

## **Organizational and Operational Regulations**

Based on Subsection V. IV of the By-laws, the General Assembly of the Hungarian Biotechnology Association (hereinafter: the “**Association**”) shall determine the Association’s Organizational and Operational Regulations (Regulations) according to the following:

### **1. Tasks in connection with ensuring publicity**

The Association is an organization for the benefit of the public and therefore it must carry out its tasks with as much publicity as possible.

The instruments of publicity:

**1.1** The registry prepared by the Secretariat containing the Association’s resolutions and sources of support.

**1.2** The Association’s regular informational written publication (generally published monthly but at least 4 times a year), which shall be mailed to members with valid membership by the Secretariat.

In this publication, the Association shall publicize the resolutions of the General Assembly, the Committees (Szakbizottságok), the Board (Elnökség); publicize its tenders and inform members about professional matters affecting them and events organized by the Association and other organizations.

**1.3** A notification board can be found at the Secretariat of the Association, where the Secretariat will post those resolutions passed by organs of the Association that are set forth in the By-laws.

**1.4** The forum ensuring publicity for activities is the Association’s homepage (the Association’s internet address is: [www.hungarianbiotech.org](http://www.hungarianbiotech.org)).

### **2. Tasks in connection with membership**

**2.1** Declarations for the admission of regular members shall be through the use of the application form for individual and legal members.

**2.2** Declarations by regular, associated, sponsor and honorary members shall be forwarded to the Board following receipt of the declarations. Applicants must be informed of the decision of the Board within five days following the decision, at the same time receiving a copy of the Association’s By-laws and the certificate evidencing membership in the Association. The rejection of an application must be communicated in writing within the same timeframe, providing reasons for the rejection and information about appeals.

**2.3** The Secretariat is entrusted with the task of maintaining the registry of members. The registry must be kept up to date and must contain all material data in connection with membership in a manner suitable for statistical use.

**2.4** The Secretariat shall notify members regarding membership fees within due time by forwarding them the payment slip and to call upon members to remit overdue membership fees. In the event such notification for the remittance of overdue fees is unsuccessful, the acting President shall make a recommendation to the Board regarding the termination of such membership through a resolution.

**2.5** The rate of membership fees shall be determined by the Board.

### **3. The election and operation of the Association's organs and officers**

#### **3.1. General Assembly**

**3.1.1.** The President shall convene the General Assembly based on a resolution of the Board. The acting President shall prepare the General Assembly.

**3.1.2.** The agenda of the General Assembly shall be determined by the Board.

**3.1.3.** The invitation for the General Assembly to be sent by the Secretariat shall contain:

- the location of the General Assembly,
- the time of the General Assembly,
- the agenda of the General Assembly,
- the time and location of the reconvened General Assembly in the event of an insufficient quorum.

The most important written preparatory materials in connection with the agenda shall be sent to members simultaneously with the invitation but at the latest 15 days prior to the date of the General Assembly. The Board may invite the representatives of other organs and associations as well as noted experts to participate in the General Assembly with the right of consultation.

**3.1.4.** An attendance record must be taken at the General Assembly (one for members and one for those with the right of consultation). Before the opening of the meeting, the chairman of the meeting shall ascertain whether the meeting is of a sufficient quorum pursuant to Subsection V. I. 4. of the By-laws on the basis of the attendance record.

**3.1.5.** The meeting shall be conducted by the President, and in his absence, by a Board member delegated by the Board. After the opening of the Meeting, the President of the Meeting shall make a recommendation as to the recorder of minutes and the authenticators of the minutes as well as the agenda of the Meeting. The General Assembly shall decide on modifications or supplements to the agenda by way of a simple majority of the votes.

**3.1.6.** The detailed presentation of the reports, statements and recommendations mailed out prior to the meeting may be omitted. However, the one making the presentation must provide for an opportunity for opening and supplemental remarks to be made and for questions to be asked by participants. After providing answers to the questions posed, the Chairman of the Meeting shall open the discussion.

