

**DEED OF FOUNDATION OF
DENNIS GABOR COLLEGE**

I.

Aim of Foundation of the College; a Legal Personality

Led by the commitment towards the development of an information society, in the spirit of channelling modern knowledge, serving openness and the idea of equal opportunities — in accordance with Act CXXXIX of 2005 on Tertiary Education (hereinafter: "ATE" or the "Act"), namely its provisions on non-budgetary institutions of higher education — I issue the following Deed of Foundation.

I. 1. Objectives

Education, scientific activities and research are the objectives of the Institute and at the same time, basic activities the definition of which is required by Section 4 of the ATE. Within the frames of these objectives, the College is allowed to pursue and provide BA education, third-level professional training, adult training and specialized further training programs.

The primary aim of the College is to provide high-level education and training that satisfies the requirements of our age and labour market demands that contributes to the creation and formation of information society and meets the challenges before the Hungarian nation and Europe.

The Institution aims at the education and training of professionals with general knowledge prepared mainly for practical tasks (IT engineers, technical experts, economists) who possess up to date and marketable theoretical and practical knowledge fit for answering professional challenges in the organisation, management and arrangement of proper activities and processes. They should be able to apply new technologies flexibly and in a quality-centred way and speaking languages they communicate and cooperate on international levels.

The College is engaged in research and development programmes that can be applied in practice and used also in education.

I. 2. Dennis Gabor College as an Independent and Autonomous Legal Entity

The Institute shall be operated in accordance with this Deed of Foundation and is entitled to provide third-level professional training programmes, BA programmes and normal college education as determined by the law, and specialized further training programs, furthermore to issue degrees and certificates determined by the law.

The Maintainer of Dennis Gabor College is the "Gábor Dénes Műszaki Informatikai Főiskola -Távoktatási Alapítvány" or Dennis Gabor Technical College for Informatics - Foundation for Distance Education (hereinafter: the "Maintainer"). The authorisation to sign on behalf of the Maintainer is possessed independently by the President of the Foundation Committee, additionally two Members of the Foundation Committee.

II.

Name, Registered Office and Contacts of the College

II. 1. Name of the College

- in Hungarian: Gábor Dénes Főiskola
- in English: Dennis Gábor College
- in German: Gábor Dénes Hochschule
- in French: École Supérieure Gábor Dénes

- in Russian: Институт имени Габора Денеша
- short name: GDF

II. 2. Registered office (seat) of the College

- Seat: H-1119 Budapest, Mérnök utca 39.
- ID given by the Ministry of Education: FI 54333
- WEB: www.gdf.hu
- Mailing address: H-1518 Budapest 112. Pf. 146.

II. 3. Connections

- Phone: 0036-1-203-02-79
- Fax: 0036-1-203-03-13
- Homepage: <http://www.gdf.hu>
- Exchange at the seat: 0036-1-203-03-04
- E-mail: info@gdf.hu

III.

Maintainer of the College

III. 1. Pursuant to the registration effected by the Metropolitan Court Budapest under number 1027 and dated on 12 May 1992, by which Dennis Gabor Technical College for Informatics - Foundation for Distance Education was founded, the rights and liabilities of the Maintainer are vested in this Foundation as the Founder and Maintainer. It is the liability of the Maintainer to ensure material and financial means of and the body of the personnel to the autonomous operation of the College as determined by the relative legislation.

III. 2. Address of the Maintainer: H-1037 Budapest Bécsi út 324.

III. 3. Representative of the Maintainer (the President of the Foundation Committee):

Dr. János Szelezsán

- Mailing address: H-1037 Budapest, Bécsi út 324.
- Phone: 0036 1 412-436-65/-94
- Fax: 0036-1-436-65-04
- E-mail: szeleja@freemail.hu

III. 4. Assets made available by the Maintainer:

- Value of the asset contribution in movable properties: HUF 36,769,712.00
- Asset in cash: HUF 60,000,000.00

The Institution continues its activities at its seat (H-1119 Budapest Mérnök utca 39.), in the premises belonging to the real properties possessed under a Tenancy Contract signed with SZAMALK - Holding Vagyonkezelő Zártkörűen Működő Részvénytársaság on 1st September 2009 signed for an indeterminate period of time but not less than 8 years.

IV.

Rector of the College

Dr. Sarolta Zárda

- Address: H-1119 Budapest, Mérnök utca 39.
- Phone: 0036-1-203-02-79
- Fax: 0036-1-203-03-13
- E-mail: zarda@gdf.hu

V.

