

HUNGARIAN
HOTEL & RESTAURANT
ASSOCIATION
BYLAWS
and
ORGANIZATIONAL AND OPERATIONAL RULES
with modifications in a uniform structure

Modification: Visegrád, March 20, 2018

The original “Hungarian Hotel Association” was established on the basis of the Law II of 1989 about the rights of the association and on § 61-63 of the Law IV of 1959 on Civil Code of the Republic of Hungary. Then, as required by the Law CLXXV of 2011 and the Law V of 2013 of the Civil Code about the law governing the associations, the legal status of public benefit organizations, as well as operation and support of civil organizations, the XXXV. General Assembly of the Association accepted the Bylaws and the Organizational and Operational Rules in a modified and uniform structure on March 31, 2016, and thereafter on February 2017, indicating the elected officials.

1. GENERAL PROVISIONS

1.1. Data of the Association:

Name of the Association:

In Hungarian: Magyar Szállodák és Éttermek Szövetsége (hereinafter Association) – MSZÉSZ

In English Hungarian Hotel & Restaurant Association – HHRA

Headquarters: Budapest, 1123 Jagelló út 1-3

Operational area Hungary

Registration number: Capital Court 6 Pk.60.951/1990/1 January 2, 1990

Tax number 18013849-1-43

Bank account number: 11705008-20426420-00000000

The Association is a legal entity.

The Association is the legal successor of the Hungarian Hotel Association established by the General Assembly resolution on March 16, 1968 and by registration at the Administrative Department of BkM (Ministry of Home Trade) on March 30, 1968.

1.2. Scope of the Bylaws and the Organizational and Operational Rules

The scope of this Bylaws and Organizational and Operational Rules (hereinafter Rules) extends to:

The Hungarian Hotel & Restaurant Association (thereinafter “Association”) and its organs, persons, organizations in employment and entrusting relationship with the Association

1.3 Insignia of the Association

Red-green-gray color acronym from the Hungarian and English name of the Association



The use of the insignia of the Association for or in favor of a third party is permitted by the Executive Committee.

The insignia of the Association is protected; registered by numbers 219082 and 219083, at the Hungarian Patent Office.

2. OBJECTIVE AND MISSION OF THE ASSOCIATION

2.1. The Purpose of the Association

- The non-political interest and professional representation of member hotels and high quality hospitality businesses in economical, legal, ethical issues in Hungary, the European Union, as well as internationally
- By the professional and economic activity of member hotels and high quality hospitality businesses energizing the entire Hungarian tourism industry
- Representation and maintenance of traditions, increase of the social acceptance of the hotel industry, promotion of Hungarian hotels, hospitality businesses and gastronomy domestically, as well as abroad
- Active lobbying in the interest of achieving favorable operational conditions for further development of the Hungarian hotel and hospitality industry

2.2. The Mission of the Association

- Dealing with all professional, economic, classification, legal and ethical issues concerning the hotels and catering trade

- Maintaining relationship and cooperation with the different national and regional tourism organizations
- Classification of the member hotels of the Association as well as other candidate hotels according to the requirement of the HSU National Classification System, thus performing part of the related government tasks
- Support for the marketing, sales and other forms of cooperation among hotels
- Actions against unfair market behavior
- Promotion of high quality domestic products among the members of the Association
- Information about modern know-how in the development and operation of hotels and restaurants at meetings and in different publications of the Association
- Participation in the organization of professional training and further training, study tours and practices abroad, exchange of professionals
- Upon requests, expert advice and consultation
- Active, impartial information about the results, state and outlook of the sector for professionals and the public opinion
- Maintenance of relationship and cooperation with other domestic and foreign professional and interest protection organizations, professional associations in the field of tourism
- Cooperation with government, professional and other organizations, whose activity may influence the tourism market
- Establishing foundations, preserving the memory of outstanding hotel and hospitality personalities
- Bestowing of professional titles, recognitions, organization of tenders, professional competitions

2.3. International Activity of the Association

Based on the resolution of the General Assembly, the Association – within the legal frameworks – may be a member of any international organization that helps to realize the objectives of the Association. As a result, the HHRA is a member of HOTREC, the umbrella organization of hotel and restaurant organizations of member states of the European Union.

2.4 Services of the Association for Its Members

- Professional and interest representation (for example in connection with taxation and other regulations)
- Classification of hotels according to the Hotelstars National Label
- Marketing and sales campaigns in cooperation with HTA – MTÜ (Hungarian Tourism Agency – Magyar Turisztikai Ügynökség Zrt) and other organizations
- Professional consultation (in quality management, development, taxation and legal issues)
- Organization of at least one General Assembly annually, regional meetings, trainings, seminars
- Close cooperation with HTA to improve market opportunities for hotels
- Development of cooperation with associate members including outstanding, exclusive and strategic associate members of the HHRA
- Information about the results, current issues of the domestic and international hotel industry and catering trade on the website, Newsletter of HHRA and other channels
- Organization of information exchange among hotels to facilitate market transparency
- Annual publication introducing the members

3. SUPERVISION OF THE ASSOCIATION

The Office of the Prosecutor exercises the legal supervision over the operation of the Association

4. MEMBERS OF THE ASSOCIATION

Hotels, hotel companies, pensions, high quality catering units, business organizations in the field of the hotel and hospitality industry, those operating them, professional educational institutions and natural persons, as honorary members can be members of the Association.

The membership relationship may be member, honorary member and associate member. The detailed regulation is contained in the Organizational and Operational Rules, inseparable attachment of the Bylaws.

Any of the above listed organizations, which accept its objectives, cooperates in their realization, submits to the regulations of the Code of Ethics, and the admission has been accepted by the Executive Committee, may be a member of the Association.

The Secretariat of the Association is liable to keep an up to date record of the membership.

4.1. Members of the Association:

4.1.1. Hotels and pensions in Hungary and enterprises operating those, having an operating license for accommodation.

4.1.2. Hotel companies operating in Hungary.

4.1.3. Enterprises operating restaurants and other high quality catering businesses

4.2. Honorary Members of the Association:

4.2.1. The President of the Association after the completion of his/her term or in case of resignation.

4.2.2. Outstanding, respected personality or organization of the hotel and hospitality industry, who or which is invited by the Executive Committee upon a joint proposal of the President and the Managing Board and elected by the General Assembly.

4.3 Associate Members of the Association:

4.3.1 Associate member: a business organization (supplier, service provider, bank, consultant, educational institution, etc.) which wants to help to achieve the objectives of the Association

4.3.2. Strategic associate member: a business organization (supplier, service provider, consultant, educational institutions, etc.) which, in addition to the rights and obligations of associated members, undertakes the performance of an event jointly determined with the leadership of the Association – such as seminars, training, product presentations, etc. – at its own expense for the members of the Association. The Secretariat of the Association assists in the organization of such events. The Association reaches an agreement with the strategic associated members, in which the conditions of the annual joint events are established.

