



## STATUTES OF EFRAG AISBL-

**APPROVED BY THE EFRAG GENERAL ASSEMBLY ON 21 JANUARY 2022**

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## Article 1: NAME

**1.1.** An International Association is formed under the name EFRAG (hereinafter referred to as the “Association”).

The name of the Association must always be followed by the words “association internationale sans but lucratif” or the initials “AISBL.”

**1.2.** The Association is governed by the provisions of the Companies and Associations Code applicable to international non-profit associations.

## Article 2: REGISTERED OFFICE

**2.1.** The registered office of the Association is situated in the Brussels-Capital Region (Belgium).

**2.2.** To the full extent permitted by law, it can be transferred to any other location in Belgium by a decision of the Administrative Board.

## Article 3: DURATION

**3.1** The Association is formed for an unlimited duration. It can be dissolved at any time, in accordance with the law and these Statutes.

## Article 4: OBJECTIVES

**4.1.** The Association has as international non-profit objective to promote the knowledge, the adoption and implementation in Europe of international financial reporting standards and corporate reporting through scientific and pedagogical activities and, in particular:

- To provide a proactive contribution to the work of the International Accounting Standards Board;
- To help develop and coordinate the expertise of all stakeholder groups in the area of financial reporting within Europe;
- To contribute to the implementation of International Financial Reporting Standards (IFRS Standards<sup>1</sup>) in Europe;
- To stimulate innovation in the field of corporate reporting in Europe; and

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<sup>1</sup> According to the definitions in IAS 1 paragraph 7, International Financial Reporting Standards (IFRS Standards) are Standards and Interpretations issued by the International Accounting Standards Board (IASB). They comprise:(a) International Financial Reporting Standards; (b) International Accounting Standards;(c) IFRIC Interpretations; and (d) SIC Interpretations.

- To provide technical advice to the European Commission in the form of draft EU Sustainability Reporting Standards and/or draft amendments to draft EU Sustainability Reporting Standards developed with proper due process, public oversight and transparency.

The Association's activities are organised in two pillars:

- A Financial reporting pillar which contributes to the IASB standard-setting process by providing European views including through proactive research activities, and provides technical advice to the European Commission on the endorsement of IFRS Standards; and
- A Sustainability reporting pillar, which provides technical advice to the European Commission in the form of draft EU Sustainability Reporting Standards and/ or draft amendments to EU Sustainability Reporting Standards.

**4.2.** Activities that the Association intends to carry out in order to attain this objective, among other things, are described below:

**4.2.1.** *Activities specific to the Financial reporting pillar*

- Provide its opinions in order for the European Commission to take a view on the endorsement of any IFRS Standards for application in the EU;
- Provide reports as requested by the European Commission reflecting, particularly, European perspectives, and giving reasoned opinions on upcoming financial reporting issues and identifying issues that need to be addressed by the IASB; and
- Provide technical input on exposure drafts, possible consequences of proposed accounting solutions or proposed standards for companies operating in the European environment with the objective that European concerns and practice are properly taken into account. In close consultation with the European Commission, the Association will participate in the early phases of debate on all issues related to the standard-setting process. In such a role, the Association will, when requested by the European Commission, attend working groups of IASB, liaise with national standard setters and hold Advisory fora.

**4.2.2.** *Activities specific to the Sustainability reporting pillar*

- Develop as technical advisor to the European Commission draft EU Sustainability Reporting Standards and/or draft amendments to EU Sustainability Reporting Standards; and
- Provide input to and build on the work in the sustainability reporting standard setting area by relevant global sustainability reporting standard setters and initiatives.

**4.2.3.** *Activities common to both pillars*

- Consider and comment upon proposed developments of European regulations, directives, guidelines, guidance and undertake innovative studies in the reporting field at the request of the European Commission;

- Provide its opinions in order for the European Commission to take a view on issues related to the development and the improvement of the standards and their effective implementation in the European area at the request of the European Commission;
- Consult the European Commission on its work programme and inform it of its work on a regular basis;
- Provide reports on good practices and innovations in corporate reporting;
- Support the further integration of efforts of national standard setters, businesses, the accounting profession, users and other stakeholders in Europe in order to make efficient use of available knowledge in the area of corporate reporting within the EU;
- Undertake research in the corporate reporting area;
- Undertake educational activities in order promote the knowledge of corporate reporting standards in Europe; and
- Develop other activities which it considers useful to achieving its general objectives.

