BARANKOVICS ISTVÁN FOUNDATION

DEED OF FOUNDATION

(Consolidation with modifications)

Seat: 1091 Budapest, Kálvin tér 8. II/13.

Budapest, January 16, 2018

The undersigned Christian Democratic People's Party, as Founder, establishes a foundation guaranteed by the constitution, with the intent of facilitating its participation in the formation and manifestation of the popular will, of broadening citizens' information, of conducting political education, research, scientific and educational activities to develop political culture, based on Act XXXIII of 1989/ Article 9/A on the operation and management of parties and on provisions of Act XLVII of 2003 on foundations conducting scientific knowledge, research and education activities to support political parties:

The changes in Articles 3 and 7.4. gave a reason to consolidate the Deed of Foundation.

1.) Name and address of the Founder:
Christian Democratic People's Party (1141 Budapest, Bazsarózsa utca 69.)

2.) Name of the Foundation:
Barankovics István Foundation

The Foundation is a legal entity/has a legal personality and it shall manage the assets available on its own for the purposes set out in Section 4. The foundation has been/shall be set up for an unlimited period.

3.) Seat of the Foundation:
1091 Budapest, Kálvin tér 8. II/13.

~~**Az Alapítvány telephelye:**~~
~~1091 Budapest, Kálvin tér 8. II/13.~~

4.) Purpose and activities of the Foundation

4.1. The purpose of the Foundation is to promote the European Christian Democratic and Christian Social Ideas. It promotesscientific, awareness-raising, research and educational activities in accordance with the Founder's intent and the public good and in the spirit of national commitment and Christian Democracy.

4.2. The Foundation pursues the assigned activities by
- a.) organizing and supporting modern educational, scientific and educational activities;
- b.) organizing or supporting research activities for the purposes of the Foundation;
- c.) organizing and sponsoring lectures and conferences;
- d.) publishing studies, technical books, other material intended for the purpose of the Foundation and to support their publication;
- e.) purchasing domestic and foreign magazines, specialist journals and specialist books;
- f.) participating in calls for tender in connection with the above objectives

4.3. When awarding grants and other benefits, the Foundation shall enter into a contract with the recipient of the grant, specifying the purpose of the grant, the arrangements for its use and the methods of accounting and control.

5.) Assets and management of the Foundation

5.1. The initial assets of the Foundation are HUF 700,000, or seven hundred thousand forints, which are provided by the Founder.

5.2. The Foundation is open to any domestic or foreign legal or natural person, provided that he agrees with its objectives. The joining member shall not exercise the rights of the Founder. The Board of Trustees decides on the offerings.

5.3. The assets of the Foundation defined above, may be increased as provided in applicable law, or in other regulations, in particular by the grants provided in the current Budget Act, by additional donations from the Founder, by contributions from joining members (Section 5.2 of this Deed of Foundation), and by return on assets.

5.4. The Foundation may only accept contributions from clearly identifiable persons. The contribution is paid from the cash account of the person providing it by transfer to the cash account of the Foundation. The information necessary to identify the person providing the contribution and the amount of the contribution shall be considered as public information in the public interest and therefore shall be published on the Foundation's website within 30 days of receipt of the contribution, provided that:

a.) the amount of the contribution exceeds HUF 500,000 (five hundred thousand)
b.) the amount of foreign contribution exceeds HUF 100,000 (one hundred thousand)

5.5. The Board of Trustees may use the entire assets of the Foundation in order to accomplish the objectives of the Foundation.

5.6. The Foundation from the assets assigned to its purposes

a.) covers the operation of the Foundation
b.) fulfills its contractual obligations
c.)
- can provide grants
- can provide financial aid
- can establish a foundation award
- may decide to bestow such an award
- may provide financial support to any initiative, activity or organization that promises significant, widespread results to achieve the objectives of the Foundation.

by tender or application, or at the initiative or at the discretion of the Board of Trustees

5.7. The Board of Trustees decides on the use of the assets of the Foundation by majority vote.

5.8. The Foundation shall operate on the basis of an annual budget which shall include revenue and expenditure in a balanced manner.

6.) Registration rules

The Foundation's revenue from its assigned activities and the indirect costs incurred from its assigned activities shall be recorded separately.

