

Deed of Foundation of
Media Union for Social Consciousness Shaping
Public Benefit Foundation

General provisions

1. Name of the Foundation: **Media Union for Social Consciousness Shaping Public Benefit Foundation**
2. Registered offices of the Foundation: 1137 Budapest, Pozsonyi út 43, I. em. 1.
3. Founders:
 - **ARC Arts and Services Limited Liability Company**
 - **AXEL SPRINGER-BUDAPEST Publishing Limited Liability Company**
 - **CAMPUS MÉDIA Publishing and Services Limited Liability Company**
 - **ESMA Spanish-Hungarian Advertising Limited**
 - **EST Media Group Asset Management Limited Liability**
 - **EUROPLAKÁT Advertising and Advertisement Management Limited Liability Company**
 - **HAMU és GYÉMÁNT Publishing and Services Limited Liability Company**
 - **Heti Válasz Journal and Book Publishing Services Limited Liability Company**
 - **INDEX.HU IT Services Limited**
 - **Magyar RTL Television Limited**
 - **Hungarian Television Limited**
 - **MTG Metro Gratis Trading and Services Limited Liability**
 - **MTM-SBS Television Limited**
 - **„NÉPSZABADSÁG” Publishing and Printing Limited**
 - **[origo] Media and Communication Services Limited**
 - **PANNON LAPOK TÁRSASÁGA Publishing Limited Liability Company**
 - **PORT Data Services and Trading Limited Liability Company**
 - **Sláger Rádió Broadcasting Limited Z+ Broadcasting Limited National Association of Local Radios**

1. Purpose of the Foundation

Media Union for Social Consciousness Shaping Public Benefit Foundation (hereinafter referred to as '**Foundation**') was established to embrace public service advertisements and thereby ensure the management of national campaigns and transfer of socially useful messages. Its core activities include organization of advertising campaigns on health preservation, environment protection, crime prevention, minorities, equal opportunities, protection of animals, safety of traffic and education.

Before the establishment of the Foundation public service messages were present in Hungary generally on an ad hoc basis. It often occurred that an organization alone launched, for a short period, a campaign that drew the attention to a social cause. Public service campaigns that are generally underfinanced and run on a low budget have a short-term impact and do not include more than production and presentation of advertisements.

The purpose of the Foundation is to raise higher awareness of people and achieve greater changes in connection with a given problem through cooperation, strategic communication, reinforcement campaigns and additional communication.

The Foundation is a non-political organization that will manage public interest campaigns on a national scale.

The major objective of the Foundation is to organize public service advertising campaigns and place them in the media and on advertising media to achieve significant, measurable changes in the Hungarian society in social matters impacting all Hungarian citizens.

The Foundation wants to manage the presentation of social problems and matters impacting the whole country. The Foundation will support the goals of non-governmental organizations having similar purposes and encourages unification of goals and resources to create dialogue and achieve efficient communication.

The main tasks of the Foundation are the following:

1. to collect public service messages of national importance within its scope of activities and bring them to various target groups through communication projects;
2. the Foundation will unify the media surfaces and resources offered by its adherents to promote the creation of consolidated, efficient campaigns;
3. the Foundation will measure the impact and press echo of campaigns through its partner institutions and publish the results;
4. the Foundation will invite advertising agencies to produce creative materials free of charge;
5. to provide free coordinated media presence for given campaigns;
6. to provide funding from its own assets and donations offered by its adherents for campaigns, primarily for production costs.

The Foundation will perform its activities according to the requirements for public benefit organizations, since its goals and tasks are public benefit activities as defined in Article 26 c) of Act CLVI of 1997 as follows:

1. education and training, development of skills,
2. preservation of the nature, protection of animals,
3. environment protection,
4. protection of children and the youth, representation of the interests of children and the youth,
5. promotion of equal social opportunities for underprivileged groups,
6. protection of human and citizenship rights,
7. activities connected with national and ethnic minorities in Hungary and Hungarians living beyond the borders,
8. consumer protection,
9. promotion of Euro-Atlantic integration,
10. crime prevention and protection of victims.

The Foundation will neither directly nor indirectly conduct any political activity, its organization will be independent of parties, it will not grant any support to and accept any donation from parties.