Tasks of the College

V.1. Main Activity of the College

In the frames of its basic activities, the College fulfils tasks in the field of education, science and research in accordance with Section 4 of the ATE. In fields of specialisation with a permit to start a field of specialisation in accordance with the law, the College provides BA education, third-level professional training, adult training, specialized further training programs and MA programmes in the form of daytime and correspondence courses and distance education courses for which degrees are given and certificates are issued.

Beyond basic, applied and experimental research programmes, the College is engaged in technological innovations and other developments that support education, development of skills, care programmes for talents strengthening thereby the Euro-Atlantic integration and other activities of public interest.

Beyond the foregoing and in the frames of the legislation the College takes part in forms of professional education that are not qualified as third-level programmes and in the implementation of other training tasks provided for in sectoral laws.

V. 2. Complementary Activities of the College

The College is also engaged in the development and publishing of printed and electronic syllabuses mainly in the field of development of tools that support distance education and education technologies for BA student by providing - in the frames of its own organisation - complex syllabus systems that support also independent learning, provide logistics, library and laboratory support and strengthening the opportunities for the healthy lifestyle, cultural and sporting activities of students.

Within the frames of its normal tasks, the College cooperates with other third-level educating institutions and scientific research organisations engaged also in development or economic activities. Beyond the foregoing, it fulfils its tasks in close cooperation with governmental bodies, the Hungarian Academy of Science, scientific research organisations and other organizations, as a member of the international networks of institutions.

The College is furthermore, as a founding member of the cooperative of schools, may take part in founding schools or cooperate with others within the organization of schools as a member.

V. 3. Tasks of the College

The College fulfils its tasks by the provision of education, trainings, scientific research and development, cultural and science organizing activities, maintenance and development of international relationships in education and science, research in and care-taking programmes for talents, replacement programmes for and education of young faculties and researchers and the provision of cultural, scientific, mentoring and other services by ensuring the conditions of healthy lifestyle.

It cooperates with others in the fields of developing a knowledge based society and a culture of informatics and computing and in scientific areas connected to education, the College is engaged in scientific research and development programmes and pursues science organizing activities; it prepares students and personnel to extend and apply their scientific knowledge and for the creation of products and scientific results.

Besides education, the College contributes to the preparation of students to intellectual life in general by mediating to them the national and universal culture, developing their knowledge in the mother tongue and in foreign languages, providing specialized language skills and preparing them for life-long learning.

- V. 4.** Without prejudice of basic tasks, the College, under business contracts, serves external clients and ordering parties with educational, research and development and consultancy tasks as a provider of services.

Uniform Sectoral Activity Classification System or "TEÁOR" Numbers of Activities

- 1820 Reproduction of recorded media
- 6201 Computer programming
- 6311 Data processing and WEB hosting services
- 5811 Publishing of books
- 5829 Publishing of other software
- 7219 Other scientific technical research and development
- 7220 Research and experimental development on social sciences and humanities
- 7320 Market research and public opinion polling
- 7022 Business and management consultancy activities

The College has been engaged in entrepreneurial activities since 1st July 2006 commenced for an indeterminate period of time.

The cost of activities that are beyond the College's basic tasks can be covered from their income. The regulations of the Institution prescribe the separated registry and accounting system of entrepreneurial contracts and services.

VI.

Management of the College's Activities

- VI. 1.** During the fulfilment of its tasks, the College is operating as an organisation of public interest.
- VI. 2.** The Institution is also engaged in business activities in accordance with the relative provisions of the ATE.
- VI. 3.** A "normative support" provided from the central state budget is paid to the College under an agreement signed with the Ministry of Education and Culture. The College decides on the use of this subsidy independently through its competent body, the Senate.
- VI.4.** The College uses the amounts provided to it by the Maintainer freely, or in case of Treasury assets, in accordance with the relevant legislation pertaining to the National Budget, but anyway, in line with the provisions of its budget.
- VI.5.** The Maintainer, in line with the Institution's nature - "organization of public interest" - doesn't participate from the profits of the College.

VII.

Fields of Education, Art Forms and Levels of Education, where the College Provides Educational Programmes at its Seat and on its Sites

VII.1. In accordance with the provision of the ATE, the maximum number of College students was declared to be 3000 on 1st September 2009.

VII. 2. Third-level professional training program

Fields of education and groups of professions

- Informatics professional training programme – Informatics group of professions; Arts, public education and communication group of professions
- Economic sciences training programme - Economy group of professions; Trade and marketing and business administration group of professions
- Technical training programme — Other services group of professions

VII. 3. Basic and traditional college education – field of education: IT, Technical field of education, Economic sciences field of education

VII. 4. Specialized educational programmes in the fields of IT, technology and economic sciences.

VII. 5. Under special authorization, the College may provide Master Programmes in the fields of IT, technology and economic sciences and may maintain even a PhD courses in the field of technical sciences.