6.1. The revenue of the Foundation:

- the grantprovided to the Foundation in the Budget Act
- grants or donations received from the Founder or other donor or donors for the purposes of the Foundation or to cover its operating costs
- income directly related to the activities of the Foundation
- income from the investment of the assets of the Foundation
- other statutory income

6.2. The expenditure of the Foundation:

- direct costs (expenditure) for activities carried out in order to achieve the Foundation's objectives
- indirect costs incurred from assigned activities, to be shared pro rata

Furthermore, the accounting rules applicable to the Foundation's records shall apply

7.) The decision-making and management body of the Foundation

7.1. The Board of Trustees is the supreme general decision-making, administrative, representative and managing body of the Foundation

7.2. The Board of Trustees is composed of 7 (seven) members, consisting of a chairman, a vice-chairman and members. The chairman of the board is appointed by the Founder. Board members are not remunerated or reimbursed.

7.3. The members of the governing body of the Foundation (Board of Trustees or Supervisory Board) shall be appointed for a term of five years by the leader of the CDPP parliamentary group on behalf of the founding Christian Democratic People's

Party. In case it has no parliamentary group then the Founder appoints the members in accordance with Act XLVII of 2003 Article 3 (7) on foundations for scientific, educational, research and educational activities supporting the operation of political parties. The members of the Board of Trustees are appointed by Péter Harrach, the leader of the parliamentary group, on behalf of the Christian Democratic People's Party parliamentary group.

7.4. Chairman, vice-chairman and members of the Board of Trustees:

- Chairman of the Board of Trustees: Dr. József Mészáros
  1116 Budapest, Sipos Pál utca 14.

- Vice-chairman of the Board of Trustees:
  Dr. András Gábor Szényei
  2030 Érd, Fenyőfa utca 39.

- Members of the Board of Trustees:
  Dr Gábor Bagdy
  1112 Budapest, Kakukk-hegyi út 12.

  Dr. Dzsingisz Gábor J.
  1137 Budapest, Szent István körút 10.

  Dr. János Latorcai
  1015 Budapest, Szabó Ilonka utca 43-45. C. fszt. 1.

  Dr. Aradszki András
  2030 Érd, Diósdi út 92.

  Dr. Tarnai Richárd
  1192 Budapest, Vajk utca 16.

7.5. Board membership is terminated:

- by withdrawal of appointment (if, on behalf of the group, its leader withdraws the appointment of a member of the Board of Trustees, because their activities endanger the objectives of the Foundation);

- by resignation (the resignation must be submitted in writing to the chairman of the Board of Trustees, who shall forward it to the leader of the parliamentary group)

- by the expiry of their term of office, in the case of fixed-term contracts;
- by the occurence of the term, in the case of an order subject to a cancellation clause

- by recall

- upon the death or termination of a member without a legal successsor,
- by limiting the capacity of a member to carry out their activities
- if there is a ground for refusal or conflict of interest with the member

7.6. If the membership of the Board of Trustees is terminated for any reason, the Christian Democratic People's Party parliamentary group (if the party does not have a parliamentary group, then the Founder) shall decide on the appointment of a new member within 60 days of the termination. The Board of Trustees may make proposals for this decision.

7.7. ***Upon termination of Board membership, the chairman of the Board of Trustees shall inform the Founder and the leader of the Christian Democratic People's Party parliamentary group and shall take the necessary measures to decide on the new Board member within the prescribed time limit.***

8.) <u>Powers of the Board of Trustees</u>

The Board of Trustees shall, within the limits set by the law, decide independently on all matters concerning the Foundation, on the use of its financial assets and other means of the Foundation in accordance with the purposes of the Foundation, and on the establishment of its own rules of operation.

8.1 Conflict of Interest Rules for the Board of Trustees

A member of the Board of Trustees may be a person whose legal capacity has not been restricted to the extent necessary for the performance of his or her activities.
The chairman or member of the Board of Trustees shall not be a person who is chairman or member of the Supervisory Board of the Foundation, has an employment relationship with the Foundation or any other legal relationship outside the mandate, unless otherwise provided by law, or is a relative of the persons defined above.
The person cannot be a member of the Board of Trustees who has been sentenced to imprisonment for committing an offense until they have been released from the adverse consequences of their criminal history.
Members of the Board of Trustees who have been definitively banned from this profession shall not be eligible for membership. A person who has been barred from practice by a judgment which has the force of res judicata may not, during the period covered by such prohibition, be a senior official of a legal person engaged in the activities referred to therein.
One cannot be a member of the Board of Trustees if one is subjected to a ban on public affairs.