**3.1.7.** The Chairman of the Meeting shall be responsible for conducting and directing the discussion. Anyone may comment, even multiple times, on all matters on the agenda. The Chairman of the Meeting shall limit the duration of individual comments with a simple majority of the votes and may also conclude the discussion before comments from any participants. In the latter case, opportunity must be made for the submission of written comments within a determined amount of time. The Chairman of the Meeting shall ensure that the Meeting is conducted in an orderly and uninterrupted manner. To this end, he or she shall warn members who are disruptive and may restrict the ability of such members to make comments. Exceptionally and for serious cause, the General Assembly is entitled to exclude anyone from participating in the Meeting based on a recommendation from the Chairman of the Meeting.

**3.1.8.** Sections 3.1 – 3.7 shall be applied with the following deviations and amendments for Meetings held for the election of officers.

**3.1.8.1.** Simultaneously with the passing of the resolution for holding a meeting for the election of officers, the Board shall elect the President of the Nomination Board and based on need, the presidents of other committees as well.

**3.1.8.2.** The tasks of the Boards:

- a) They control, supervise and, based on need, promote the administrative preparation of the General Assembly;
- b) they prepare meetings held for the election of officers;
- c) they organize elections in co-operation with the Secretariat;

- d) they ensure that members participating in the conduct of the General Assembly have been so requested;
- e) they inform the Board regarding the status of the preparation of meetings held for the election of officers.

**3.1.8.3.** The tasks of the Nomination Board:

- a) based on consultations with the members and officers of the Association, prepares its recommendations regarding the person to be elected as officer or, based on need, several persons,
- b) through communications with the nominees, informs itself as to the nominations as well as their intentions upon the approval of a possible election;
- c) prepares the justification for the nomination list.

**3.1.8.4.** Elections shall be held following the conclusion of any matters in addition to those on the agenda of the meeting held for the election of officers. The Chairman of the Meeting shall ask for the release of the organs and officers of the Association.

**3.1.8.5.** Based on the request of the Chairman of the Meeting, the President of the Nomination Board shall inform members of the recommendation of the Nomination Board based on the order set out in Section 3.1.8.7. In the event no one motions individual voting, the General Assembly shall vote jointly on the persons to appear on the nomination list. The General Assembly may decide by way of simple majority of the votes on the inclusion of additional nominees on the list. The voting cards shall be prepared on the basis of the approved nomination list.

**3.1.8.6.** Second and additional voting cards in respect of nominees who have been nominated for at least two offices in the Association shall be prepared in the order of voting set out in Section 3.1.8.7 with a view to whether that member has been elected for offices that have been voted on in previous rounds.

**3.1.8.7.** The General Assembly shall elect the President and members of the Vote Collection Board based on a recommendation by the Chairman of the Meeting. The President of the Vote Collection Board shall recount the method and rules applicable to voting as set out below. If a nomination takes place according to the provisions of Section 3.1.8.6., based on need, separate voting cards shall be prepared and voting shall be carried out in multiple rounds, in the following order:

- President,
- Board members ,
- Committee Chairmen, ,
- other Committee members.

**3.1.8.8.** If, as a result of voting as per the order set out above, the number of nominees for the offices left is not sufficient as required by the By-laws, nominations shall be reopened in respect of the given office. Members of the Association who have already been elected shall not be nominated in the course of reopened nominations. In the event voting according to the order set out above is not necessary, voting may take place on joint voting cards. In this case the office to which the nominee may be elected through voting shall also be unambiguously marked.

**3.1.8.9.** Following the announcement of the manner of voting, the work of the General Assembly shall be suspended and voting shall take place. In the event there are more nominees for an office than to be elected pursuant to the By-laws, then the member(s) who has or have received the most votes shall be deemed to have been elected. A nominee who has not received 50%+1 of the votes of the members participating in the vote shall not be deemed to have been elected. If there are no such nominees, the votes in respect of the nominees who have received the most votes shall be repeated until the votes of one of the nominees does not reach the aforementioned majority.

**3.1.8.10.** The votes shall be counted by the Vote Collection Board and the President of the Vote Collection Board shall inform the General Assembly of the results of the vote following the reopening of the General Assembly. The report of the Vote Collection Board shall be attached to the minutes of the General Assembly.

## **3.2. The Committees**

**3.2.1.** Based on Subsection V (IV) of the Association's By-laws, the Association's objective and work shall be supported by different Committees, established pursuant to the By-laws and the decisions of the Board.