4.3.3. Exclusive associate member: a business organization (supplier, service provider, etc.) to which the Association grants an exclusive right – among the associate members – to offer a certain product, product group or a service to the members of the Association, having been given a special promotional opportunity within the Association. The association reaches a special agreement with the exclusive associate member, in which the conditions of cooperation are established.

4.3.4. Outstanding associate member: a business organization (supplier, service provider, etc.) for whom – based on a special agreement – outstanding promotional opportunities are granted by the Association at its events and in its communication.

4.3.5. Educational institutions providing training in the field of tourism

The condition of associate membership is that the member accepts the objectives contained in the Bylaws of the Association, participates in their realization, submits to the regulations of the Code of Ethics, who supports the operation of the Association by financial contribution, pays the agreed upon financial contribution, and the Executive Committee accepts its admission.

4.4. The membership in the Association is certified by a membership card with an individual number.

5. RIGHTS AND OBLIGATIONS OF THE MEMBERS

5.1. Rights of the Members

5.1.1. Members of the Association

- Participate in the work, meetings and events of the Association. Each member has one vote and one person per member may be elected to the leading bodies of the Association.
- May use the services of the Association, as well as discounts provided by the Association for its members
- May submit proposals, and may file a complaint to any of the bodies of the Association

5.1.2. Associate members and educational institutions of the Association have all the rights of the members, except that they have no voting rights and cannot be elected as officials.

5.1.3. Honorary members of the Association have all the rights of the members, except that they have no voting rights and cannot be elected as officials.

5.1.4. Member of the administrative, representative body

- Leading official can be an adult person, whose acting ability is not limited to performing the activity in the required field
- If the leading official is a legal entity, the legal entity is obligated to designate a natural person to perform the duties of leading officials on its behalf. The same rule must be applied to the designated person as to the leading officials
- The leading official is obligated to personally perform the managing duties
- Leading official cannot be someone, who has ever been convicted of a crime and sentenced to imprisonment unless he/she is excused of the restrictions imposed by the criminal record
- The leading official cannot be someone who was banned from this job. Those banned from a profession by a court sentence cannot be the leading official of a legal entity in the activity specified in the sentence as long as the ban is in effect
- Cannot be a leading official for the time specified in the banning resolution, who was banned from the activity of leading officials
- A Hungarian citizen
- Has the right to freedom of movement and residence according to the law which determines the entry and stay of persons having freedom of movement and residence
- Has immigrated or has settled status or residence permit under the law regulating entry and stay of third country citizens, unless prohibited from public affairs

5.2 Obligations of the Members

The members are obligated

5.2.1 To adhere to the Bylaws, to the Organizational Operational Rules of the Association, as well as to the resolutions of the organs of the Association

5.2.2. To follow the regulations of the Code of Ethics

5.2.3. To assist in the realization of the goals of the Association, to actively participate in the work of the Association

5.2.4 To duly pay the membership fees

5.2.5. The legal entity member may exercise its rights and meet its obligations through its legal representative or proxy. A natural person may only personally exercise his or her rights. The mandate of representation is verified by the membership card of the Hotel Association.

6. THE MEMBERSHIP FEE

The operation of the Association has to be basically covered by membership fees. The amount of the membership fee is annually determined by the General Assembly based upon the proposal of the Executive Committee. The prevailing membership fees are included in the Organizational and Operational Rules.

A hotel or a restaurant under construction or reconstruction pays 50% of the prevailing membership fee of the category.

Honorary members are exempt from payment of the membership fees; however, they can support the Association by voluntary financial pledges.

The prevailing membership fees are shown in attachment number two..

6.1 The System of Paying the Membership Fee

The membership fee of the Association consists of two parts.

6.1.1 A one-time fee for the admission to the Association: 25% of the prevailing annual membership fee of the category.

6.1.2. Annual membership fee, due to be settled by January 31 according to the invoice sent.

In case of missing the payment deadline of the membership fee, a 20% default interest is charged. Within one month after the deadline – failing fulfillment –, the Secretariat of the Association sends a warning to the member. 30 days after the unsuccessful warning, the Executive Committee calls for the cancellation of the member who failed to pay the membership fee.

The Association is entitled to cancel, in writing, the membership rights of those who, after the written notice, do not settle the membership fee arrears by the indicated deadline, and reach no agreement with the Association for payment of the membership fee arrears. Until settling the arrears the member may not exercise membership rights. The cancellation of the membership rights has to be approved by the Executive Committee.

New Members

Members admitted during the year pay for the period following the admission – for the remaining months of the year – the prorated part of the annual membership fee. It starts by the first day of the month following the admission.

The membership fee, as well as the invoice for the one-time admission fee is due for payment within 15 days.

7. THE ORDER OF ADMISSION

The intention to apply for admission must be announced in writing to the Secretariat of the Association.

The application must include:

7.1 Hotels, Pensions and Hospitality Businesses

- Main data of the applicant, short description of the activity
- Written recommendation of a regional member of the Association (independent hotel, hotel chain, restaurant) and the head of the region, as well

as a statement of the head of the region and the recommending member hotel/ member restaurant, which asserts that during the site inspection they were convinced that the applicant has the classification of the Hotelstars National Label, or although not classified, the authors of the recommendation consider the applicant suitable to be admitted as member of HHRA

- Statement about the knowledge of the provisions of the Rules and Code of Ethics, and that the applicant considers them obligatory

7.2. Hotel enterprises

- Main data of the activity and that of the hotels of the applying enterprise
- Statement about the knowledge of the provisions of the Bylaws, the Organizational and Operational Rules, as well as the Code of Ethics, and also that the applicant considers them obligatory in case of admittance

7.3 Associate members

- Main data of the applicant, short presentation of introduction to the company
- Statement that there is no liquidation or bankruptcy procedure against the company
- Three references (of which at least one is from a HHRA member hotel/ member restaurant) vouching for the impeccable quality of the products, services, reliability of the candidate
- Statement about the knowledge of the provisions of the Bylaws, the Organizational and Operational Rules, as well as the Code of Ethics and also that the applicant considers them obligatory in case of admittance
- Based on the above, recommendation of the representative of associate members

7.4. Educational institutions

- Summary presentation of the educational activity of the applicant directly submitted to the Secretariat of the Association
- Statement about the knowledge of the provisions of the Bylaws, the Organizational and Operational Rules as well as the Code of Ethics and also that the applicant considers them obligatory in case of admittance

The Executive Committee makes a decision regarding the admittance of the applicants by open vote with a simple majority.

8. TERMINATION OF MEMBERSHIP

The membership ends (Civil Code § 3:68):

- In case of honorary membership: by the death of the member, by liquidation without legal successor of a legal entity member, as membership rights are not inheritable
- By termination of the legal relationship by the Association-- based on reasons laid down in the Bylaws
- By written notice addressed to a representative of the Association at any time, without any reason
- By exclusion of the member
- By termination of the Association without legal successor

The member must declare his/her intention to leave the Association in writing (in a registered letter, if by mail) at least three months prior to the end of the current year. Resignation is possible by December 31 of the current year.

