Experts involved in actuarial activity and the mathematics of insurance and working in the territory of the Republic of Hungary, with the view of enhancing the recognition of their activity and increasing its standard as well as managing the independent representation of their professional interests, found the Hungarian Actuarial Society (hereinafter referred to as the Society) as an association. Spiritually, the founders consider the Actuarial Society established on 27th February, 1991, an independent section of the Association of Hungarian Insurers, dissolved as this Society is set up, as their predecessor.

§ 1 THE NAME, FORM AND SEAT OF THE SOCIETY

1.1 The name of the Society: Magyar Aktuárius Társaság
   The Society's acronym is: MAT

1.2 The name of the Society
   in English: Hungarian Actuarial Society
   in German: Ungarischer Aktuarverein
   in French: Association Actuarielle Hongroise

1.3 The seat of the Society: 1062 Budapest, Andrássy út 100

1.4 The Society is an association, with its operation based on the Act II of 1989 on Associations, an autonomous legal person coming into existence with its registration by court.

1.5 The Society is established for an indefinite period.

§2 THE OBJECTIVES AND ACTIVITIES OF THE SOCIETY

2.1 The objectives and activities of the Society include:
   - fostering and spreading professional fastidiousness and the culture of insurance mathematics in the insurance business, which, however, does not include independent insurance activity;
   - ensure that the public interest is served;
   - creating and running a professional forum, providing self-instruction for the members;
   - having the actuarial profession widely acknowledged;
   - representing and safeguarding the professional interests of the Society and that of its members;
   - participating in organising professional training; developing the standards of qualification and adjusting those to current requirements;
- comment the legislation and jurisdiction affecting the actuarial profession, having these opinions acknowledged;
- developing professional standards of practice;
- establishing and maintaining international professional relations; exchanging experiences;
- promote mutual esteem and respect amongst actuaries.

2.2 The Society is not allowed to pursue economic entrepreneurial activity, unless the Memorandum of Association is amended to that effect.

2.3 By the authorisation of the General Meeting, the Society may carry out other tasks as well, within the framework of the relevant legal regulations.

§3 MEMBERS OF THE SOCIETY

3.1 The Society has members, qualified members, candidate members as well as honorary and supporting members.

3.2 Founding members of the Society are the participants of the founding General Meeting, who, by signing the Minutes of the founding General Meeting, confirm their intention to join, as well as their agreement with the Memorandum of Association.

3.3 Following the foundation of the Society, an application for candidate membership may be submitted by any Hungarian citizen, furthermore any non-Hungarian citizen domiciled in or with residence permit to Hungary, who contributes to the actuarial profession by his scientific or practical activity, and meets the professional and ethical standards as well as abides, in writing, by the Memorandum of Association and Code of Ethics of the Society.

3.4 Written recommendations of two members are required for the admission of a new candidate member. The nominator has to be a member of the Society for at least 18 months. The application for admission shall be submitted to the Executive Board of the Society, in writing. The Executive Board will scrutinise it and, upon meeting the formal criteria, declare the applicant as a candidate member.

3.5 The candidate member shall deliver her/his introductory presentation at a Society meeting up to the second General Meeting following her/his admission. Having delivered the introductory presentation, the candidate member may apply for membership at the first or second General Meeting. If no positive decision is made on her/his admission even at the second General Meeting then the candidate membership status of the candidate member shall be terminated.

3.6 Based upon previous activity of hers/his, an applicant may apply for exemption from the introductory presentation and may become member at the Ordinary General Meeting following her/his application. The Executive Board will scrutinise the application and submit it to the General Meeting
for decision making. In such a way, an application for membership may be submitted by any Hungarian citizen, furthermore any non-Hungarian citizen domiciled in or with residence permit to Hungary, who contributes to the actuarial profession by his scientific or practical activity, and meets the professional and ethical standards as well as abides, in writing, by the Memorandum of Association and Code of Ethics of the Society.

3.7 Those who were founding and ordinary members of the Actuarial Society, previously operating as an independent section of the Association of the Hungarian Insurers (MABISZ) registered by the Municipal Court under No. 3158 as a legal person, will become members of the Society without further procedure, provided that they accept the objectives of the Society, confirm their agreement with the Memorandum of Association by their signature, and submit their application for admission to the Society’s Executive Board in 3 months from the founding General Meeting, in writing.

3.8 A member of the Society may become a qualified member by January 1, 2003 if written application is submitted to the Accreditation Committee by November 30, 2002 in which s/he acknowledges that s/he will pay membership dues applicable on qualified members.