## Article 5: MEMBERSHIP

### 5.1. Definition

- a) The Association is open to (i) organisations established in the European Economic Area, represented by individuals and legal entities incorporated in accordance with the law in their country of origin and (ii) public entities established by European or national provisions.

Member organisations in the Financial reporting pillar should have a proven interest in and experience of and be active in the financial reporting domain. Member organisations in the Sustainability reporting pillar should have a proven interest in and experience of and be active in the sustainability reporting domain.

These organisations should take an active interest in corporate reporting for the common good of Europe and are willing to support the work of the Association.

- b) The General Assembly is organised into four (4) Chapters:

- European Stakeholder Organisations (private sector including preparers including financial institutions, users, asset managers and the accountancy profession organised, on a sector basis);
- National Organisations (National Authorities/Ministries or National Standard Setters or other forms of bringing national stakeholders together);
- European Institutions, authorities and agencies (ECB, ESAs and other relevant institutions and bodies);

- Civil Society Organisations (including NGOs, academics, trade unions and consumer organisations).

## **5.2. Conditions of admission of new members**

The admission of new members is decided by the General Assembly in accordance with Article 7.2.1 of these Statutes. It is subject to the commitment to subscribe to the objectives of the Association and to abide by the provisions of its Statutes and Internal Rules which are available on the Association's website.

## **5.3. Loss of membership**

### **5.3.1. Resignation**

a) Each member has the right to withdraw from the Association at the end of any calendar year by giving twelve (12) months' notice in writing to the President of the Administrative Board.

b) The twelve (12) months' notice shall be waived in situations that a substantial change (as decided by the General Assembly by simple majority) in the governance structure (including voting rights), activities of the Association, or increases or decreases of more than 10% in the budget compared to the previous year, are effectuated. If the twelve (12) months' notice is waived, the notice period will be at least six (6) months from the date of decision by the General Assembly that triggered the reason for the notice being given. However, if the amount of the committed contribution for the six (6) month notice period is not sufficient to settle the liabilities in the situation specified by Article 6.d, the contribution will be more than what has been committed for the six (6) months but the amount cannot be more than the committed contribution for the original notice period of twelve (12) months.

c) To the full extent permitted by law, membership automatically ends in the case of bankruptcy, arrangement with creditors, winding up or any similar situation.

### **5.3.2. Exclusion and suspension**

The General Assembly may decide to exclude a member (see Article 7.3.2) who, in the sole judgment of the General Assembly, does not abide by the Statutes or for any other lawful reason. In such a situation, the member concerned has a right to a hearing but not to take part in the vote.

## **5.4. Associate membership and other forms of cooperation**

Under the conditions foreseen in the Internal Rules, associate members and "Friends of EFRAG - Financial Reporting" and "Friends of EFRAG – Sustainability Reporting" may also be admitted. Other forms of cooperation agreements may be entered into.

Their rights and obligations are determined on the basis of the Internal Rules requirements and the rights and obligations of members contained in these Statutes are not applicable to them.



## Article 6: MEMBERS' OBLIGATIONS

### 6.1. Members shall:

a) Agree to abide by the provisions of these Statutes and Internal Rules approved by the General Assembly.

b) Pay such contributions determined by the General Assembly (in accordance with the Internal Rules) and included in the budget approved by the General Assembly. These contributions are due for the current and following year if, on the first day of the year the membership has not lapsed. The General Assembly may decide on minimum financial contributions for membership in accordance with the Internal Rules. The annual contribution is paid in two (2) instalments, due on 1 January and 1 July. Payments received after 31 January and 31 July will be considered overdue and will be penalised in a manner to be decided by the General Assembly, on the basis of a proposal from the Administrative Board as described in the Internal Rules.

c) Commit to the contribution of the current year and the following year. Organisations that cannot legally commit since their own financing is subject to the legal commitment of public authorities or otherwise on a yearly basis or since their own financing is granted on a yearly basis, pledge the following year's contribution on the assumption that the approval for their own financing will be obtained with no substantial change. This exception to the commitment for the current and following year has to be approved by the General Assembly when the member is admitted for membership of the Association.

d) Accept that its contribution to the Association may be used if deemed necessary by the Administrative Board and approved by the General Assembly to scale or wind down the Association.

