

Statutes of Hungarian Real Estate Association

Name, legal status

1. Hungarian Real Estate Association is a national autonomous professional interest representing non-profit organization established by members (henceforth Association).
2. Name of Association: Magyar Ingatlanszövetség, abbreviated: MAISz
In English: Hungarian Real Estate Association, abbreviated: HREA
In German: Ungarischer Immobilienverband, abbreviated: UIV
3. Domicile of Association: 1024 Budapest, Margit krt. 43-45.
4. Establishment of Association: 1991.
5. Aim of Association:
 - organizes and holds together members who deal with real estate trade, agency, development, maintenance, assessment, property and business evaluation and financial analysis of real estates; in general, members who deal with real estates,
 - harmonizes and represents members' interests from professional and economic aspects,
 - supervises the professional level of the activities performed by members and assists its development,
 - provides the high level acknowledgement of the representatives' activities of real estate profession by its own special certification procedure.

Tasks and activity of Association

6. Within the confines of representation of interest and reconciliation of interests
 - 6.1 Association establishes and supports information contacts with those governmental, civil and economic organizations as well as interest groups in all those fields where and toward which the representation and enforcement of interest and good reputation of members give reasons for it and require it.
 - 6.2 On the basis of harmonized opinion of members, Association takes sides in connection with legal, economic and professional decisions, regulatory plans as well as in practical enforcement of rules which the members are concerned in. Association informs the competent organizations about its standpoints. It influences the establishment, supervision and modification of legislative provisions and it initiates the establishment of new laws if necessary. It provides a legal advice service for the members and representatives of real estate profession, and within the confines of it, the Association establishes conciliatory forums to solve the disputed matters.
7. In professional issues

7.1 Association creates, recommends for approval and later on revises regularly the unified professional interest system.

7.2 It follows professional and ethics norms with attention and improves them if it is needed, supervises the observance of them and takes steps against behaviours that are different from generally accepted norms. It operates professional committee and can establish educational, legal and other professional committees towards members and the real estate profession.

7.3 The Association issues official standpoint in disputed professional and ethics matters.

7.4 The Association promotes the naturalization of international professional standards and their improvement with respect for national conditions.

7.5 The Association keeps contact with international professional organizations and with foreign professional associations. It arranges the establishment and enlargement of direct international and business relationships of the members.

7.6 The Association represents members at international forums.

7.7 The Association initiates the improvement of professional educational forms and takes part in the practical realization. It provides the high level acknowledgement of the representatives' activities of real estate profession by the Association's Certification Body, and its person certification procedure.

7.8 The Association provides the publication of different professional standards, guidelines, studies, publications and other aids so that to improve the efficacy and the level of real estate profession. Furthermore the Association provides professional and further training forum.

7.9 The Association can found an economic organization in order to perform its tasks, can establish a foundation as well as it can take part in them, but its activity cannot be contrary to the interest of the members of the Association.

7.10 The Association arranges professional events.

7.11 The Association operates a professional library and information centre.

7.12 The Association assists the members to connect into international information and business systems.

7.13 It has professional (promotion) propaganda activity, it operates a website to inform members and the public. It publishes different press publications and it maintains permanent contact with the representatives of press.

7.14 The Association fulfils the following economic activities to achieve the aims settled in point 5 – according to the classification system of each sector:

74.14 Consultation in business management

74.20 Engineer activities, consultation

74.30 Technical investigation, analysis.

Members of Association Rights and obligations of members

8. Forms of membership and establishment of membership

The membership is voluntary. Forms of membership:

regular member

supporting member

honorary member.

8.1 Regular member

Regular member can be the natural person or legal entity, furthermore company/organization without legal entity, who accepts the statutes of Association and its professional liability insurance system, undertakes to pay liability insurance fee and membership fee. Furthermore, who accepts the code of ethics of the Association as an obligation and who meets the professional requirements, and whose admission is accepted by the Board.

Board decides on the affiliation of the regular member during the next meeting by the acceptance of the application for membership. In case of negative decision, the applicant can require the Ethics Committee – within 15 days - to make a review. The Ethical Committee decides on the issue of negative decision within 30 days after supervision. There is no possibility for remedy against its decision.

8.2 Supporting member

Supporting member can be any person who agrees with the statutes and code of ethics of the Association, undertakes to pay the supporting membership fee and whose admission is accepted by the Board.