3.9 A member of the Society may become a qualified member between January 1, 2003 and December 31, 2004 if s/he has a university degree, and fulfils one of the conditions below
- has graduated from BKÁE (formerly BKE) postgraduate school;
- has been employed as chief actuary with an insurer for at least 3 years;
- had acquired scientific degree up to December 31, 2001;
- has carried out actuarial activity for at least 5 years and
  - has been a chief actuary with an insurer for at least 2 years; or
  - has been a chief actuary with a voluntary or private pension fund for at least 2 years; or
- has graduated from BKÁE (formerly BKE) actuarial main or supplementary class; or
- has graduated from insurance mathematics half-band of mathematics class or insurance mathematics module of applied mathematics class of ELTE TTK; or
- has acquired a diploma at the courses organized by the Institute and Faculty of Actuaries and BKE;
- has an actuarial diploma entitling her/him by the the Groupe Consultatif or a full member organization of the Groupe Consultatif to practice.

3.10 A member of the Society may become a qualified member from January 1, 2005 if s/he complies with the appropriate conditions of the Society. These conditions shall be developed so that these comply with the relevant requirements of the Groupe Consultatif.

3.11 The member may apply to the Accreditation Committee for qualified membership by submitting the documents certifying the compliance with the conditions and by the declaration that s/he will pay the membership dues applicable to qualified members. The Accreditation Committee may refuse the application only if the applicant is not able to prove that s/he complies with the conditions or if s/he does not declare that s/he will pay
the membership dues applicable to qualified members. The decision of the Accreditation Committee may be appealed to the General Meeting.

3.12 The General Meeting may confer honorary membership on persons of public esteem, who has provided essential assistance to the insurance in Hungarian, particularly to the Hungarian actuaries.

3.13 Supporting membership may be conferred on natural persons or corporate bodies, who support the Society’s endeavours, financially or otherwise.

3.14 The membership of the Society’s members may terminate
- upon discretionary resignation (the intention to resign should be communicated with any member of the Executive Board);
- upon exclusion (the General Meeting may exclude a member who fail to comply with his obligations permanently or in spite of a warning or grossly infringing the regulations of the Memorandum of Association);
- upon exclusion, inflicted as an ethical punishment;
- for non-payment of membership dues, in accordance with the Rules of Organisation and Operation of the Society;
- upon the death of a member.

3.15 All members of the Society may be subject to ethic procedure. The ethical decision of first instance may be appealed. The member is obliged by the ethical decision of second instance. (#11)

§ 4 RIGHTS AND OBLIGATIONS OF THE MEMBERS

4.1 The rights of the members are:
- they are entitled to attend the Society’s General Meeting, participate in the Society’s work and in working out MAT statements, take part in the election of the Society’s officers as well as in the elaboration of the rules of operation;
- they may be elected as officers of the Society, provided that the required legal conditions are satisfied;
- they are entitled to avail themselves of the Society’s services – free of charge;
- the fact of the membership limits neither the member’s personality nor his copyrights nor his financial rights.

The rights of the members and qualified members are the same. As an exception, qualified members are entitled to use the title ‘Minősített Magyar Aktuárius’¹ (abbreviated as MMA).

4.2 Obligations of the members are:

¹ That is 'Qualified Hungarian Actuary'
- participation in the Society’s professional and organisational work;
- observing the Memorandum of Association and the resolutions of the General Meeting;
- paying the annual membership dues determined by the General Meeting;
- keeping the professional, official and business secrets as confidential;
- giving due consideration to the professional standards of practice, issued by the Society, during their professional engagement.

The qualified member of the Society shall participate in the system of continuous professional development and to comply with the provisions of the Rules of the Continuous Professional Development.

4.3 The rights of the candidate members are:
- they are entitled to participate in the Society’s work;
- they are entitled to avail themselves of the Society’s services – free of charge;
- the fact of the candidate membership limits neither the candidate member’s personality nor his copyrights nor his financial rights.

4.4 Obligations of the candidate members are:
- participation in the Society’s professional work;
- delivering an introductory presentation;
- paying the annual membership dues determined by the General Meeting;
- keeping the professional, official and business secrets as confidential;
- giving due consideration to the professional standards of practice, issued by the Society, during their professional engagement.

§ 5 GENERAL MEETING

5.1 The supreme body of the Society is the General Meeting that consists of all the members.

5.2 An ordinary General Meeting is to be held at least once a year, to be convened by the Executive Board. The Executive Board or minimum one fifth of the members, indicating the goal and the reason, may convene an extraordinary General Meeting, too.

5.3 The General Meeting has a quorum if at least half of the members are present. If the General Meeting does not have a quorum and therefore it should be reconvened, the reconvened General Meeting, in respect of the original items on the agenda, will have a quorum, irrespective of the number of those present.
5.4 Resolutions are adopted by the General Meeting by simple majority, except the cases defined by the Society’s Rules of Organisation and Operation.

5.5 Further details on the procedure for the General Meeting is laid down in the Society's Rules of Organisation and Operation.

5.6 The resolutions of the General Meeting are adopted by open vote, unless otherwise provided by the Memorandum of Association or if requested by any one of the members when voting on a personal issue, a secret ballot is to be ordered.