2. Joining

The Foundation is open, Hungarian and foreign natural persons and legal entities may join when they contribute with assets to the achievement of the goals laid down in the Deed of Foundation and accept the provisions of this Deed of Foundation. The intention of joining must be indicated in writing, and approved by the Board of Trustees.

3. Assets and business management of the Foundation

To achieve the defined goals each of the Founders will, within eight days of signing this Deed of Foundation, contribute HUF 100,000, say one hundred thousand forints, through a one-time payment to the bank account of the Foundation, that is a **total of HUF 2,000,000, say two million forints to the assets** that may be expended exclusively for the purposes of the Foundation. The total amount contributed by the Founders may be expended. The starting assets of the Foundation defined above may increase with the result of business management activities performed by the asset management body. To achieve its goals the Foundation will collect donations. The total assets exceeding the founding assets may be expended for achievement of the goals of the Foundation.

To achieve its goals the Foundation will perform the following – including business – activities, in particular:

- press monitoring of subjects,
- organization of events and presentations,
- task management,
- cultural and other social and professional design and expertise,
- advertising, propaganda,
- public opinion poll,
- data processing,
- data bank activity,
- publication of regular publications.

4. Business management

Use of the assets of the Foundation:

The Foundation may perform **enterprising activities** only for the achievement of its public benefit goals while not endangering them; will not distribute the result of its business management activities but will expend it on the activity defined in this Deed of Foundation. The assets of the Foundation shall be used for the achievement of the goals of the Foundation, in particular for distribution through bidding procedures for the goals of the Foundation, as well as for the material and personnel costs connected with the operation and maintenance of the Foundation.

5. Asset management body

The assets of the Foundation will be managed by a Board of Trustees with five members established by the Founders. The Chairperson and members of the Board of Trustees will be invited and appointed by the Founders for three-year definite terms.

Members of the Board of Trustees:

1. **Elemér Hankiss**
2. **András János Kepes**
3. **Péter Novák**
4. **Péter Rudolf**
5. **Dr. Mária Erika Schmidt**
- 6.

Chairperson of the Board of Trustees and representative of the Foundation: **Dr. Mária Erika Schmidt**. After the start of its operation the Board of Trustees may grant representation right to Foundation employees too. Employees with representation right may independently perform management and representation tasks and will be liable for such performance to the Board of Trustees.

The representation right of employees will not impact the representation right of the Chairperson. The Chairperson of the Board of Trustees and another member of the Board of Trustees may through joint signing use the bank account.

The Board of Trustees shall hold meetings at least once a year that will be convened by the Chairperson. A meeting of the Board of Trustees shall be convened upon request a two thirds majority of the members or of the Supervisory Board with specification of the reason and goals. The invitation to the meeting of the Board of Trustees shall be received by the members at least 15 days before the meeting. The invitation shall show the time and place of the meeting and the full list of agenda items. Eight days before the meeting of the Board of Trustees any member of the Board of Trustees may request that an issue identified by him/her be put on the agenda.

The meetings of the Board of Trustees are public. The meeting of the Board of Trustees shall have a **quorum** if at least four (4) members are present at the meeting. The Board of Trustees adopts its decision through open voting, with a simple majority of votes. Proposals receiving identical number of 'yes' and 'no' votes from the members of the Board of Trustees shall be rejected. If the meeting has no quorum the meeting shall be convened within 8 days with the original agenda items and such repeated meeting will have a quorum when at least three (3) members are present. The decision-making rules defined above will apply to resolutions adopted at the repeated meeting.

Minutes shall be taken at the meetings of the Board of Trustees and signed by the Chairperson of the meeting elected at the meeting and two members of the Board of Trustees. The Chairperson of the Board of Trustees shall keep a register of the resolutions of the Board of Trustees (Resolutions Register). The register shall contain the following: content of the resolution, time and scope of the resolution, number and person of members voting with yes and no on the resolution.