The association is entitled to cancel the membership rights of those, in writing, who after written notice, do not settle the membership fee arrears by the indicated deadline and no agreement is reached with the Association for payment of the membership fee arrears. Until settling the arrears, the member may not exercise his/her membership rights. The cancelation has to be approved by the Executive Committee.

A member can be excluded if he/she violates the Bylaws, the Code of Ethics, internal regulations, resolutions of the Association or whose behavior is unworthy of a member of the Association, who damages the reputation of the Association by his/her behavior, or business practices. The member must be previously notified of the initiation of the exclusion procedure so that he/she can object within 15 days. If the objection is not accepted by the Executive Committee, the Executive Committee makes a proposal for the exclusion. The resolution of the exclusion must be in writing, substantiated and disclosed to the member. The substantiation must include

facts supporting the exclusion, as well as the possibilities of legal remedy. In order to guarantee fair procedure, the member has the right to appeal the exclusion within 15 days from the receipt of the resolution. Thereafter, following the proposal of the Managing Board, the Executive Committee makes a decision about the exclusion with a simple majority.

Suspension of the membership for a definite period may be decided by the Executive Committee at the proposal of the Legal and Ethics Committee,

9. ORGANIZATION OF THE ASSOCIATION

In the leading bodies of the Hungarian Hotel & Restaurant Association – Executive Committee, Managing Board and Advisory Board, as well as the Regions – the election and delegation of officials is for a two year term, with the possibility of re-election.

If the President of the Association resigns prior to the expiration of his/her two year term or if he/she cannot fulfill his/her functions due to lasting impediment, the General Vice President takes over his/her duties, as Acting President until the next election.

The current rules of the Civil Code expressly permit electronic meeting, if the identity of the members can be determined in a way that during the electronic meeting the identity of the participating member can be authentically stated for the other members by, for example video phone or Skype.

The Structure of the Association:

- Highest organ: the General Assembly
- Executive body : the Executive Committee
- Management of Operations: the Managing Board
- President of the Association
- Supervision: Supervisory Committee
- Audit: Auditing Committee
- Consulting: Advisory Board
- Administration: Secretariat

- Regional organs: the Regions
- Permanent and ad hoc committees

9.1. The National Organs of the Association

9.1.1. THE GENERAL ASSEMBLY

The General Assembly is the highest organ of the Association, representing all members.

The General Assembly must convene as needed but at least once a year. The General Assembly must be convened if

- Ordered by the Court
- One third of the members requests in writing, stating the reason and purpose

The General Assembly is not public; only members, the Managing Board, persons invited by the entitled organ, and those having consultation rights according to the Bylaws or by resolution of the General Assembly may attend. Upon proposal of the Chair, and with the consent of the participating members, the General Assembly can be made public.

More than half of the members with voting rights must be present for the quorum of the General Assembly.

The membership must be informed of the date, time and location, as well as the agenda, of the General Assembly with a 30 days' advance notice.

The date and time of a repeated General Assembly must be mentioned in the invitation, in case there is no quorum at the original time.

The quorum must be established at each resolution.

The repeated General Assembly has a quorum in the items of the agenda listed in the invitation regardless of the number of those present, if the members were previously advised of it in the invitation. The resolutions of the repeated meeting are adopted by simple majority vote.

The General Assembly can be convened anytime at the proposal of the Managing Board in agreement with the Executive Committee.

Only members have voting rights and each member has one vote.

The simple majority vote of the members present is required in order to reach a resolution, except if the Bylaws and the Organizational and Operational Rules otherwise decide, or if the General Assembly differently directs in that specific issue.

The members decide with an open vote, except, when the Bylaws and the Organizational and Operational Rules otherwise allow, or if the General Assembly differently directs in that particular issue.

Exclusive Competence of the General Assembly (Civil Code § 3:74):

- a. Acceptance and amendment of the Bylaws and the Organizational and Operational Rules
- b. Amendment of the objectives of the Association
- c. Election and release of the President, the General Vice president and the Co-President Gastronomy by secret ballot
- d. Requiring an annual report of its work from the Executive Committee and assessing its performance
- e. Merger with another social organization, or declaration of termination thereof. Joining a foundation or exiting from it
- f. Delegation of the employers' rights with regards to leading officials – if the leading official is employed by the Association – to the President of the Association, who exercises it in agreement with the Managing Board
- g. Approval of contracts signed with a member of the Association, leading official, member of the Supervisory Board or with relatives of those
- h. Decisions regarding enforcement of claims for damages against current and former members of the Association, leading officials and members of the Supervisory Board or members of other organs of the Association
- i. Election and recall of the members of the Supervisory Board upon the recommendation of the Executive Committee

- j. Election and recall of the auditor upon the recommendation of the Executive Committee
- k. Appointment of liquidators
- l. Determination of the annual membership fees
- m. Approval of the annual budget and the annual report
- n. All other issues, which are referred to the authority of the General Assembly by law or by the Bylaws

The resolutions in points a) b) and e) require a three-fourth majority.

There is no resolution in case of a tied vote.

The Managing Board has to convene the General Assembly in order to take the necessary measures and the General Assembly convened this way has to take the necessary measures to terminate the cause, or decide to dissolve the Association in the following cases:

- a. the assets of the Association do not cover the debts due
- b. the Association will presumably not be able settle the debt when due
- c. achieving of the objectives of the Association is threatened

Rules of the Organization of the General Assembly (Civil Code §3:71 (1)d)

The current President is in the Chair of the General Assembly. Election of the officials is conducted by the Secretary General of the Association (if necessary the General Assembly votes for this by show of hands).

There is no election of vote counters. Vote counting is done by a voting machine. The result of the voting machine appears on the projection screen linked to the machine, clearly visible for all participants of the General Assembly immediately after the vote. It is recorded in writing in the minutes that are certified by the signature of the Chair, the Secretary General, the recorder of the minutes and the Professional Secretary present.

Additions to the Agenda

Members and organs of the Association can request the completion of the agenda from the organ convening the General Assembly by justifying the completion within the deadline specified in the Bylaws, as from the date of delivery or publishing of the invitation to the General Assembly.

Concerning the completion, the organ or person convening the General Assembly is entitled to make a decision. If the organ or person convening the General Assembly does not reach a decision regarding the request for completion of the agenda, or refuses it, the General Assembly decides separately in the matter of completion of the agenda prior to the resolution accepting the agenda.

9.1.2. THE EXECUTIVE COMMITTEE

The Executive Committee is the executive body of the Association.