8.2 The Board of Trustees is responsible for the management of the assets of the Foundation and for the financial, professional and economic activities of the Foundation.

8.3 The Board of Trustees shall decide on the use of the available funds within the scope and in the manner determined by the objectives of the Foundation.

8.4 The Board of Trustees shall decide on the approval and adoption of the Foundation's work plan, management plan, budget and report.

8.5 The Board of Trustees shall determine the conditions for the use of the funds available for the Foundation.

8.6 The Board of Trustees decides on the grants provided by the Foundation. The Board of Trustees may authorize the chairman to decide at its discretion whether or not to award grants and whether or not to reject applications for financial assistance.

8.7 The Board of Trustees decides on the motion of the Board members.

8.8 The Board of Trustees will consider applications for membership and decide whether to accept the offerings.

8.9 The Board of Trustees shall decide on the proposal of the Supervisory Board.

8.10. The decision-making power of the Board of Trustees includes defining the tasks necessary to achieve the objectives and organizing their implementation.

8.11 The Board of Trustees determines the operation of the work organization, defines its tasks and monitors their implementation.

9.) Operation of the Board of Trustees

9.1. The Board of Trustees shall, at least once a year, provide information to the Founder on its activities, and in particular on the management and use of its assets. The Board of Trustees shall meet when necessary but at least quarterly.

9.2. The Board of Trustees shall have a quorum if a majority of its members are present. The decisions of the Board of Trustees shall be taken by open ballot and by simple majority. In the event of a tie, the proposal shall be deemed rejected. Repeated votes may be held only up to the number and according to the procedure specified in the Deed of Foundation.

9.3. During the operation of the Board of Trustees (if someone’s personal presence is prevented), it is entitled to make decisions in writing, by telephone or by other technical means in accordance with the rules set forth in the Services and Rules of Operation.

9.3. The Board of Trustees shall be convened by the chairman of the Board of Trustees. Written invitation shall be sent to the members of the Board of Trustees, the chairman

and the members of the Supervisory Board at such time that there is at least 3 days between receipt and the date of the meeting. The invitation of the Board of Trustees shall specify the place, time and agenda of the Board meeting.

9.4. No member of the Board of Trustees may participate in the preparation or making of the decision of the Board of Trustees who, or whose close relative or spouse, is relieved of any obligation or liability under the decision, or who is otherwise interested in the legal transaction to be concluded. Non-monetary service made available to anyone without a limit in the context of the Foundation's earmarked benefits is not a benefit.

9.5. Minutes of the meetings of the Board of Trustees shall be drawn up and authenticated by the signatures of two Board members present in addition to the Registrar. The minutes shall indicate the place and time of the meeting and the name (position) of those present. The minutes shall contain the essential comments, proposals and decisions of the Board of Trustees at the meeting. The President of the Board of Trustees shall also keep a register from which the content, date and scope of decisions of the Board of Trustees, as well as the number of supporters and opponents of the decision may be determined ("Book of Decisions").

9.6. A record of the decisions of the Board of Trustees shall be kept at the seat of the Foundation. Those affected by each decision, those affected by the decision of the Board of Trustees, must be informed directly. At the request of the persons concerned, the decision shall also be given in writing as an extract.

9.7. Representatives of the bodies specified in law may consult the documents related to the operation of the Foundation.

10.) The chairman of the Board of Trustees

10.1. Duties of the chairman:

- directs the activities and operation of the Foundation;
- arranges for the convening and conducting of Board meetings;
- ensures the implementation of the decisions of the Board of Trustees;
- represents the Foundation vis-à-vis third parties and the authorities;
- under the authority of the Board of Trustees, the chairman, at his own discretion, decides on the approval and rejection of applications for awards of grants, in accordance with the terms and conditions laid down in the Services and Rules of Operation of the Board of Trustees;
- exercise the employer's rights with respect to the employees.