The Chairperson of the Board of Trustees shall, within eight day of adopting a resolution, communicate the resolution adopted by the Board of Trustees to the concerned persons by registered mail. The Chairperson of the Board of Trustees shall keep the documents prepared in connection with the operation of the Foundation. These documents will be open for inspection at the registered offices of the Foundation subject to prior appointment with the Chairperson of the Board of Trustees and copies may be made at own cost. The Foundation will publish the decisions of bodies on a bulletin board placed at its registered offices. The Foundation will supply information to the public about the operation of its bodies, the way its services can be used and its reports on the website of the Foundation (*www.mediaunio.hu*). The key responsibility of the Board of Trustees is to decide on appropriate use of the assets of the Foundation in accordance with the goals of the Foundation and in asset management related matters. The Foundation may accept donations only from such persons who conduct such activities which are in harmony with the spirit and principles of the goals of the Foundation.

Simultaneously with the Annual Report the Foundation shall prepare a **Public Benefit Report** with the content defined in Article 19 (3) of Act CLVI of 1997. The Board of Trustees shall have exclusive powers to approve the Public Benefit Report. The Public Benefit Report will be open for inspection at the registered offices of the Foundation subject to prior appointment with the Chairperson of the Board of Trustees and copies may be made at own cost.

The Public Benefit Report and the Annual Report may be approved with unanimous vote of the members of the Board of Trustees.

Incompatibility

Any person who or whose close relative [as defined in Article 685. b) of the Civil Code] or life partner is, as a result of a decision, released from an obligation or a liability or obtains any other benefit or is in any other way involved in the legal transaction to be conducted, may not be involved in taking such decision.

Any person who held an executive office at a public benefit organization – for at least one year in the two-year period before its termination – that failed to pay its public debt as defined in the Taxation Act may not hold an executive office in another public benefit organization for two years after the termination of the first public benefit organization.

Persons holding an executive office or nominated for such position shall previously notify all concerned public benefit organizations when they simultaneously hold such position in another public benefit organization (Articles 8 and 9 of Act CLVI of 1997).

The members of the Board of Trustees shall make a declaration on the above reasons for incompatibility. When a reason for incompatibility occurs during their membership they shall, within eight day of occurrence of the reason, notify the Chairperson of the Board of Trustees thereof. Within eight days of the request made by the Chairperson of the Board of Trustees the member shall make a declaration on elimination of the reason for incompatibility. When this is not done and the member fails to resign, the member will be called back by the Founders.

To help its work the Board of Trustees may establish a working organization, the Chairperson of the Board of Trustees exercises employer's rights over its employees.

6. Supervisory Board

To audit the business management and operation of the Foundation, the Founders establish a **Supervisory Board** with three members. The members of the Supervisory Board are appointed by the Founders, the Supervisory Board determines its rules of procedure, the Chairperson is elected from their members, in other respects the rules applicable to the Board of Trustees will apply to the Supervisory Board.

Members of the Supervisory Board:

1. **Dr. Mária Sarolta Csató** (born in Budapest on July 12, 1953, mother's name: Anna Sarolta Vértes, permanent residence: 1031 Budapest, Csónakház u. 6.);
2. **Dr. János Miklós Kálmán** (born in Budapest on February 17, 1947, mother's name: Klára Singer, permanent residence: 1126 Budapest, Tarcsay Vilmos u. 5/B);
3. **Dr. Imre János Török** (born in Budapest on May 15, 1947, mother's name: Veronika Donáth, permanent residence: 1023 Budapest, Borbolya u. 6.)

The Chairperson and members of the Board of Trustees, any person who is employed by or has any other agreement on working for the Foundation in addition to his/her assignment – unless otherwise provided by law –, who receives a grant according to the goals of the Foundation or who is a relative of the persons identified above may not be Chairperson or member of the Supervisory Board.

Any person who held an executive office at a public benefit organization – at least for one year in the two-year period before its termination – that failed to pay its public debt as defined in the Taxation Act may not hold an executive office in another public benefit organization for two years after the termination of the first public benefit organization.

Persons holding an executive office or nominated for such position shall previously notify all concerned public benefit organizations when they simultaneously hold such position in another public benefit organization (Articles 8 and 9 of Act CLVI of 1997).