8.3 Honorary member

Honorary membership is donated by the Board to a natural person or corporation, or to a company/organization without legal entity that is found worthy.

9. Termination of membership

9.1 Membership can be terminated:

- a.) by leaving the Association,
- b.) if a corporation or an organization without legal entity ceases without a successor,
- c.) by death of a natural person,
- d.) by failing to pay membership fee,
- e.) exclusion.

9.2 In case of leaving the Association, the member – irrespectively of membership form – must notice the Board in writing about the intention 3 months earlier.

9.3. The membership will be terminated also if the legal entity or organization without legal entity member cease without a successor or the natural person dies. In this case, the date of membership termination is the date which is determined in the final judgement stating the cessation of organization or the date of natural person's death.

9.4 If member is delaying more than one month with the fulfilment of the obligation to pay the membership fee – despite the written notice – will be excluded from the Association without any procedure.

9.5 If member – despite the notice – does not fulfil the obligations undertaken and the member's activity is contrary to the statutes of Association, or violates seriously the ethical standards of Association, Ethics Committee is entitled to make an excluding decision. The member can make a complaint against the excluding decision within 15 days. Board will examine the complaint during its next meeting and will make decision in this matter. Board makes decision by simple majority. If the votes are equal, the president's vote will decide. Termination of membership is the date when the excluding

decision becomes effective or – in case of complaint – the date of the publication of Board's decision.

10. Rights and obligations of the member

10.1 Each member is entitled:

- to take part in general assembly of the Association according to as determined in items No. 10.2 and 10.4, and to discuss the introduced proposals,
- to make use of the services of the Association free of charge or for a fee, according to the natures of services,
- to express, to harmonize and to enforce their interests,
- to make opinion and to give suggestions in the matters concerning the Association,
- to indicate the imprint of their membership in correspondence and publications,
- to take part in the work of Committees,
- to represent the Association as ordered by the Board.

10.2 In addition, regular member is entitled

- to take part in general assembly with a voting right,
- to perform any functions of the Association,
- to initiate the withdrawal of office-holders.

10.3 Regular members are obliged:

- to keep the statutes, code of ethics and decisions of the Association, to consider the recommendations, standards and standpoints of the Association,
- to support the aims and activity of Association, to take part in its work, to enhance the cooperation between members,
- to pay the membership fee by deadline and to provide the data needed to determine the membership fee.

10.4 Supporting and honorary members have no voting rights.

Structure of the Association

11. Main bodies of the Association:

General Assembly

Board

Auditing Committee

Ethics Committee

Secretariat

11.1 Elected executive officers of the Association: Board, Auditing Committee, Ethics Committee. Members perform their tasks as voluntary job.

12. General Assembly

12.1 The chief body of the Association is General Assembly which consists of the totality of members.

12.2 Only regular members take part in the General Assembly with voting right, but all members can take part in it with consultation right. Members can be represented at the General Assembly if the authorization is added to an official document or to a private document representing conclusive evidence.

12.3 Each member has one voting right.

12.4 General Assembly operates according to an annual business plan. It sits by necessity, but at least once in a year. General Assembly must be convened if the court or 1/3 of members asks the Board to do so. It must be required in writing by indicating the reasons and aims. General Assembly electing executive officers must be called in every 3 years.

General Assembly is convened by the Board. Items on the agenda are determined by the Board considering members' proposals. If Board does not convene the General Assembly with a half year delay either, Ethics Committee must do it instead.

12.5 Written invitations must be sent to all members at least 14 days before the event. Secretariat cooperates in this work.

12.6 Invitation letter must contain:

- a.) date and place of General Assembly,
- b.) items on the agenda,
- c.) date of repeated General Assembly in case of the General Assembly is inquorate. Quorum of the repeated General Assembly – regarding the items on the agenda - does not depend on the number of represented members.

12.7 Office-holders of the General Assembly are proposed by the Board and General Assembly elects them.

12.8 Valid decisions can be made only on those issues which are presented on the agenda announced previously.

12.9 Followings are in the competence of General Assembly:

- a.) acceptance and modification of statutes submitted by Board,
- b.) acceptance and modification of Code of Ethics,
- c.) election and exemption of Board,
- d.) election and exemption of Auditing Committee,
- e.) election and exemption of Ethics Committee,
- f.) acceptance of Board's annual report and the business plan of the following year,
- g.) approval of annual financial report and determination of the budget for next year,
- h.) decision on property issues of the Association in excess of the degree of ¼ of previous year's membership fee income,
- i.) decision on fusion with other organization, on joining as well as the termination of fusion and joining,
- j.) decision on establishment of a corporation to be founded in the interest of Association, and on its termination. Decision on entering to such a company and leaving of the company,
- k.) determination of order of membership fee payment and its measure,
- l.) furthermore, any other issues which are submitted by the Board or members to the General Assembly to be discussed.