5.7 The exclusive jurisdiction of the General Meeting include:
- defining and amending the Memorandum of Association and the Rules of Organisation and Operation;
- drawing up and amending the Code of Ethics;
- drawing up or amending the Rules of the Continuous Professional Development
- drawing up or amending the Due Process of Approving Actuarial Professional Standards of Practice
- determining the annual membership dues;
- deciding on the admission and exclusion of members, except the exclusion inflicted as an ethical punishment;
- electing and recalling the officers of the Society;
- accepting the annual plan of action of the Society and the report of the Executive Board;
- accepting the financial closing and the budget;
- adopting the Society’s termination or merger with another civil organisation.

§ 6 FURTHER ORGANISATION OF THE SOCIETY

The Honorary President

6.1 The General Meeting may elect an Honorary President. The Honorary President should be a person of public esteem with adequate authority to worthily represent the Hungarian actuaries.

The President

6.2 The head of the Society is the President, who represents the Society independently and who is at the same time the President of the Executive Board. The President is elected by the General Meeting, by secret ballot, for a two-year period. The President-elect for the next two-year period is elected at the ordinary General Meeting of the second year of the office of the elected active President. The President-elect elected this way will start his activity as a President at the time of closing the ordinary General Meeting of the year following his election, provided that the required legal and other conditions are fulfilled. Otherwise the election of President should be repeated in this latter General Meeting.

The Executive Board
6.3 The Executive Board is the Society’s operative steering body, to organise the Society’s work and direct the activities of working committees in the period between two General Meetings.

6.4 The Executive Board is made up of the President and five members. The members of the Executive Board are elected by the General Meeting by secret ballot for a two-year period, when the President elected for two years starts his activity. This General Meeting also elects a single substitute member of the Executive Board. The Executive Board elects a secretary from among the members of the Society to carry out organisational duties.

6.5 If the President resigns or is permanently hindered from carrying out the duties of the President, the Executive Board, prior to calling in the substitute member, is obliged to elect an Acting President from among its members. If the hindrance of the President is not expected to end within half a year, then a General Meeting should be convened within two months to elect a new President. The mandate of the President, elected this way, lasts until the end of the mandate of the President resigned or hindered. The Acting President carries out all duties of the President. The mandate of an Acting President lasts until the hindrance comes to an end, or until a new President is elected.

6.6 In the case of the resignation of any member of the Executive Board or if he is permanently hindered from carrying out his management duties, his duties as those of a member of the Executive Board will be carried out by the substitute member. If there is no substitute member, or he can not carry out the task, the Executive Board continues working with a number of members reduced by one. If two members of the Executive Board, elected by the General Meeting, are out, a General Meeting should be convened within two months to bring the Executive Board up to the full number of members.

6.7 The Executive Board is entitled to decide in all issues, which fall outside the exclusive jurisdiction of the General Meeting or which do not fall within the competencies of another body by virtue of the Memorandum of Association or a resolution of a General Meeting.

6.8 The Executive Board is entitled to issue statements on its behalf.

The Ethics Committee

6.9 In matters of ethics, the Society’s Ethics Committee shall act in first instance. The President and the four members of the Ethics Committee are elected by the General Meeting for five years. The President and the members of the Ethics Committee may be re-elected. The President of the Society and the members of the Executive Board may not be President or members of the Ethics Committee.

6.10 In the case of the resignation or permanent hindrance of the President or members of the Ethics Committee, the procedure to be carried out should follow the spirit of paragraphs 6.5 and 6.6.
6.11 In matters of ethics, the Society’s Executive Board shall act in second instance.

The Accreditation Committee

6.12 Matters of qualification of members fall within the competencies of the Accreditation Committee. The President and the four members of the Accreditation Committee are elected by the General Meeting for three years. The President and the members of the Ethics Committee may be re-elected.

6.13 In the case of the resignation or permanent hindrance of the President or members of the Accreditation Committee, the procedure to be carried out should follow the spirit of paragraphs 6.5 and 6.6.

6.14 The Accreditation Committee shall
- decide on applications for qualified membership;
- decide on accrediting certain events according to the Rules of the Continuous Professional Development;
- record the list of qualified members;
- remove a qualified member from the list of qualified members who does not comply with her/his duties concerning continuous professional development;
- make recommendations to the General Meeting concerning the development and amendment of the conditions described in point 3.10.

§ 7 FINANCIAL MANAGEMENT OF THE SOCIETY

7.1 Resources of the financial management of the Society: the financial contributions of the members and candidate members (membership dues and candidate membership dues), as well as occasional donations.

7.2 The President by himself and two Executive Board members jointly are entitled to dispose of the financial assets of the Society.

§ 8 RULES OF ORGANISATION AND OPERATION

8.1 To matters regarding the organisation and operation of the Society, not dealt with in the Memorandum of Association, the regulations of the Rules of Organisation and Operation of the Hungarian Actuarial Society shall apply.