## Article 7: ORGANISATION OF THE ASSOCIATION

### 7.1. The governing bodies of the Association are:

- the General Assembly; and
- the Administrative Board.

For each of its Reporting pillars the Association also has:

- A reporting board responsible for all technical positions in their domain of competence; and
- A technical expert group providing advice to their respective reporting boards.

The competences of the reporting boards are respectively defined in Article 7.9.



## **7.2. General Assembly**

**7.2.1.** The General Assembly consists of the members of the Association.

- a) A member of the Association cannot be represented by an Administrative Board member.
- b) The European Commission is invited to attend meetings of the General Assembly.
- c) The General Assembly may decide to grant the status of an observer with speaking rights to other organisations with an interest in corporate reporting.
- d) Only members that are up to date with their financial contributions have the right to vote.

**7.2.2.** The General Assembly meets at least once every year as the Ordinary General Assembly to fulfil the following responsibilities:

- a) To receive respective reports from the Administrative Board, the reporting boards and the Chief Executive Officer on the activities, governance and financial position of the Association. After discussion of these reports, the General Assembly approves or rejects the annual financial statements as presented in accordance with Article 7.3.4.1 v), as well as the activities covered by the annual financial statements and summarised in the reports;
- b) To approve the budget for the next year, both in relation to the income and expenditure;
- c) To appoint independent auditors;
- d) To appoint the President, Vice-President and members of the Administrative Board.;
- e) To exercise general oversight over the Administrative Board. The reporting boards will be reporting periodically in a meeting or by electronic means at least once a year.
- g) To act as a sounding board for the European Commission in relation to its participation in the IFRS Foundation Monitoring Board when the European Commission calls upon the Association to do so.
- h) To provide a Discussion Forum for members to debate on strategy and broader orientations;
- i) To appoint the members of the reporting boards;
- j) To appoint the (acting) Chairs of the reporting boards. The Chairs are nominated by the European Commission after having heard the European Parliament and the Council of the European Union

**7.2.3.** The following activities also fall within the exclusive competence of the General Assembly:

- a) Amendments to the Statutes and adoption, modification or abolition of the Internal Rules;

- b) Admission to, and exclusion from, membership;
- c) Dissolution of the Association;
- d) Exemptions from the application of the internal rules as mentioned in Article 11.3; and
- e) Every other decision expressly indicated as falling within the exclusive competence of the General Assembly by these Statutes or by law.

**7.2.3. bis.** Concerning the following decisions, all members are entitled to vote:

- To approve the general part of the budget (common costs);
- To approve the financial statements;
- To appoint auditors;
- To appoint the members of the Administrative Board and its President and Vice-President
- To exercise general oversight over the Administrative Board;
- To amend the Statutes and Internal Rules: general parts; and
- Dissolution of the Association.

**7.2.3. ter.** Concerning the following decisions, only members contributing to the relevant pillar are entitled to vote:

- To approve the Sustainability reporting pillar part of the budget;
- To approve the Financial reporting pillar part of the budget ;
- To appoint the members of a financial reporting board and its (acting) Chair
- To appoint the members of a sustainability reporting board and the (acting) Chair
- To amend the Statutes and Internal Rules: financial reporting related parts;
- To amend the Statutes and Internal Rules: sustainability reporting related parts; and
- To admit and exclude from membership for the relevant pillar.

**7.2.4.** Members who are prevented from attending a meeting may be represented in the meeting by any person at their discretion to whom such party has given a written proxy. A member of the Association can be the holder of a maximum of five (5) proxies.



**7.2.5.** Decisions are made by consensus. If, exceptionally, no consensus can be reached, the decisions are determined by a simple majority of votes expressed by those either present or represented by proxies, unless stated differently in these Statutes.

For all decisions of the General Assembly, abstentions, the blank and mutilated votes are not taken into account (both in the numerator and denominator).

