

CONSTITUTION OF THE HUNGARIAN HEALTH ECONOMICS ASSOCIATION

The current Constitution was unanimously accepted by the founding members at the general assembly on 15, July, 2003, and subsequently it was unanimously modified on the following days: 3, December, 2003, 16, December, 2004 and 22, February, 2006.

I.

GENERAL RULES

1.) The name of the Association in English: **Hungarian Health Economics Association**

The name of the Association in French: **Association Hongroise de l'Economie de la Santé**

The name of the Association in Spanish: **Asociación Húngara de la Economía de la Salud**

2.) The seat of the Association : **Budakeszi u. 51/D. B.ép. II.em. 6. 1021 Budapest, Hungary**

3.) The legal status of the Association: association

The Association is an independent legal entity.

4.) The main objectives and tasks of the Association:

- Widespread promotion, instruction and the practical use of the means and methods of health economics
- Provision of professional self-education and representation of professional interests for health economists
- Provision of professional background and consultancy for health care decisionmakers.
- Development of the discipline of health economics and health economic theories and support of health economic research activities.

5.) Independence of the Association

The Association cannot be involved into political activities, its organisation is independent from political parties, cannot provide and cannot receive financial allowance to/from political parties. The Association cannot have own candidates for national and local election, and cannot support other candidates for political election campaigns.

II.

MEMBERSHIP

1.) The Association is open for the public, any Hungarian or foreign person, or companies with or without legal entities can be members, provided the Board accepted their membership application and the membership fee is paid. The membership is valid for a year from the date of the membership payment. Admittance of members is the responsibility of the Board. The admittance is acknowledged by the inclusion of the applicant to the membership list by the Secretary/Treasurer based upon the decision of the Board.

The Association grants honorary membership to those individuals, who deliver extraordinary value or results in one of the professional areas of the organisation. Honorary members and the Honorary President are exempted from the obligation of

membership payment. The honorary members and the honorary president are elected by the general assembly with two-thirds majority vote based upon the proposal of the Board. The rights and obligations of the honorary members are equal – with the exemption from membership payment - with the general members.

2.) Members of the Association are entitled to vote and to be voted for any positions at the general assembly. They have the right to give proposals and motions, they can actively participate in the activities of the Association and can use the services and allowances of the Association. Members are also entitled to obtain information concerning the operation of the Association and can ask for ethical and professional support in any controversial cases. They can lay a complaint which must be answered by the Board within 30 days from the date of lodging. They can bring a legal action against any unlawful decisions of the Association within 30 days of recognition.

3.) Members are obliged:

- to keep the Constitution and the resolutions of the Association,
- to play an active part in the Association to the best of their knowledge,
- to carry out their accepted positions and tasks to the best of their abilities
- to pay the membership fee regularly,
- to act and to express their opinion in the name of the Association only with the consent of the assembly and in accordance with the Constitution

4.) The membership status is terminated:

- with the written presentation of an intent for resignation to the Board,
- with dismissal of the membership payment,
- with the exclusion of the member,
- with decease of the member.

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The member can voluntarily discontinue the membership, but he/she can not demand the membership fee already paid back. Founding members state that the disciplinary regulation of the Association is going to be framed at a later date.

III.

ASSETS AND FINANCIALS OF THE ASSOCIATION

1.) Revenues of the Association are derived from the membership fees, donations by individuals and companies with or without independent legal entities and from the income originating from the business activities of the Association.

2.) According to the Constitution members of the Association are obliged to pay a membership fee. The amount of the membership fee is set exclusively by the general assembly. Members may not receive either directly or indirectly financial allowance from the Association.

3.) The Association uses its assets for the realisation of objectives set in this constitution according to the annual budget. The gross income and results are not distributed but are used for the objectives described in the Constitution.

4.) The Association is not entitled to grant financial or non-financial support for the members of the Board, the President, the Secretary, the grantors of the Association or their relatives – except for the services available for anybody or the allowances granted for the members because of their membership relations with the Association.

IV.

THE ORGANISATION AND THE OPERATION OF THE ASSOCIATION

The supreme organ of the Association is the general assembly, their executive is the Board and the officials are the President and the Board Members.