Functions of the Executive Committee:

- a. Determination of the policy of the Association
- b. Administration of the lobbying activity of the Association
- c. Commenting on the annual work plan of the Association
- d. Commenting on the next year's budget of the Association, motion for the acceptance thereof to the General Assembly
- e. Admission of new members
- f. Termination of membership, exclusion of members
- g. Proposal to modify the membership fees
- h. Convocation and arrangement of the General Assemblies and other events of the Association
- i. Proposal to the General Assembly concerning the person of the President, the General Vice-President and the Co-President Gastronomy during elections
- j. Proposal to the General Assembly for the election of the members of the Supervisory Board
- k. Proposal to the General Assembly for the election of the auditor
- l. Determination of the fee of the auditor
- m. Delegation of two persons of its members to the Managing Board

- n. Co-opting three members in each election period
- o. Election of the members of the Advisory Board following the suggestion of the Managing Board
- p. Implementation of the resolutions of the General Assembly

The Executive Committee consists of 18 persons plus representatives of the hotel enterprises and the invited presidential advisors as follows:

- **President and Co-President Gastronomy of the Association**
- **General Vice President of the Association**
- **Honorary President and Honorary Co-President Gastronomy of the Association (previous President and previous Co-President Gastronomy of the Association)**
- **Seven Heads of the Regions**
- **Representatives of each member hotel enterprise with more than 3,000 rooms**
- **Representatives of each member hotel enterprise with less than 3,000 rooms, if they have at least four member hotels in the Association**
- **Representative of the foreign hotel chains operating in Hungary**
- **Representative of the associate members**
- **Secretary General of the Association**
- **Three persons co-opted from the representatives of members by the Executive Committee**

A member of the Association can be a member of the Executive Committee who has an employment relationship in the field of hotels, restaurants, coffee shops (HORECA) or has another legal working relationship or is widely recognized with a great deal of experience in the above fields, proposed for election to the General Assembly by the Executive Committee (except for the Honorary President, the representative the of foreign General Managers, the representative of the associate members, the co-opted members and the Secretary General of the Association).

The President/Co-President Gastronomy remains automatically a member of the Executive Committee for another two years after the expiration of his/her term, as

Honorary President and Honorary Co-President Gastronomy with voting rights. Thereafter the Honorary President, Co-President Gastronomy keeps his/her title for life.

Election of the Members of the Executive Committee

For election of the President, General Vice-President, Co-President Gastronomy, the Executive Committee nominates one person for each office. Likewise the members of the seven Regions nominate one person for these positions. Out of the maximum eight persons the **Executive Committee selects three candidates for each office by secret ballot and the General Assembly decides by secret ballot, by machine, on the person of the President, General Vice-President and Co-President Gastronomy.**

For the office of the President and General Vice-President of the Association, only the owner, the general manager or another delegate of a HHRA member hotel is eligible for nomination and election.

As Co-President Gastronomy of the Association only the owner, the general manager or another delegate of a member restaurant is eligible for nomination and election.

Heads of Regions are Elected by the Members of the Seven Regions by Secret Ballot

The Head of the Region must be an employee of a member hotel of the Hungarian Hotel & Restaurant Association. If the employment of the Head of the Region is terminated and he/she continues his/her career in a member hotel in another region, his/her function will automatically be taken over by the Deputy-Head of the Region.

At the same time of the election of the Head of the Region, the region elects two Deputy-Heads; one preferably from catering, if there is an independent member restaurant in the region, and the employee is qualified to be nominated and elected.

Each of the member hotel enterprises nominates a member to the Executive Committee.

The representative of the foreign General Managers is delegated to the Executive Committee by the foreign General Managers working in Hungary.

The representative of associate members is elected and delegated to the Executive Committee by the associate members of the Association.

The new Executive Committee is entitled to co-opt three persons as members. The members of the Executive Committee elect these three persons by secret ballot. For co-option simple majority support is required.

Operation of the Executive Committee

The Executive Committee decides by simple majority vote in every case that does not fall within the competence of the General Assembly. Every member has one vote, except for the representative of the associate members who does not have a voting right. In case of a tied vote the decision-making may be repeated or the resolution must be considered rejected.

The Executive Committee only has a quorum if 50% of the members plus one person are present.

In the work of the Executive Committee, upon request – without a voting right – the members of the Advisory Board or other invited experts may participate.

The President convenes the Executive Committee as needed, but at least four times a year with a minimum of 15 days advance notice. In case of resignation or impediment of the President – in urgent cases – the General Vice-President together with the Co-President Gastronomy or the Secretary General can initiate the convocation of the Executive Committee. Minutes are taken of the meetings.

9.1.3. MANAGING BOARD

It is the operational, managing body of the Association. The mandate of the leading officials of the Association is valid for two years.

If the President of the Association resigns prior to the expiration of his/her two year term or if he/she cannot fulfill his/her functions due to lasting impediment, the General Vice-President takes over his/her duties as Acting President until the next election.

Functions of the Managing Board:

- a. The operational administration of the Association between sessions of the Executive Committee, implementation of the resolutions of the Executive Committee.
- b. Supervision of the Secretariat
- c. Supervision of the financial management, investments of the Association in cooperation with the Supervisory Board
- d. Proposal to the Executive Committee for members of the Advisory Board
- e. Arrangements for the meetings of the General Assembly, the Executive Committee and the Advisory Board
- f. Comments on the proposal of the President of the Association for the person of Secretary General

The Managing Board consists of eight persons and additionally representatives of the hotel enterprises with more than 3,000 rooms, invited by the President with consultation rights, and the invited Presidential advisors, as follows:

- **President of the Association**
- **Co-President Gastronomy of the Association**
- **General Vice-President of the Association**
- **Honorary President of the Association (former President of the Association)**
- **Honorary Co-President Gastronomy of the Association**
- **One representative from each of the hotel enterprises with more than 3,000 rooms**
- **Two persons delegated by the Executive Committee**
- **Secretary General of the Association**

The President of the Association directs the Hungarian Hotel & Restaurant Association in cooperation with the Managing Board.

Professionally, the President deals with operations, sales, marketing, taxation, regulations etc. issues of hotels – including hotel gastronomy –, while the Co-President Gastronomy concentrates on sales, marketing, taxation and regulation issues of commercial hospitality businesses.

Operation of the Managing Board

The Managing Board meets as needed on the initiative of the President. In case of resignation or impediment of the President of the Association – in urgent cases –, the General Vice-President together with the Co-President Gastronomy or the Secretary General can propose the convocation.

A seven day advance notice is necessary to advise the members of the Board about the planned session.

Resolutions are made by simple majority vote. In case of a tied vote the decision-making may be repeated or the resolution must be considered rejected. The Managing Board has a quorum if at least seven persons are present in the meeting.

Employers' rights against the Secretary General are exercised by the President in consultation with the Managing Board, against all other employees of the Association in consultation with the Secretary General.

Minutes are taken of the sessions of the Managing Board.

9.1.4. THE PROFESSIONAL ADVISORY BOARD

It is the consultative body of the Association.

Functions:

- a. Professional counseling in hotel and hospitality issues – in a broader sense – for the Managing Board and the Executive Committee
- b. Participation in preparation of surveys, studies.

- c. Participation in the work of committees.
- d. Representation of the Association in other organizations.
- e. Invited members of the Advisory Board, on request, participate in the meetings of the Executive Committee with counseling right.