12.10 General Assembly is quorate if 50% of members with voting right are presented.

12.11 General Assembly makes decisions by simple majority. Approved (2/3) majority is needed to modify the statutes of Association, to state the termination of Association or to join to other organization.

12.12 However, voting is an open ballot during the General Assembly, if 1/3 of members with voting right want to have a secret ballot it should be ordered. In personal issues voting is a secret ballot, but General Assembly can order an open voting if majority of members suggest it.

13. Board

13.1 Board is the operational body of the Association. It directs the work of Association between two General Assemblies. Its competence covers the decisions on all issues which do not fall exclusively within general assembly's cognisance.

13.2 Members of the Board are the elected executive officers of Association. Board consists of a maximum of 13 members.

13.3 Members of the Board can be elected from among regular members who are Hungarian citizens, non-Hungarian citizens with a residence permit both natural and legal entity, Hungarian citizens and non-Hungarian citizens with residence permit who are owners of or employed by companies and organizations without legal entity.

13.4 Membership of Board terminates

- a.) by resignation,
- b.) if the member is relieved of his/her office,
- c.) if the determined period of function is expired,
- d.) by the death of member of Board,
- e.) by final prohibition from public affairs.

Membership of Board terminates by resignation, in case of gratuitously absence (4 times in a year), by final prohibition from public affairs and by the decision of the General Assembly. If the Board member's membership, ownership or employment legal relationship terminates at one of the members of the Association, the member can hold his/her function if he/she enters into an ownership or employment status at one of the members of the Association within 3 months, otherwise his/her function will be terminated.

13.5 Election of Board happens during the General Assembly by a secret ballot on the basis of a nomination list. Members draw up the nomination list on the Secretary General's initiative before the General Assembly. One president and two vice-presidents are elected.

13.6 The mandate of Board members is for 3 years.

13.7 The followings fall within the competence of the Board:

- a.) to direct the Association's activities in harmony with the decisions of General Assembly and to determine the work-schedule of the Association for next year,
- b.) to determine the standpoint of the Association in the issues which are essential from the members' point of view:
 - preparation of the standpoints concerning the modification and creation of laws, creation of proposals and to forward them to the appropriate forums,
 - Direction and coordination of the Association's lobby activity,
- c.) to submit the statutes and its amendments to the General Assembly,
- d.) establishment and termination of permanent and occasional committees, discussion and acceptance of reports,
- e.) approval of nomination, exemption and allowance of the Secretary General and his/her deputy on President's proposal,
- f.) decision on the property of Association in excess of degree of $\frac{1}{4}$ of previous year's membership fee income.
- g.) to perform the tasks of Board, to discuss the annual report of Secretariat (operational body of the Association), and decision on its acceptance,

- h.) direction and supervision of the Association's management,
- i.) decision on international membership,
- j.) in case of complaint making decision concerning the excluding resolution – because of a serious ethics offence - made by the ethical committee.

13.8 Board of Association operates on the basis of an annual work-schedule and it holds meetings as it is necessary, but once in two months at least. President arranges for convening of the meeting. President chairs at the Board meeting, if he/she is unable to attend members of the Board elect a chairing president.

13.9 Board makes decisions by simple majority of votes, usually with open ballot. If number of votes is equal the chairman's vote is the casting vote. Board is quorate if 50% of members are present. Approved majority (2/3) is needed to nominate or exemption of Secretary General and Deputy Secretary General.

13.10 Board can found committees to fulfil the tasks of Association.

14. President

14.1 President directs the activities of the Association, represents the Association, and performs tasks which were assigned by General Assembly and Board.

14.2 President is elected by the Board by approved majority by an open ballot.

14.3 President is responsible for fulfilment of the budget approved by the General Assembly.

14.4 President is entitled occasionally to assign his/her representative right to another person (vice president, member of Board, secretary general, deputy-secretary general) – in the Association's interest.