**3.2.2.** As of the preparation of the present Regulations, the following Committees operate in the Association:

- Healthcare Biotech Committee
- Agri-Food Committee
- White Biotechnology and Diagnostics Committee
- Science Policy and Education Committee
- Investment and Trade Development Committee
- Scientific and Bioethics Committee
- EU Committee
- Bioinformatics Committee
- Legal Committee
- Communication and Information Resource Committee

The above list is not exhaustive and only illustrates the Committees operating as of the preparation of the present Regulations, and in no way excludes the possibility to establish additional Committees at the later time.

**3.2.3.** The main general tasks and the scope of activities of the Committees shall be as follows:

- searching out biotech companies in Hungary, expansion of membership;
- delivering opinion on science policy documents;
- preparation of lobby materials;
- representation of Hungary in various professional interest forums and organizations;
- development of projects within the frame of the Hungarian Biotech Association;
- creation of co-operative undertakings;
- development of a database of national and international experts;
- promotion of the biotech sector in Hungary (1-2 articles monthly).

In particular, the main tasks and the scope of activities of the different Committees shall be as follows:

### **Healthcare Biotech and Diagnostics Committee**

(To be inserted a brief introduction to the scope of activities of the Committee)

### **Agri-Food Committee**

(To be inserted a brief introduction to the scope of activities of the Committee)

### **White Biotechnology and Diagnostics Committee**

(To be inserted a brief introduction to the scope of activities of the Committee)

### **Science Policy and Education Committee**

(To be inserted a brief introduction to the scope of activities of the Committee)

### **Investment and Trade Development Committee**

(To be inserted a brief introduction to the scope of activities of the Committee)

### **Scientific and Bioethics Committee**

(To be inserted a brief introduction to the scope of activities of the Committee)

## **EU Committee**

(To be inserted a brief introduction to the scope of activities of the Committee)

## **Bioinformatics Committee**

(To be inserted a brief introduction to the scope of activities of the Committee)

## **Legal Committee**

1. The review of the Association's organizational and effective regulations for the regulation of the Association's internal order as well as of other written materials from time to time from the perspective of compliance with effective legal regulations and the objectives of the Association. If necessary, the submission of recommendations to the Board regarding possible amendments.

2. Following-up on, summarizing and systematizing effective legal regulations applicable to biotechnology and related industrial sectors. Following-up on applicable international legislation as well as that in other European Union Member States, and the comparison thereof with Hungarian legal texts. Making of recommendations for the development of the legal background regulating the industrial sector. Providing support for the Association during its lobby activities related to recommendations for potential amendments to legal regulations at various governmental organs.

3. Collection of professional recommendations by the Hungarian Biotechnology Association, or if possible, by other participants in the biotechnology sector regarding amendments to the effective legal regulations for the elimination of potential gaps and setbacks and the development of regulations.

## **Communication and Information Resource Committee**

(To be inserted a brief introduction to the scope of activities of the Committee)

**3.2.4.** The activities of each Committee shall be directed by the Head of the Committee.

**3.2.5.** Each of the Committees shall hold regular meetings and/or professional events, at least semi-annually, in which any member of the Association shall be entitled to participate.

**3.2.6.** The Head of the Committee is entitled to establish working groups with the prior approval of the Board in order to carry out the tasks in the Committee's scope of activities.

**3.2.6.** The Heads of Committees shall regularly report to the Board regarding the activities of their respective Committees and working groups.

## **3.3. The Board**

**3.3.1.** The requirement of written notification for Board meetings may be dispensed with if the next meeting has been announced at the previous meeting. The meeting may be convened extraordinarily upon the request of any member of the Board.

**3.3.2.** The acting President shall make a recommendation as to the agenda for meetings of the Board. Recommendations included on the agenda pursuant to a resolution passed by the majority of Board members may be discussed in addition to the preliminarily determined agenda.

**3.3.3.** Invited persons may participate with a right of consultation, depending upon the agenda, at meetings of the Board in addition to its members. The staff of the Secretariat may also participate in meetings of the Board with a right of consultation.

**3.3.4.** In the absence of the acting President, meetings of the Board shall be conducted by the a Board member delegated by the President.

### **3.4. The Secretariat**

**3.4.1.** In order to ensure and manage the daily operation of the Association, the Secretariat shall operate beside the Board.