The Advisory Board consists of maximum 12 members in addition to the members of the Managing Board.

In addition to the members of the Managing Board, it consists of the following experts:

- General manager of a member hotel of the Association
- Owner of a member hotel of the Association
- Sales and marketing, financial, taxation, legal, information technology experts
- Professional adviser member of the Association
- Representatives of the Central Statistical Office, the Hungarian Tourism Agency, as well as acknowledged economic research institutes.

Members are invited to the Advisory Board by the President of the Association in agreement with the Managing Board and with the approval of the Executive Committee.

Operation of the Professional Advisory Board

It meets as needed on the initiative of the President of the Association. The members of the Advisory Board must receive at least 15 days advance notice about the planned meetings. Minutes are taken of the sessions.

9.1.5. SECRETARIAT

The Secretary General is an organizational representative of the Association, who signs a contract of employment with the President for a definite or indefinite period of time. The work of the staff of the Secretariat – Professional Secretary of the Association, office manager and administrator – is directed by the Secretary General.

Major functions:

- a. Performing the everyday tasks in the operation of the Association in compliance with the Bylaws and the Organizational and Operational Rules
- b. Representation of the Association in everyday matters, performing certain tasks, reporting on them regularly to the Managing Board
- c. Organization of the meetings of the Managing Board, the Executive Committee, the Advisory Board and the General Assembly
- d. Preparation of the annual work plan and budget of the Association
- e. Sending the materials, previously commented on by the Executive Committee, in writing or electronic letter to the General Assembly, at least eight days prior to the session (with special emphasis on the Bylaws, the amendments of the Organizational and Operational Rules, annual reports)
- f. Maintaining contact with the members of the Association, other partner organizations domestically and abroad
- g. Performing the administrative and registration duties of the Association
- h. Information about professional issues for the media in agreement with the Managing Board and the Executive Committee
- i. Active assistance in the organization of various professional events, training sessions, sales campaigns
- j. Performing other tasks determined by the Managing Board and the Executive Committee
- k. Proposal for the remuneration of the employees
- l. Operation of the Association – in compliance with the economic and financial regulations – registration of receipts and expenditures, certification and verification of invoices, making payments, managing investments, staying within the allocated budget.
- m. Informing the membership of new members admitted by the Executive Committee following the admission, in writing (hotels, hotel chains, restaurants, educational institutions, associate members)

The employers' rights against the employees of the Association are exercised by the President of the Association. The duties of the staff of the Association are determined by the Secretary General.

9.1.6. SUPERVISORY BOARD

- (1) The establishment of the Supervisory Board (hereinafter SB) is an obligation according to the Civil Code § 3:82 (1). Its duty is the ongoing control and supervision of the activity, management of the Association as laid down in the Bylaws. It is responsible for its activity to the General Assembly. It determines the order of business by itself – which may not be contrary to the Bylaws – and operates accordingly.
- (2) The SB may require reports from the leading officials and information from the employees of the Association; furthermore it may look into the books and documents and may examine those.
- (3) The three members of the SB are elected for a two year term by the General Assembly upon the submission of the Managing Board and approval of the Executive Committee. The President of the Supervisory Board is elected by the SB members themselves. The President and members of the SB may also be non-members of the Association. The remuneration of the members of the SB is determined by the General Assembly.
- (4) The President of the SB or in his/her absence members of the SB may be invited with consultation rights to the meetings of elected bodies of the Association.
- (5) The Supervisory Board is in session as needed, but at least once a year. The President of the SB calls the meeting in writing, at least eight days prior to the planned date and time with simultaneous written notice of the agenda. The board meetings are public unless they endanger the rights of the Association or the rights or legitimate interests of others. The President of SB is entitled to decide to mandate a closed session based on the above listed reasons. The SB has a quorum if the majority of its members are present. If there is no quorum, the repeated session – with the same items on the agenda – must be set with a minimum of eight days interval.
The voting takes place with open vote and simple majority in the sessions of the SB.

In case of a tied vote the President of the SB decides. The SB determines its work schedule by itself; the President lets those affected know of the resolutions in writing.

The minutes of the sessions of the SB are numbered, and the resolutions are numbered as well.

The minutes include: location, date and time of the session, the members present, invited persons and the name of the recorder of the minutes, the agenda, comments, the substantial resolutions and their effect. The minutes have to be kept in a way that the proportion of supporters and opponents of the substantial resolution can be determined.

Any member of the SB is entitled to include in the minutes – indicating his/her name – his/her vote cast in the resolution. The minutes are signed by the members participating in the session of the Supervisory Board.

- (6) The SB is obligated to inform the General Assembly of its work and findings in writing. The SB regularly controls the orderly operation of the Association and management, and in this process it may require reports from leading officials, information from the employees; furthermore, it may look into the books and documents of the Association, it may examine them, it notifies the Managing Board in case of irregularity experienced during the control, and calls attention to the method of the elimination of irregularity.
- (7) The SB is obligated to inform the Managing Board, and initiate its convocation, if it learns, that
 - a. a violation of law or an event (omission) took place which seriously violated the interest of the Association, the termination or the elimination/ easing the consequences of which makes a decision of the leading body that is entitled to take the necessary action
 - b. a fact emerged that substantiates the responsibility of leading officials
- (8) At the suggestion of the SB, the Managing Board or the General Assembly must be called together within thirty days from the date of the proposal. If the deadline is reached without results, the SB is entitled to convene the Managing Board or the General Assembly

- (9) If the Managing Board does not take the necessary measures in the interest of the re-establishment of the legal operation, the SB is obligated to inform the body exercising legal supervision, without delay.
- (10) The President or member of the SB may not be a person, who
- a. is a member of the Managing Board.
 - b. in addition of his/her assignment, engages in other activities in his/her employment or is in another legal relationship which entails doing a job for the Association unless otherwise defined by law.
 - c. receives a special bonus from the Association, - except for services not financial in nature which are available to anybody without restrictions and allowances for the members by the Association based on membership, in compliance with the purpose of the founding document
 - d. is a relative of persons defined in points a) to c)

9.1.7. AUDITING COMMITTEE

Upon the submission by the Managing Board and approval of the Executive Committee, the General Assembly elects the two members of the Auditing Committee.

Their duties and responsibilities are: the supervision of the accounting and textual report, financial control of the operation of the Association, and auditing the annual report of the Association. They are required to inform the General Assembly of their opinion.

9.1.8. OTHER COMMITTEES, SECTIONS

Both the General Assembly and the Executive Committee can form, direct Committees (with the leadership of a member of the Executive Committee or the Professional Advisory Board), they can mandate to have access to reports of their activity, as well as terminate the assignment when their goal has been reached or when there is no need for further operation for other reasons.

For participation in the committees or sections, the best professionals of the subject matter and regional specialists are invited or volunteers can be involved to perform the task.

9.1.9. LEADING OFFICIALS

Those who have signing rights are considered the leading officials of the Association. These are: President of the Association, General Vice-President, Co-President Gastronomy, Secretary General and Director of the Hungarian Hotel Association Service Ltd.