10.2. Replacement of the chairman
If the chairman is prevented, Dr. András Gábor Szényei, vice-chairman, will replace him. In this case, the vice-chairman replacing the chairman shall have the power of the chairman. The vice-chairman shall be accountable to the chairman and to the Board of Trustees for the measures he has taken during the replacement.

1.1. The Founder authorizes the Board of Trustees to grant representation rights to the staff of the Foundation.

11.) The Supervisory Board

11.1. The operation and management of the Foundation are supervised by the Supervisory Board. The Supervisory Board has 3 (three) members.

11.2. Conflict of Interest Rules for the Supervisory Board.

No person shall be chairman or member of the Supervisory Board who is chairman or member of the Board of Trustees of the Foundation, is employed by the Foundation for the performance of activities outside its mandate, is in any other employment relationship, unless otherwise provided by law, benefits from the Foundation's endowment or is a relative of the persons identified above.

11.3. The chairman and the members of the Supervisory Board:

The chairman of the Supervisory Board:	Dr. Tamás Lukács 3300 Eger, Nagyeged út 24.
The members of the Supervisory Board:	Gergely Gaal 2083 Solymár, Pipacs utca 21.
	Dr. Imre Vejkey 1121 Budapest, Rácz Aladár út 125.

11.4. The operation of the Supervisory Board:

The Supervisory Board shall meet as necessary but at least four times a year. A quorum requires at least two members. The Supervisory Board takes its decisions by simple majority and open voting. In the presence of two members of the Supervisory Board unanimity shall be required.

11.5. Duties and powers of the Supervisory Board:

The Supervisory Board monitors the operation and management of the Foundation. In doing so, it may request a report from the chairman and members of the Board of Trustees and information from staff, as well as access to the books and records of the Foundation. Before approving the annual report, the Supervisory Board shall inform the Board of Trustees of its opinion in writing. The members of the Supervisory Board are invited to the meetings of the Board of Trustees and may participate in the meetings with the right of consultation. The Supervisory Board shall inform the Board of Trustees of the Foundation, and initiate its convocation, should it become aware

that there has been a violation of law or an event (omission) that would otherwise seriously harm the interests of the Foundation, and the elimination of which, or the elimination or mitigation of the consequences of which, requires the decision of the governing body entitled to act, or a fact has arisen giving rise to the liability of a member of the Board of Trustees. The Board of Trustees shall be convened on the motion of the Board of Supervisors within 30 days of its submission, and the Board of Trustees shall discuss the proposal of the Board of Supervisors and make a decision on the matter. In case of failure of this deadline, the Supervisory Board is also entitled to convene the Board of Trustees.
If the Board of Trustees fails to take the necessary steps to restore legal operation, the Supervisory Board shall promptly notify the legality review body.

12.) The representation of the Foundation

The Foundation is represented by the chairperson of the Board of Trustees. In the event of being prevented, the right of representation shall be vested in the vice-Chairman Dr. Gábor András Szényei.

The chairman and the vice-chairman of the Board of Trustees are individually entitled to sign on behalf of the Foundation.

13.) The legality review of the Foundation is provided by the bodies specified in Article 4 of the Act XLVII of 2003.

14.) Dissolution, final provisions

14.1. The Foundation shall be dissolved in the cases specified in the Civil Code. The assets of the Foundation in the event of the dissolution of the Foundation shall be transferred to the foundations established by or with the participation of the Christian Democratic People's Party after the fulfillment of the outstanding payment obligations.

14.2. In matters not regulated by this Act, the Civil Code and the provisions of other legislation applicable to foundations shall apply.

The undersigned Founder and the leader of the KDNP parliamentary group have read the above Deed of Foundation and signed it as their will.

Budapest, January 16, 2018

Dr. Zsolt Semjén
Christian Democratic People's Party
President

Péter Harrach
Christian Democratic People's Party
leader of the parliamentary group

"Countersigned"
Budapest, January 16, 2018

I, the undersigned, dr. Róbert Sasvári Attorney (1073 Budapest, Erzsébet Krt. 14. II / 2), as legal representative of the Barankovics István Foundation, hereby certify that the consolidated text of this Deed of Foundation corresponds to the content in force under the Amendments to the Deed of Foundation.

Budapest, January 16, 2018

Dr. Róbert Sasvári