1.) Conflict-of-interest regulations

A person who has been validly condemned to imprisonment may not be a member of the Board or Official of the Association until he/she is exempted from the legal consequences of the past record

The member whose close relative or relative (as set in Hungarian Civil Code, 685§b) is given any kind of preference on the basis of the resolution or is affected in the debated case may not participate in the decision-making process

Any non-financial allowance claimable as an objective allowance of the Association is not considered a preference

2.) The general assembly

The supreme organ of the Association is the general assembly consisting of the members.

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The general assembly:

- sets and modifies the Constitution of the Association,
- chooses and releases the members of the Board and other officials of the Association from its members,
- decides on the acceptance of the annual report of the officials and the representative organs of the Association,
- sets the annual budget,
- accepts the annual report of the previous year,
- determines the membership fees,
- can decide on the dissolution of the Association with a ballott passed by twothird of the assembly,
- disputes and decides on any questions submitted to the assembly in accordance with regulations.

The Board must convene the assembly according to need (special assembly) but at least once a year within 180 days after closing of the financial year. The President is entitled to convene the assembly independently. The general assembly has to be summoned if the court rules so or one third of the members makes a proposal indicating the reason and the purpose.

The invitation showing the exact time and the location of the general assembly - with the agenda and the written form of the submissions if available – has to be sent to the members via postal service, fax, internet or a deliverer not later than 14 days before the actual time of the general assembly.

A special assembly may be convened at any time if the president or the majority of the Board decide so. The invitation showing the exact time and location of the special assembly – with the agenda and the written form of the the submissions available – has to be sent to the members via postal service, fax , internet, or a deliverer not later than 7 days before the actual time of the special assembly.

It is not not necessary to send an invitation for the convention of the adjourned

general assembly provided the date and the location are indicated in the invitation for the original general assembly.

The general assembly is chaired by the President. In the absence of the President one of the Board members is in the chair until a temporary chairman is elected by the general assembly.

The general assembly is open to the public.

The general assembly has a quorum when 50 % + 1 member entitled to vote are present. If the general assembly has a quorum at the opening, the assembly can be kept even if the quorum may not be present during the whole time of the assembly. If the quorum is not present at the opening the general assembly must be adjourned and the repeated assembly has to be started within minimum one (1) hour and maximum seventytwo (72) hours after the start of the original assembly with the same agenda. The repeated assembly has a quorum independently from the number of present members.

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Decisions of the assembly are made by open majority vote with a show of hands – except when specific legal rules, the constitution or the organizational and operational regulation of the Association requires different voting. Any members can vote personally or by an authorized person (with written authorization) at the general assembly. Each member has one vote. In case of a tied vote, the proposal is rejected. The President can order secret balloting, and if requested by at least 10 members the President must order secret balloting.

Minutes of the general assembly have to be recorded. The President is responsible for recording the minutes. The minutes record:

- location and timing of the general assembly,
- résumé of contents of the general assembly,
- proposals to be voted by the assembly,
- results of each vote with the proportion of supporters and opponents,
- decisions of the general assembly with exact wording (content and force of decisions).

The general assembly elects a minutes inspector from its members. The minutes is signed by the President of the general assembly and the minutes inspector

Minutes of general assembly have to be kept at the seat of the Association so that the decision made by the general assembly can be reached without delay. Relevant persons can view the minutes of general assemblies by previous request at the seat of the Association.

If requested, documents related to the operation of the association can be viewed by relevant persons at the seat of the Association.

3.) Board members and officials

The major executive body of the Association is the Board with minimum three (3) maximum (6) members. The Board Members are elected by the general assembly with two-thirds vote. During the general assembly the Secretary/Treasurer of the organisation has to be elected from the Board Members. The Board includes the President Elect from the election date until taking up office, and the Past President within 6 months after the resignation date.

Any candidates for the Board membership must be supported by at least five (5)

members with voting right. Candidacy for Board membership can be considered if the candidate has at least 2-year valid membership of the Association with no debts towards the Association. At the general assembly the President introduces the candidates. 5 candidates with the most votes are included into the Board.