The legal relationship of the designated, elected, appointed person, as official, is established when he/she accepts it upon the invitation of the Executive Committee based on the right delegated to it by the General Assembly.

The V. Law of the year 2013 of the Civil Code (enacted on March 14, 2014) regulates the responsibility of leading officials. Leading officials receive detailed information of the Law and acknowledge the receipt of it by their signature. The Executive Committee can decide whether to underwrite a liability insurance policy for the leading officials and the members of the Supervisory Board, upon the authorization of the General Assembly.

9.2. The Regional Organs of the Association

9.2.1. The Regions

The Regions are the territorial organs of the Association.

The member hotels of the Association currently operate in seven Regions. In order to form a new Region more than 10% of the total number of member hotels is needed. If the number in any Region falls below 10% of the total membership number, the Region may be dissolved. The approval of the General Assembly is necessary to make the adjustment in the Organizational and Operational Rules to register the change.

The membership of the Regions is distributed according to geographical location. The members of the Regions may request a move, in writing, to another Region before the biannual General Assembly for election of officials.

The Regions organize their operation – based on the principals of the Bylaws – in compliance with the objectives of the Association in cooperation with each other, but independently.

The members of the Regions elect a Head of the Region and two Deputy-Heads of the Region from among them for the next period, by secret ballot.

The Head of the Region automatically becomes a member of the Executive Committee.

Major Tasks of the Head of the Region

- a. Representation of the member hotels of the Region in the Executive Committee
- b. Information for the Executive Committee of tourist trends in the region and professional problems
- c. Maintenance of direct relations with the member hotels
- d. Representation of the professional interests of the Association at governmental, tourist and other professional organizations of the region
- e. Active cooperation with the regional TDM (Tourist Destination Management)
- f. Organization of minimum one regional meeting annually in cooperation with the Secretariat of the Association. An invitation to convene the regional meeting has to be sent out 15 days in advance. After the notification the members present have a quorum in the regional meeting.
- g. Acquisition of new member hotels in the region

The Regions of the Association

1. **LAKE BALATON REGION:** communities directly surrounding Lake Balaton
2. **BUDAPEST REGION:** the administrative territory of the Capital
3. **SOUTHERN TRANSDANUBIA REGION:** territory of the counties of Zala, Somogy, Tolna and Baranya
4. **SOUTHERN PLAINS REGION:** territory of the counties of Bács – Kiskun, Békés and Csongrád

5. **NORTHERN REGION:** territory of the counties of Pest, Nógrád, Heves and Borsod – Abaúj – Zemplén
6. **EASTERN REGION:** territory of the counties of Hajdú – Bihar, Jász – Nagykun – Szolnok and Szabolcs – Szatmár – Bereg
7. **WESTERN REGION:** territory of the counties of Vas, Győr – Moson – Sopron, Komárom – Esztergom, Veszprém and Fejér

9.2.2. The Hotel Enterprises

Each member hotel enterprise in the Association, of which the total room capacity in the member hotels amounts to 3,000 rooms, has one seat both in the Managing Board and the Executive Committee.

Each member hotel enterprise, of which the total room number of the member hotels in the Association is below 3,000 rooms, but which has at least four hotels in the Association, is entitled to participate in the Executive Board with one person.

9.2.3. The Associate Members

The associate members elect their representative and his/her deputy for two years, with secret ballot.

10. THE OPERATION OF THE ASSOCIATION

The direction of the interest protection, lobby activity and professional work of the Association is executed by the Executive Committee and the Managing Board under the leadership of the President of the Association.

The President of the Association initiates and presides over the sessions of the

- Managing Board
- Executive Committee
- Advisory Board
- Chairs the General Assemblies and reports on the activity of the Association there
- Represents the Association towards governmental, social and other organizations, towards the membership and in international relations

- Performs the duties assigned to him/her by the General Assembly and the Executive Committee or by the Organizational and Operational Rules

The General Vice-President of the Association assists the President, and in case of impediment he/she acts as a deputy for the President.

11. REPRESENTATION

11.1. The representation of the Association may be performed by the President alone or from among the General Vice-President, the Co-President Gastronomy and Secretary General two persons together.

11.2 The right to sign

All correspondence of the Association takes place in the Secretariat.

Only the President has the right to sign alone, with the Secretary General having the right to sign alone in specifically identified subject areas. In the absence of or a lack of access to the President, the signature of two persons is necessary from among the General Vice-President, the Co-President Gastronomy and the Secretary General. It is the duty of the Secretariat to take care of their registration.

The President signs by himself/herself

- letters, reports sent to the various governmental organs
- letters, professional materials prepared for the leaders of institutions with national authority

The Secretary General signs by himself/herself

- invitations, reports, letters, information in connection with the everyday operation of the Association and the tasks assigned to him/her by the Organizational and Operational Rules
- Letters, evaluations, submissions related to jobs assigned by the Executive Committee and the Managing Board

With the confirmation of the President or the General Vice-President, the Secretary General may sign

- certifications, accounting of expenses, summaries

- announcements of disposition over bank accounts in case of employees falling within the jurisdiction of the Secretary General

President of the Association:	László Könnnyid
Co-President Gastronomy of the Association:	Zoltán Hamvas
General Vice-President:	Tamás Flesch
Secretary General:	István Kovács

11.3. The right to make a statement

On behalf of the Association, the President makes statements in subjects related to tourism, the hotel industry and hotel gastronomy; the Co-President Gastronomy in subjects of commercial hospitality, international and domestic trends in gastronomy, and, in certain subjects, the Secretary General may also make statements.

Their statements must always be in line with the interests of the Association, as well as with the standpoint of Executive Committee.

12. TERMINATION OF THE ASSOCIATION

The Association may be terminated with legal succession only by merging with another association, or by separation into associations. (Civil Code § 3:83)

In addition to the general cases of termination of legal entities without legal successor, the Association may also be terminated if the Association has accomplished its objectives, or the realization of the objectives became impossible and a new goal has not been set, or the membership does not reach ten persons during a period of six months. (Civil Code § 3:84)

In case of termination without legal successor the remaining assets – after settling the debts – are due to the DR. LAJOS MENYHÁRT Foundation.

If the Association is terminated by court cancellation, the court appoints a trustee to arrange the transfer of the remaining assets, and by cancellation of the Association the right of disposal over the assets is transferred to the recipient.

If the procedure was started because of insolvency, the Association may be terminated by liquidation.

