards is assisted by the secretariat.

The Association's legal, professional and financial advisory activities are assisted by experts in contractual relationship with the Association. The affairs of the secretariat are coordinated by the secretary.

The obligations and the number of staff of the secretariat is defined by the Association's constitution and practical code.

- 6.9. The professional qualifying body, with the assistance of independent experts, on the basis of criteria defined by the presidium, qualifies:
- the professional operation and ethical clarity of the institutions requesting voluntary qualification;
 - the realisation of regulations concerning non-profit status and entrepreneur activities;
 - curricula, syllabi and school equipment.

6.10. Assessment Board

An assessment board is in operation next to the Association's presidium. Its tasks are to assist the institutions in the completion of assessment sheets, and to aid them in their self-assessment procedures. Its task is to prepare the presidium's decision concerning the status of qualified school. The three members of the assessment board is elected by the presidium.

7. Management of the Association

The Association covers the expenses of its operation from:

- membership fees;
- allowances from the supporting members;
- donations, allocations, sponsoring;
- income from organised programmes;
- income from paid services (photocopying),
- financial entrepreneur activities within the framework of law 1989./VI.

The Association has an annual budget approved by the general assembly. The president of the Association (and those obliged to settle accounts) are responsible for management in accordance with legal regulations and the Association's constitution and practical code.

The Association is responsible for its debts with its own possessions. The members are not responsible for the Association's debts with their own possessions.

The Association does not issue bills or other securities implying a credit relationship. The Association must keep a separate record of its incomes and expenses arising from its targeted activities and from its entrepreneur activities. The Association does not take part in investment procedures.

The Association is obliged to produce a public benefit report at the same time as accepting the annual report.

Public benefit report

The Association is obliged to produce a public benefit report every year, at the same time as accepting the annual report. Acceptance of the public benefit report is in the exclusive competence of the general assembly.

The public benefit report must contain:

- a.) accounting report;

- b.) report on the use of budgetary support;
- c.) an account of the use of possessions;
- d.) an account of the targeted allowances;
- e.) the amount of support received from the central budgetary body, the separated state monetary fund, local authorities, minority municipal authorities, associations of municipal authorities, and from the bodies of these;
- f.) the value and amount of the allowances paid to the leading office-bearers of the public benefit organisation;
- g.) a brief summary on the public benefit activities.

The public benefit report is available for anybody for observation, a copy can be made of it at own expenses, and it is published by the Association on the basis of paragraph 4.

8. Other regulations

8.1. Discontinuation of the Association

The Association discontinues if

- the general assembly decides on its dissolution or union with another social organisation;
- court discontinues it or announces its discontinuation.

In case of discontinuation without a legal successor the possessions of the Association is donated by the general assembly to a social organisations with aims similar to the Association's.

8.2. Closing regulations

In issues not dealt with in the constitution, the regulations in the 1989./II. Law (on the rights of association), the Civil Code, and the 1997./CLVI. Law (on public benefit organisations) are applicable, or the general assembly is entitled to make decisions within this framework.

9. Enactment

This is the text of the constitution accepted and approved by the founding general assembly held on 25th April 1992, modified by the general assemblies held on 8th May 1993, 15th October 1994, 16th November 1996, 12th February 1997, 21st November 1998, 25th September 1999, and 18th June 2001.

Budapest, 18th June 2001.