#### **7.2.5.1. Quorum**

Simple majority voting decisions require that one half (1/2) of the total of votes attributed to the members of the Association are either present or represented; and, at least one-third (1/3) of the total votes per Chapter are either present or represented;

If the quorum is not reached, a second meeting of the General Assembly will be authorised with the same agenda. At this meeting, the General Assembly decision will be valid irrespective of the number of members present or represented during this meeting.

To determine whether there is a quorum, only those members and Chapters that have voting rights for the decision concerned should be taken into account.

#### **7.2.5.2 Allocation of voting rights**

The system of allocation of voting rights is based on the Chapters described in Article 5.1.

Each pillar has 50% of the total voting rights.

##### **Rules applicable to the Financial reporting pillar:**

Each of the Two (2) Chapters represented in the pillar (European Stakeholder Organisations and National Organisations) has 50% of the total voting rights.

##### **Rules applicable to the Sustainability reporting pillar:**

The votes are divided as follows between the four Chapters:

- 35% of the total voting rights for the European Stakeholder Organisations Chapter;
- 45% of the total voting rights for the National Organisations Chapter;
- 20% of the total voting rights for the Civil Society Organisations Chapter; and
- No voting rights for the European institutions, authorities and agencies Chapter.

##### **Rules applicable to both the Financial reporting pillar and the Sustainability reporting pillar concerning the allocation of the voting rights within each Chapter:**

- a) Within the European Stakeholder Organisations Chapter, the voting rights are allocated as follows:
  - i. Half of the votes are allocated on an equal basis to each of the sectors in the respective Pillar;

- ii. The other half of the votes are allocated in proportion to the financial contributions made by the members in the Chapter;
  - iii. If a sector is not represented in the membership of the Association, the votes of this sector are reallocated to the other sectors in proportion to the financial contributions made by the members; and
  - iv. Votes within each sector are allocated in proportion to the financial contributions made by the members.
- b). Within the National Organisations Chapter, the voting rights are allocated in proportion to the financial contributions made by the members.
- c). Within the Civil Society Organisations Chapter, if applicable, the voting rights are allocated as follows: 90% of votes are allocated on an equal basis to each of the sectors (NGOs; Trade Unions and Consumer Organisations; and Academics) and 10% of the votes are allocated in proportion to the financial contributions made by the members in the Chapter. If a sector is not represented the votes of this sector are re-allocated to the other sectors;
- d) New members are allocated to the Chapter they qualify for.

#### **7.2.5.3 Qualified majority voting**

For decisions of the General Assembly, mentioned above in Article 7.2.3 under a., b, c and d., decisions on the removal of an Administrative Board member (Article 7.3.2) or a reporting board member and decisions for the approval of the budget which proposes increases or decreases of more than 10 % compared to the previous year, the General Assembly can only take a valid decision when:

- a) There is quorum: overall two-thirds (2/3) of the total of votes attributed to the members of the Association are present or represented in the meeting; and, at least one half (1/2) of the total votes per Chapter are present or represented;

If the quorum is not reached a second meeting of the General Assembly will be organised with the same agenda. At this meeting, the General Assembly decision will be valid irrespective of the number of members present or represented during this meeting.

To determine whether there is a quorum, only those members and Chapters that have voting rights for the decision concerned should be taken into account.

- b) The decision is adopted by two-thirds (2/3) of the total of votes expressed.

**7.2.6.** The Administrative Board determines the place, date and agenda of the meeting. The agenda is circulated to the members of the Association with the convocation. Supporting papers and material are provided five (5) days in advance of the meeting. The President of the Administrative Board or, in his absence, the Vice-President of the Administrative Board or in his absence, the person designated by the Administrative Board chairs the meeting. No decision of a matter can be made unless it is included in the agenda sent with the convening notice. The convening notices are sent by e-mail.

**7.2.7.** A special meeting of the General Assembly may be held with at least twenty (20) working days' notice at a place and time to be determined by the Administrative Board. A special meeting of the General Assembly needs to be called if requested by one-fifth (1/5) of the members of the Association contributing to a specific pillar. If an overall two-thirds (2/3) of the total votes attributed to the members of the Association contributing to a specific pillar and at least one-half (1/2) of the total votes per Chapter agree to a meeting and are present or represented, the General Assembly will be regularly constituted provided the convocation respects a minimum notice period of five (5) working days.