After the termination of the Association without a legal successor, claims for compensation against the leading officials for causing damages in this capacity – within one year from the legally valid cancellation – may be filed by a member who was legally in membership relation at the time of the cancellation of the Association, or to whom the remaining assets of the Association, available at the time of cancellation, should have to be transferred, or if there had been assets, a claim for compensation may also be filed. (Civil Code § 3:86 (1))

If the Association is dissolved without a legal successor, the creditors may file a claim for compensation up to the value of their unsatisfied claims against the leading officials of the Association according to liability rules for damages caused outside of contract, if the leading official did not take into consideration the interests of creditors after the onset of the situation threatening with insolvency of the Association. This regulation is not applicable in case of liquidation (Civil Code § 3:86 (2))

13. ECONOMY OF THE ASSOCIATION

13.1 The resources of the Association come from

- Payment of membership fees
- Financial donations of honorary and associate members
- Government subsidies
- Other financial support

The Association may perform economic and entrepreneurial activities in order to provide economic conditions in the interest of the realization of the objectives, unless it jeopardizes the activities reaching their basic objectives. Furthermore the Association is entitled to accept donations, reimbursement of expenses from anybody in order to reach the goals of the Association, or to enter into sponsorship contracts, within the limits approved by the Executive Committee.

The Association is liable for its debts with its own assets; the members are not liable for them.

The Association may use its resources to meet its objectives; however, it may not distribute the assets among the members and may not grant profits to the members. (Civil Code § 3:63 (4))

The elected, delegated officials of the Association may not receive financial allowances, reimbursement of expenses, with the exception of those travels abroad when they participate in professional events representing the Association. In these cases the Association covers – according to the prevailing provisions – the expenses of travel, accommodation and daily allowance.

The Secretary General and his/her staff are employed in accordance with the conditions determined in a separate contract.

13.2. The Association, by a two third majority support of the Executive Committee, – in the interest of promoting the realization of the objectives determined in the Bylaws of the Association – is entitled to found an economic organization conducting business activities. Its profit may only be used in compliance with the objectives of the Association. Payment for members of the Association – dividends – may not be made.

13.3. The Secretary General is entitled, and is liable, to manage the assets of the Association with proprietary solicitude, with the approval of the President, General Vice- President and under the control of the Supervisory Committee. Payments can only be made if the remittance is signed by the Secretary General.

14. MEMBERSHIP CARD

14.1 Different types:

14.1.1. Membership card for members, eligible to vote (red)

14.1.2. Membership card for members of the Executive Committee, Secretary General, eligible to vote, valid during their term in office (red)

14.1.3. Membership card for elected officials, associate members, educational institutions, honorary members, staff of the Secretariat – with no voting right (blue)

The membership card number two and three may also be given for a definite period.
The personal member card is non-transferable.

The membership card is issued by the Secretary General. Each type is numbered and the Secretary General keeps an up to date record of them. The membership card is free of charge for the first time, but if lost or destroyed, the prevailing production cost has to be paid for. The loss of the card must be immediately reported to the Secretariat, and the other members have to be notified as well by fax or by electronic mail at the card owner's expense with the following text:

For members of the Hungarian Hotel & Restaurant Association,
The membership card numberof.... , member of HHRA, has been lost, its use is banned. In its place membership card numberwill be valid.

Only the red and blue colored membership cards with numbers, issued for members, associate members listed on the website of the Association and in the annual Directory of the Hungarian Hotel & Restaurant Association, as well as the personal membership cards issued for officials and "honorary" members, are valid. The banned membership cards are not listed in our publication – the Directory.

All types of membership cards entitle the cardholder to a maximum 50% discount from the room rate of member hotels. If breakfast is included in the room rate, the discount is applicable, but not for further restaurant consumptions, or use of different services (half board, all inclusive, mini bar, medical treatments etc.).

All member hotels grant the discount from the room rate, subject to availability.

14.2. Use of the discount:

The manager (director) of a member organization may order discounted accommodation for any employee of the member hotel, in writing – electronic mail – , supplying the director of the requested member hotel the usual data, who then confirms it. The owner of a personal membership card may order discounted accommodation directly at the hotel.

Arrivals without reservation have to consider the risk of there being no accommodation available.

The membership discount can be used by those showing the membership card:

- Owner, employee of member hotels (together with his/her companion)
- Employee of hotel chain organizations (together with his/her companion)
- Honorary -, associate member, employee of an educational institution or similar organization (together with his/her companion)
- Elected officials of the Hungarian Hotel & Restaurant Association, employees of the Secretariat (together with his/her companion)

The membership card entitles the cardholder to the use of one room unit at a time.

The membership card may not be used on official trips. In case of transfer of the membership card to an unauthorized person, the Secretary General can initiate the suspension of the member. Retired officials are also entitled to the discounts and benefits of membership.

15. THE DR. LAJOS MENYHÁRT FOUNDATION OF THE HUNGARIAN HOTEL & RESTAURANT ASSOCIATION

The Association, as founder, established and founded the **DR. LAJOS MENYHÁRT FOUNDATION OF THE HUNGARIAN HOTEL & RESTAURANT ASSOCIATION** on January 30, 2007.

The members of the Board of Trustees:

Dr. László Stern – Chairman

András Tusor

József László

Dr. Zoltán Hornyánszky

Dr. Miklós Walkó

Zsolt Temesvári

16. THE HUNGARIAN HOTEL ASSOCIATION SERVICE LIMITED COMPANY (Company Register Number Cg.01-09-949083)

The Association is the sole, 100% owner of the economic and business service limited company.

The equity capital of the limited company, HUF 10,300,000, is fully paid in cash.

The manager of the Company is Attila Lukács, Professional Secretary with the right to represent and sign alone.

16.1. The Purpose of the Founding of the Hungarian Hotel & Restaurant Association Service Ltd

The purpose is the management of the Hotelstars National Label hotel classification system, as well as participation in all events involving income and expenses, organized by the Hungarian Hotel & Restaurant Association.

16.2. Election of the Manager

The appointment of the manager of the Service Ltd is approved by the Executive Committee upon the recommendation of the Managing Board.

The work of the Manager is directly supervised by the Secretary General; the employers' rights are exercised by the President in agreement with the Managing Board.

16.3. Duties of the Manager

16.3.1. Management of the HSU hotel classification system, including

- Organizing the classification of hotels wanting to join the Label system
- Information regarding the criteria of different categories, procedure of the classification, tariffs etc. for hotels applying for classification
- Maintaining relations with the classifying experts, organization of trainings for them
- Organization of mystery shopping inspections by the experts of the Hungarian Hotel & Restaurant Association or by involvement of accredited service providers

- Recommendation for the Jury, jointly operated with MTÜ (Hungarian Tourism Agency) regarding the category (stars) of classified hotels, preparation and publication of press releases
- Operation and ongoing maintenance of the www.hotelstars.hu website
- Organization of events, domestic marketing actions in order to promote HSU with the approval of the Managing Board
- Provision of information related to the results, experiences of HSU in Hungary to the prevailing secretariat of the Hotelstars Union
- Proposal for the tariffs of classification of hotels
- Regular Information for KSH (Central Statistical Office) of hotels obtaining the HSU classification

16.3.2. Management of the classification of pensions, including

- Classification of pensions joining the Pension Classification Label System
- Operation of the www.panziominosites.hu website
- Proposal for the tariffs of classification of pensions