14.5 President is entitled to conclude a business transaction, which does not exceed 5.000.000 HUF.

14.6 President is entitled to arrange sessions, to perform decisions determined during the sessions. Furthermore President is entitled to arrange professional information of members about the Association's activity.

14.7 President has the employer right over the employees of Association on behalf of the Board.

15. Auditing Committee

15.1 Its task is to control the management of the Association. The Committee has the right to access the books and documentation of Association within the law to perform its activities, however it has no right to take measures in the issues of the Association. The Committee gives annual reports about the controls and statements and submits them to the General Assembly. Board must discuss the report before submission to the General Assembly.

15.2 Auditing Committee is elected by the General Assembly by open ballot and simple majority, for 4 years. The body consists of 3 members. Its president is elected among their own members.

15.3 Membership of the Committee terminates:

- by resignation,
- if the determined period of the function is expired,
- by the death of the member,
- by the decision of General Assembly,

- by final prohibition from public affairs,
- if the membership in the Association terminates.

16. Ethics Committee

16.1 It works out and develops the code of ethics and supervises if it is kept. It inspects the ethical default of the Association's members and representatives, makes a decision against which the member or representative can make a complaint within 15 days from acknowledgement. Ethics Committee has the right to make an excluding decision against the person who committed a serious ethical default.

16.2 The Committee examines – by involving a professional body - the decision of Board, which rejects the affiliation of a member, and makes a decision on the basis of the professional body's standpoint. The decision of the Ethics Committee takes effect by announcement, and it is not possible to take further verification procedure.

16.3 Ethical Committee is a body, which consists of 5 members. It is elected by the General Assembly among the members by an open ballot by simple majority for 4 years. The Committee elects its president and deputy president among its members.

16.4 Membership of the Committee terminates:

- by resignation ,
- if the determined period of the function is expired,
- by the death of the member,
- by the decision of General Assembly,
- by final prohibition from public affairs,
- if the membership in the Association terminates.

17. Secretariat

17.1 Secretariat is an individual operational body to perform all tasks of Association. Secretariat is led by the Secretary General.

17.2 Standing orders of the Secretariat is approved by the Board on the basis of Secretary General's proposal.

17.3 Secretary General, his/her deputy and their assistant are charged by the Board on the proposal of the President of Association to perform their tasks. They perform their tasks in employment or other legal relation and president practices employer's rights on behalf of the Board.

17.4 Secretary General's task is to lead the Secretariat on the basis of the directives of the Board and General Assembly. He/she has decision right in economic issues to the limit of up to 3.000.000 HUF, but he/she has reporting liability.

17.5 The main task of the Secretariat is to fulfil the decisions of the leading bodies and to arrange its meetings and events. It provides different services for the members, it harmonizes the proposals and opinions associated with the Association's job, and forwards them to the competent bodies and organizations. The Secretariat passes the information received from other organizations to the members.

17.6 The effective directions of the Labour Code must be applied for employment in the operational body and its termination.

18. Representation of the Association

18.1 President represents the Association independently but this right can be assigned to other members of Board, Secretary General and deputy with an authorization regarding definite group of issues. Only that person can make a declaration on behalf of the Association who is authorized by the Board.

18.2 To sign on behalf of the Association besides the president who is authorized to sign alone (except for bank documents) those persons are entitled who are authorized by the president. Bank document must be signed by two persons, one of the members of the Board on first place and Secretary General on the second place.

Management of Association

19. The Association manages from membership fees, allowance of services and other incomes according to the laws concerning social organizations.

20. If the Association ceases its property must be shared between the members according to the decision of General Assembly, which states the termination.

Other and terminating provisions

21. The statutes was accepted by the General Assembly of 8th January, 1991 and it was registered on the number of 6.Pk. 65/10/106/1. by the order of the Court of Budapest. Statutes had been modified by the General Assembly on 16th December, 1994, 28th April, 1995, 19th December, 1997, 28th May, 1998, 7th April, 2000, 20th December, 2000, 25th May, 2001, 8th May, 2002, 21st May, 2004, 2nd December 2005 and 30th March 2007.

22. Hungarian Real Estate Association was called Magyar Ingatlanforgalmazók Kamarája (Chamber of Hungarian Real Estate Dealers) between 8th January, 1991 and 16th December 1994, and it was called Magyar Ingatlanforgalmazók Szövetsége (Hungarian Real Estate Dealer Association) between 16th December, 1994 and 28th May, 1998.

Budapest, 30th March 2007.