Each Board Member and official is elected for two (2) years from the date of the general assembly, except the President.

Presidents can serve for no longer than five (5) consecutive years, excluding periods with presidential elections due to unoccupancy. Any Board Members or officials can resign with written resignation letter to the President or to the Board. Provided the resignation has no other intention, the resignation is valid from the date of the receipt by the Board. The validity of the resignation is not subject to the acceptance of the

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Board. Any Board Members can be withdrawn by the general assembly with 75% of the votes.

If the Presidency is unoccupied, the temporary President can be one of the Board Members until the general assembly elects the new President. Any other positions can be filled in temporarily by the majority vote of the Board.

Board Members must attend at least sixty percent (60%) of the Board Meetings.

Board Members and Officers cannot receive remuneration for the leadership position in the Association. However their expenses related to the operation of the Association can be reimbursed based upon decision by the Board.

4.) Operation of the Board

The Board is responsible for the execution of the Association's objectives, decides about the appropriate use of the assets according to the objectives of the Association, provides funds and personnel needed to achieve the objectives, and manages the necessary organizational activities. The Board can set up temporary or permanent committees from its members for specific tasks, and can assign certain tasks to external persons or employ anyone for a given task. The honorarium of the assignees or employees must remain within the annual budget

Board Members meet according to the needs, but at least once in each quarter.

Board Meetings are proposed by the President or any two (2) Board Members on any reasonable dates and locations. The invitation with sufficient details on the agenda location and timing has to be sent by post, fax, email or personally within at least seven (7) days before the Board Meeting. The Board can set up regular Board Meetings, and can decide whether written invitation is necessary to these regular Board Meetings. The Board Meetings are open for the members.

The Board Meeting has a quorum when 50 % + 1 Board Members are present. The Board Meeting with a quorum can practice the full authority of the Board. Decisions of the Board Meeting are made by open majority vote with a show of hands. In case of a tied vote, the proposal is rejected. Written decisions signed by each Board Members with voting rights has the same validity as decisions accepted by the Board Members at a Board Meeting.

Minutes of the Board Meetings have to be recorded, according to the rules valid for the Minutes of general assemblies. Working schedule and task allocation of the Board is decided by the Board Members themselves.

Minutes of Board Meetings have to be kept at the seat of the Association so that the

decision made by the Board can be reached without delay. Relevant persons can view the minutes of general assemblies by previous request at the seat of the Association.

6.) The President

The President directs the Board and is responsible for the execution of the decisions made by the general assembly and the tasks of the Association. The President is responsible for the preparation of the Annual Report and the budget proposal. If the President is not available, presidential tasks are managed by the Board Members with full jurisdiction.

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7.) Supervisory Body

Acknowledging the fact, that the annual budget of the Association would be less than 5.000.000,- HUF (five million Hungarian Forint), there is no supervisory body of the Association.

V.

REPRESENTATION OF THE ASSOCIATION

1.) In front of third parties and authorities the Association is represented by the President. The President's right to represent is independent and full. Az elnök képviseleti joga önálló és teljes körű. If the President is not available, the Board Members are authorized to represent the Association at each event where the Association is invited, has to participate or wants to participate or to fulfill requests addressed to the Association.

2.) The bank account of the Association can be managed by any two Board Members.

3.) Unless the Board has different decision, the President with a Board Member or two Board Members can sign official documents on behalf of the Association. Signing any official documents on behalf of the Association has to be approved by the Board.

VI.

FINAL CLAUSES

1. The Constitution is valid if the resolution of the Pest County Court about the registration is available.

2. The Association can be entitled as a public utility organization if the Pest County Court registers the Association among the public utility organizations.

3. Questions not explicitly regulated in this Constitution are regulated according to the Civil Code, the Right of Public Meeting (1989. Act II.), 1997. Act CLVI. on Public Utility Organizations and the legal regulations on the administration of social organizations.

Budapest, February 22, 2006.

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President of the General
Assembly

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Minutes Inspector

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Minutes Inspector
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In the presence of witnesses:
Name:.....
Address:
Name:.....
Address