The members of the Supervisory Board shall make a declaration on the above reasons for incompatibility. When a reason for incompatibility occurs during their membership they shall, within eight day of occurrence of the reason, notify the Chairperson of the Board of Trustees thereof. Within eight days of the request made by the Chairperson of the Board of Trustees the member shall make a declaration on elimination of the reason for incompatibility.

The Supervisory Board audits the operation and business management of the Foundation. Under this activity the Supervisory Board may request a report from the Chairperson of the Board of Trustees and information from the employees of the Foundation and inspect and audit the books and documents of the Foundation. The members of the Supervisory Board may attend the meetings of the Board of Trustees with consultation right.

The Chairperson of the Supervisory Board shall notify the Chairperson of the Board of Trustees and request that a meeting of the Board of Trustees be convened when he/she obtains information about the following: any infringement of law or other event or failure that seriously harms the interests of the Foundation occurred during the operation of the

Foundation that requires a decision by the Board of Trustees to end such act or prevent or reduce its consequences; any fact that raises the liability of the Board of Trustees was found. Upon request of the Supervisory Board a meeting of the Board of Trustees shall be convened within thirty days of such request. When this is not done within such period the Supervisory Board may also convene the meeting of the Board of Trustees. Should the Board of Trustees fail to take the measures needed for restoration of its lawful operation the Supervisory Board shall immediately notify the supervising authority.

The rules of procedure of the Supervisory Board shall be determined by the Supervisory Board and approved by the Board of Trustees.

The meetings of the Supervisory Board shall be chaired by the Chairperson. The Supervisory Board meeting shall have a quorum when the Chairperson and at least one other member are present. The Supervisory Board shall adopt resolutions with a simple majority of votes. The Chairperson and members of the Supervisory Board may attend the meetings of the Board of Trustees with consultation right. The Chairperson and members of the Supervisory Board shall be invited to the meetings of the Board of Trustees.

The Supervisory Board shall hold meetings at least twice a year that will be convened by the Chairperson. The rules applicable to convening the meetings of the Board of Trustees shall apply to convening the meetings of the Supervisory Board.

7. Miscellaneous provisions

The Foundation has been established for an indefinite term. In the case of its termination its assets shall be used for supporting an organization having similar purpose. Any issues not regulated in the Deed of Foundation shall be governed by the Civil Code and the provisions of Act CLVI of 1997 on public benefit organizations.

Termination of the Foundation shall be governed by the provisions of Article 74/E (2–4) of the Civil Code.

Budapest,, 2008

ARC Kft.	MTM-SBS Zrt.	CAMPUS MÉDIA Kft.
..... Gábor Bakos Executive Director Zoltán Várdy CEO Zsolt Baranyai Executive Director
ESMA Zrt.	EST Media Group Kft.	EUROPLAKÁT Kft.
..... Dr. István Bleuer Board Member Tamás Kádár Executive Director László Zoltai János Boda Executive Directors
HAMU és GYÉMÁNT Kft.	Heti Válasz Kiadó Kft.	INDEX.HU Zrt.
..... Tibor Krskó Executive Director Gábor Borókai Executive Director Miklós Vaszily CEO

AXEL SPRINGER-BUDAPEST Kiadói Kft.

Dr. József Bayer
Executive Director

Dr. Mária Király
Employee

Magyar RTL Televízió Zrt.

Dirk Gerkens
Board Member

Ákos Róbert
Board Member

Magyar Televízió Zrt.

Balázs Medveczky
Employee

Péter Schatz
Employee

MTG Metro Gratis Kft.

Péter Hivatal
Executive Director

Gizella Éva Miklósi
Employee

„NÉPSZABADSÁG” Zrt.

Tibor Kovács
Board Member

Maryla Szatmári
Employee

[origo] Zrt.

András Fischer
CEO

Zoltán Cseke
Employee

PANNON LAPOK TÁRSASÁGA Kft.

Judit Kázmér
Executive Director

Róbert Bodocz

National Association of Local Radios

András Radetzky
Chairman

PORT Data Kft.

Gábor Parragh
Executive Director

Sláger Rádió Zrt.

Edina Heal
Board Member

Z+ Zrt.

Levente Málnay
CEO

Prepared and countersigned by:
Dr. Balázs Kocsi, Lawyer (Grób & Kocsi Law Office)