VIII.

Order of operations and operational units of the College

VIII.1. The College may form its own organizational structures in a way that it must be suitable for the provision of its educational, scientific research and other tasks and to efficient operation on the basis of the provisions of ATE.

Research activities of the College are pursued in different institutes.

Organization of education and the administration of scientific activities are ensured by dedicated units or external providers.

Organizational and Operational Rules of the Employer (hereinafter: "OOR") determine the structure of the College and the rules of creation and operation of its organizational units.

OOR enumerates and determines especially

- educating and research activities of the College,
- rights and liabilities of the Institute's faculties, scientific researchers and students,
- scopes of tasks and competences of the management and within this, the bodies and organizations of self-government of the Institute and the order of elections of members into different units,
- the organizational structure of the Institute and the break-down of responsibilities,
- organisational units of the Institution,

- the Quality Assurance System of the College is in accordance with the quality criteria applicable in third-level education.

A part of OOR is the collection of regulations on the students' entry and transfer procedures, study, examination, benefit and recovery processes, disciplinary, compensation procedures, rules to be followed in cases of accidents, labour protection rules, organizational and operational rules of Student Unions, regulation of scientific researches and criteria vis-a-vis faculties and students and on the system for expressing students' opinions on professors and lecturers.

VIII. 2. The Senate

Senate is the highest decision making body of the College and the first body to oversee the aftermaths of its decisions. The Senate is led by the Rector. Pursuant to the currently effective and applicable provisions of ATE, from the 1st May 2006 the former College Council has been continuing its operation as the Senate. Issues in connection with the creation and operation of the Senate must be provided for in the Organizational and Operational Rules. The Senate decides on the educational and research tasks of the College, and oversees the fulfilment of such tasks.

The Senate may continue a debate on any question and may give its opinion in any issue and may make proposals in connection with any question and problem. The Senate may send its opinion and suggestions for decision making to individuals who are in the decision making position. These persons shall give answers to the merits to these ideas and suggestions on the first meeting of this body after the 30th day from the date of submission of such suggestions.

VIII.3. The Rector

The Rector is the legal representative of the College who leads and represents the College. He or she is assigned by the President of the Foundation Committee on the basis of the opinion of the Senate and the decision of the Foundation Committee for maximum a five-year period of time; this assignment shall be made by the Prime Minister upon the submission of the Minister of Education and Culture.

- the Rector exercises employer's rights within the frames of the Employment Plan on the basis of the laid Employment Criteria.
- employer's rights vis-a-vis the Rector shall be exercised by the Maintainer.
- tasks and the sphere of powers of the Rector shall be determined by the Senate in the OOR.

The Rector shall fulfil his/her tasks in close cooperation with the Vice Rectors, the Secretary General, the Directors and the Manager of Internal Controls. The division of labour shall be regulated by the OOR.

During fulfilling his/her tasks and exercising his/her powers has a general right to instruct and make arrangements. However, he/she shall not instruct the Senate or other bodies and committees operative at the College, including the Student Union.

IX.

Criteria of fulfilment of becoming an Organization of Public Interest by the College

IX.1. Activities in the Interest of the Public

Education, scientific activities and research are the objectives of the Institute and at the same time, basic activities the definition of which is required by Section 4 of the ATE.

Within the frames of these objectives, the College is allowed to pursue and provide BA/BSc education, third-level professional training, adult training and specialized further training programs.

IX. 2. Business activities can be pursued by the College only in view to the fulfilment of its non-profit tasks that don't endanger the achievement of the basic objectives.

The College mustn't borrow loans with the aim to develop its business activities after a certain level that may endanger its activities done in the interest of the public. No subsidies granted by the sub-systems of the public finances can be used for the payment of loans. The College shall not issue bills of exchange or other securities representing debt securities.

The Institution shall maintain accounts for income from and expenditures for business activities from other financial accounts.

IX. 3. The College shall not proportionate profits raised by managing its finances, but shall spend these amounts to activities of public interest determined by this Deed of Foundation.

IX. 4. The College shall not be engaged in political activities directly; its organization is independent from political parties and shall not provide finances to political parties.

IX.5. Managers or executives of the College must take steps to prevent conflicts of interest in connection with their good selves or if such condition ensues, to terminate this condition. Nobody can be the Chairman or the Member of the Auditor of the Supervisory Board who

- is a president, member or relative of a managing body,
- (unless specified otherwise) him/herself or his/her close relative is an employee of the College and beyond this assignment, has an employment status or a status equalling to other work-related legal relationships with the Institution,
 - him/herself or his/her close relative receives targeted payments from the College, except for those non-pecuniary benefits that are available to anyone without limitations as a targeted allowance that is in line with the Deed of Foundation of the College.