16.3.3. Events, programs

- Participation in the arrangement of events (National Concierge Competition, Hotel of the Year etc.) organized by HHRA, involving income and expenses, in agreement with the Secretary General
- Preparation of preliminary calculations for these events, accounting for income and expenses

16.3.4. Economy

- Preparation of an economic plan for the Service Ltd and annual report of its fulfillment in agreement with the Secretary General, and its presentation to the Executive Committee.
- Providing data in accordance with the requirements of the auditor of the company
- Confirmation of incoming invoices regarding the services ordered by the company, and settlement in cooperation with the appointed employee of the Secretariat

- Cash withdrawal from the bank account of the company up to HUF 100,000 and with the approval of the Secretary General over and above this amount
- Depositing the money of the company in capital guaranteed investments in agreement with the Secretary General

17. PROFESSIONAL RECOGNITIONS, AWARDS

17.1. Ottó Marenchich Memorial Plaque of the Hungarian Hotel & Restaurant Association

The Association can award the Ottó Marenchich memorial plaque to its members and those experts and organizations outside of the association who have performed outstanding activity in the interest of the Association or for the profession in general.

The Ottó Marenchich memorial plaque can be awarded every even year, for a maximum of three persons each time. The Managing Board makes the recommendation of candidates to the Executive Board for approval.

17.2. Hotel of the Year

The member hotels of Hungarian Hotel & Restaurant Association can compete for the title in three-, four-, and five stars categories each year according to conditions outlined by the Managing Board of HHRA. The fulfillment of conditions is judged by a “Jury” consisting of recognized experts.

The HHRA announces the conditions of the competition “Hotel of the Year” in the third quarter of each year. Upon the decision of the Jury, the winners of the “Hotel of the Year” title are announced in each category at an awards ceremony organized by the HHRA.

17.3. The “Green Hotel”

The prize is awarded biannually by a Jury consisting of independent experts. Maximum 20 candidates from among the applicants can win the permission to wear the title. The Jury awards the title for the first three places in two categories (hotel of a domestic/foreign chain and independent hotel respectively). The emblem is a stylized tree in the middle of two concentric circles.

The emblem of the Green Hotel is protected, registered at the Hungarian Patent Office under number 167 241.

17.4 Recognition of Associate Members

Submitted by the Managing Board and approved by the Executive Committee those associate members who have been members of the Hungarian Hotel & Restaurant Association for 20-15-10 years respectively, assist the member hotels by high quality products and services and reliability, and thus contribute to the sustainable operation of the Association, receive “Gold”, “Silver”, “Bronze” recognition as associate members at the annual General Assembly. The recognized associate members are entitled to use the above title in their marketing, as long as they remain members of the Association.

18. ACCOUNTING SYSTEM OF THE HUNGARIAN HOTEL & RESTAURANT ASSOCIATION

18.1 The accounting system of the Hungarian Hotel & Restaurant Association is based on the regulations applicable for associations. The Hungarian Hotel & Restaurant Association does its book-keeping within the framework of the above and the prevailing book-keeping regulations. These records assure the control of payment of individual membership fees and registration of expenses.

18.2. The documents of income and expenses are kept in yearly groups according to the filing order.

18.3. In addition to the Secretary General, employees, authorized by the Secretary General, with the approval of the Managing Board, may arrange payments from the bank accounts of the Association.

The Secretary General of the Association is entitled to settle – planned – expenses, necessary for the ongoing operation of the Hungarian Hotel & Restaurant Association. Payments of unexpected – not planned – expenses exceeding 100,000 HUF may be authorized by the President, or if the President is unavailable, by the General Vice-President.

The remittance is the duty of the appointed employee of the Secretariat.

18.4. The Secretary General of the Association – with the assistance of an employee appointed to this job – prepares an annual budget plan of revenues and expenses that is approved by the General Assembly, upon the recommendation of the Executive Committee. He/she prepares a report for the Executive Committee of the state of revenues and expenses during the year.

18.5. The Secretary General – with the assistance of an employee appointed to this job – prepares the accounting report and the necessary attachments every year according to Ectv. § 30 (Law for Associations and Civil Organizations). The report is deposited by the last day of the fifth month following the date of the balance-sheet of the current year; the Secretary General publishes it, that is, sends to the National Court Office (Országos Bírósági Hivatal – OBH, Budapest 1363 P.O.B. 24/1). The report, approved by the General Assembly, is published on the website of the Association at least until the due date of the report of the following year.

18.6. The Secretary General of the Association is entitled to the correspondence, related to the administration and finances of the Association and to its signing, with the cooperation of the employee appointed to the job.

19. CLOSING REGULATIONS

The detailed rules of operation of the Association – including modifications – are in the Bylaws and Organizational and Operational Rules in a uniform structure.

In case of items that are not regulated in the Bylaws and the Organizational and Operational Rules the Law CLXXV of 2011 governing the associations, the legal status of benefit organizations, as well as the operation and support of civil organizations, and the V. Law of 2013 of the Civil Code respectively, as well as other related laws, are governing.

The Association accepted the original Organizational and Operational Rules at the General Assembly of October 19, 2009 - , the General Assembly of November 19, 2015 accepted the document in a uniform structure, including the modifications in connection with changes in the prevailing laws, and the General Assembly made the most recent modifications on March 20, 2018.

Put, with modifications, into a uniform structure: March 20, 2018.

We, the undersigned, certify .that the present text in uniform structure of the Bylaws and the Organizational and Operational Rules is in accordance with the prevailing content with the modifications of the Bylaws and the Organizational and Operational Rules.

László Könnyid,
President

István Kovács
Secretary General

Before the elections:

General Vice-President, Acting President
Chairman of the General Assembly

Zsófia-Janka Sárvári-Deák, office manager
Recorder of the minutes

Attila Lukács,
Professional Secretary
Attestor

In our presence, as witnesses:

Csilla Eszter Orosz

Gabriella Molnár

Attachment nr 2

Membership Fees and Categories from January 1, 2018

	HUF/Year
Hotels, Pensions (Members)	
1 to 25 rooms	35,000
26 to 50 rooms	60,000
51 to 100 rooms	87,000
101 to 150 rooms	138,000
151 to 200 rooms	185,000
201 to 250 rooms	262,000
251 to 300 rooms	314,000
301 to 350 rooms	343,000
More than 350 rooms	462,000
Restaurants, Pastry Shops (Members)	50,000
Hotel Enterprises (Members)	
Up to 500 rooms	184,000
501 to 1,000 rooms	280,000
1,001 to 1,500 rooms	336,000
1,501 to 2,000 rooms	440,000
2,001 to 2,500 rooms	550,000
More than 2.501 rooms	667,000
Secondary and College/University Educational Institutions:	50,000
Entrepreneur Educational Institutions:	150,000
Associate Members:	
- Members	280,000
- Strategic Members	280,000
- Exclusive Members	Minimum 1,000.000
Outstanding Professional Partnership:	
Enterprises or Chains	Minimum 3,000.000

Put, with modifications, into a uniform structure on March 20, 2018.