**3.4.2.** The Secretariat shall consist of at least one associate of the Association. Based on the decision of the Board, if necessary, further associates may be employed as members of the Secretariat.

**3.4.3.** The Secretariat shall support the Board and the Committees and shall be responsible for carrying out the official and administrative tasks in connection with the work of the Association, the existence of the conditions for community activities and the preparation of decisions as well as the organizational and administrative work in connection with the financial matters within its competence and economic and professional activities. The members of the Secretariat shall undertake the technical aspects of management based on resolutions of the President or the Board, and observe the legal regulations in connection with management and of the Association's regulations, pursuant to the directions of the Legal Committee.

**3.4.4.** The detailed job description and scope of activities of the members of the Secretariat shall be set forth in the Employment Agreement of such members. The employer's rights with respect to the members of the Secretariat shall be exercised by the President.

### **3.5. Advisory Board**

**3.5.1.** The Advisory Board is the Association's advisory organ that possesses the right to provide opinions and remarks.

**3.5.2.** The Board shall elect the members of the Advisory Board based on a recommendation from any member of the Association by a simple majority of the votes of those present (50%+1). The mandates of members of the Advisory Board shall be for 3 years. Members of the Advisory Board may be recalled by the Board upon the recommendation of any member of the Board by a simple majority of the votes of the members of the Board (50%+1).

**3.5.3.** Any person with an advanced degree of expertise and merit in the area of biotechnology and is committed to the promotion and development of biotechnology in Hungary may be nominated to be a member of the Advisory Board.

**3.5.4.** The organization and internal rules of the Advisory Board, including but not limited to the practice of the right to provide its opinion as set out in Section 3.5.5., shall be established by the Advisory Board itself.

**3.5.5.** The Board shall transmit the strategic materials prepared by it to the Advisory Board, which is entitled to provide its opinion, remarks and modifying recommendations thereon within 15 days. The opinions, remarks and modifying recommendations put forth by the Advisory Board shall be of an informative and guiding nature, which are not binding on the Board.

**3.5.6.** The Advisory Board shall be entitled to inspect the minutes prepared of the Meetings of the Board and Meetings of the Committees and to make remarks on the contents thereof.

### **3.6. Territorial Organizations**

**3.6.1.** The precondition for the establishment of a territorial (county or regional) organization is for the Association to have at least twenty individual members or four legal members in the given territory.

**3.6.2.** Any member of the Board shall make a recommendation to the Board regarding the establishment of a territorial organization. The Board shall decide on the establishment of the territorial organization by simple majority of the votes.

**3.6.3.** A record shall be prepared of the election of the territorial organization's Board and Chairman.

**3.6.4.** The activities of the territorial organization shall be directed by Board and the Chairman, who shall also determine the organization's annual work plan.

**3.6.5.** The territorial organization shall regularly hold events, at least semi-annually, in which the executive officers of the Board, the Committees and representatives of the Secretariat are entitled to participate with the right of consultation.

**3.6.6.** The acting Board shall convene meetings from time to time, with the participation of the Boards and representatives of the territorial organizations, in order to discuss general matters relating to the Association's activities. Where reasonable, the association's other officers shall also participate in such meetings.

**3.6.7** All territorial organizations' Chairmen shall be obliged to make a report on the operation of the respective territorial organization at the annual General Assembly of the Association.

#### **4. Other regulations prescribed by law**

**4.1.** The seat of the Association is located at the offices of Solvo Zrt, at H-6722 Szeged, Béke u. 5/A. During the Secretariat's course of work and the activities of the Association, everyone shall observe the Fire Safety Regulations comprising Annex 1 to the present Regulations.

**4.2.** Associates of the Association shall also observe the Labor Protection regulations prepared by the Solvo Zrt. that is in effect for the entire office building, which document comprises Annex 2 of the present Regulations.

#### **5. Concluding Provisions**

**5.1.** In reasonable cases, the President or the Board may issue further regulations for activities not regulated by the present Regulations.

**5.2.** The present Regulations have been adopted by the General Assembly of the Association held on \_\_\_\_\_, which shall become effective on this same day. At the same time, all of the Association's prior regulations with respect to the above regulated issues shall become inoperative.