Within two years after the termination of the operation of the Institution, no person can be an officer of another organization of public benefit, who was formerly (or was for at least one year within the two years before its termination) a manager or executive of an organization of public benefit that hasn't settled its public dues rising from the currently effective Act on Taxation.

Every person who is in managerial or executive position or who is assigned to such a position must provide information in advance to the affected organisation of public benefit about his/her other position(s) held at other organizations of public interest.

IX.6. A Supervisory Board is operating at the College.

- The Supervisory Board supervises the whole operation and financial management of the College. In doing so, they may ask reports from the managers and executives and information from the employees of the College, and may have an insight into the books and documents of the College and may examine them.
- The Supervisory Board consists of three members. Members are assigned by the Rector for a determinate 3-year period of time.

Members of the Supervisory Board are:

1. Andrea Agócsné Papp
Physical address: H-2030 Érd, György u. 69.
2. Károly Simon
Physical address: 1173 Budapest, Pesti út 74/a.
3. Zoltán Szallabek
Physical address: H-2030 Érd, Aradi u. 53.

- The Supervisory Board acts as a body. It elects a Chairman from its Members.
- The Supervisory Board lays down its own agenda by itself.
- The Supervisory Board is obliged to give information to the executive Senate and to initiate the convention of the Senate if the Supervisory Board becomes cognizant of

❖ any breach of during or in the operation of the organization or any severe event (or default) that is *otherwise* against the interests of the organization the termination or - respectively - the mitigation of which, or the prevention of its consequences requires the involvement of the Senate with its right to act or the decision of the Rector. The Senate with its executive power must be convened upon the motion of the Supervisory Board, i.e. within 30 days from the submission of such motion. After an unsuccessful pass of this final date, the Supervisory Board may convene the meeting of the Senate himself. If the Senate as the competent body fails to take steps in order to rebuild legal operations, the Supervisory Board shall notify the Maintainer and the body responsible for supervising legality without delay.

❖ if any default or breach of law occurs that rises the liabilities of the Managers or Executives.

IX.7. Pursuant to Sections 137(2) or 138(1) of the ATE, if – taking a five-year average – the number of students attending to educational programmes subsidized by the State doesn't reach 50 percent of the total number of the accepted students, on the basis of the decision and submission of the Senate the Maintainer must approve the budget of the institution of higher education, the annual statements prepared in accordance with the act on accounting, its Organizational and Operational Regulations and the plans for the future development of the institution.

The Senate approves the Institution's Report of its Operations to the Benefit of the Public.

This annual report is publicly circulated and anyone may have an insight into it or may make duplicates on his/her own expense; furthermore the College must publicise the Report through its homepage by the 30th of June of the year after the year under consideration.


IX.8. The Organizational and Operational Rules of the College provides

- The Institution shall maintain a registry from which the contents, date and scope of the Senate's decisions and the rate of votes for and against the decision (and if possible, also the identities of the voters) can be ascertained.
- About the way the Senate communicate its decisions towards the affected parties and about the information of the public about the same.
- About the rules of having an insight into the documents made in connection with the operations of the College; and
- About the level of openness of the operation of the the Institution, the ways how its services can be used and about the publicity of reports.

IX.9. The compliance with the terms of becoming or remaining an organization of public interest shall not affect the authorisations of the Maintainer or the rights of the Minister of Education to supervise the Maintainer's activities from legal aspects. The Public Prosecutor's Office exercises oversight vis-a-vis the College; tax audit is done by the State tax authority competent at the site of the College, while the use of subsidies is controlled by the State Audit Office.

Modification of the deed made by the Foundation Committee's Decision of the Maintainer number 4/2006.(VI.8.) as of 8th June 2006 and the version developed in consistent structure with modifications was approved by the Foundation Committee's Decision of the Maintainer number 2011.12.05./4.

Budapest, 05 December 2011


Gábor Dénes Műszaki Informatikai
Főiskola-Távoktatási Alapítvány

/illegible signature and seal of the College/
Dr János Szelezsán
President of the Foundation Committee

This translation was done by „NYUGAT” Translation Bureau (H-1062Budapest, Bajza u. 36., Trade Register No.: Cg. 01-06-780534, Community Tax No.: HU28066862). We hereby certify that this translation is in full conformity with the original Hungarian document. Tel.: 00-36-1-479-0780, E-mail: info@nyugat-fordito.hu Budapest, 08 May 2013