**7.2.8.** The meetings of the General Assembly can be validly held by conference call, videoconference, web-conference or any other format indicated in the convening notice. Decisions taken during conference call, videoconference, and web-conference meetings are deemed to take place at the registered office of the Association.

The Administrative Board (or any person designated by it to that end), under conditions which it determines, may authorise members to remotely vote (including in electronic form) before a General Assembly meeting.

Decisions of the General Assembly may also be taken by written resolutions, provided that each voting member has been informed at least ten (10) working days in advance of the decisions to be taken. The decisions come into effect on the date mentioned on the written resolutions and are deemed to be taken at the registered office of the Association.

**7.2.9.** Decisions of the General Assembly are registered in the Minutes, which are signed by the President of the Administrative Board and the person appointed by the General Assembly as the Secretary of this meeting. The Minutes are kept at the registered office of the Association. Every member receives a copy within a period of two months after the meeting of the General Assembly by e-mail.

### **7.3.** *The Administrative Board*

**7.3.1.** The Administrative Board is composed of its President, Vice-President and a minimum of six (6) persons, appointed by the General Assembly for a period of two (2) years renewable for a further two-year term based on the candidates proposed by nominating organisations belonging to both pillars. The nomination procedure is specified further in the Internal Rules.

The members of the Administrative Board cannot at the same time be members of the reporting boards.

**7.3.2.** The Administrative Board member's office shall end in case of:

- voluntary resignation by written notice to the Administrative Board;
- expiration of their term;
- death of the Administrative Board member;
- voluntary dissolution of the organisation nominating the Administrative Board member;

- bankruptcy, arrangement with creditors, winding up or any similar situation of the Administrative Board member;
  - removal by the General Assembly, upon a decision taken by qualified majority as specified in Article 7.2.5.3
- a) An Administrative Board member who has not attended three (3) consecutive regularly convened meetings of the Administrative Board, whatever the reason might be is assumed to have resigned. The President of the Administrative Board will liaise with the nominating organisation(s) for his resignation and consider his replacement.
  - b) When an Administrative Board member decides to resign from the Administrative Board or the nominating organisation(s) decide to request his removal, the President of the Administrative Board will liaise with the nominating organisation(s) to consider his replacement.
  - c) The appointment of the replacement has to be approved by the General Assembly in its next meeting. In the meantime, the nominated Administrative Board member can participate in all Administrative Board meetings in the capacity of an Administrative Board member.

**7.3.3.** The General Assembly appoints a Nominating Committee which acts as an advisory committee to the General Assembly and the President of the Administrative Board to facilitate the appointment and nomination process of the Administrative Board members. Working procedures of the General Assembly Nominating Committee are determined in the Internal Rules.

**7.3.4.** The Administrative Board has the following responsibilities which are further detailed in the Internal Rules:

- a) To be responsible for the Association's organisation, administration, finance, due process and the administrative and due process oversight of all technical bodies of the Association. The Administrative Board is however not involved in the technical work of the Association.
- b) To ensure that the Association has an open and transparent due process including a public consultation process with European constituents on draft Association's positions such as discussion papers, draft comment letters, draft consultation documents, draft endorsement advice, technical advice to the European Commission in the form of draft European Union sustainability reporting standards and related guidance (the latter two as laid down in the EFRAG Due Process Procedures for European Union sustainability reporting standard setting);
- c) To assess and consider the risks to the organisation and its activities on a regular basis.
- d) To ensure that sustainability requirements are considered and complied with by the Association.
- e) To prepare the decisions of and discussions in the General Assembly; and
- f) To approve the four-year strategy of the Association prepared with the input of the reporting boards.

**7.3.4.1.** To fulfill these tasks, the Administrative Board is specifically responsible:

- i. To appoint, monitor and dismiss the Chief Executive Officer;
- ii. To organise the funding of the Association and undertake a regular review of the funding arrangements;
- iii. To monitor the expenditures within the limits of resources authorized by the General Assembly;
- iv. To approve the remuneration policy for the Association's Secretariat (including management) and decide on the remuneration package for the Chairs of the reporting boards and of the technical expert groups and the Chief Executive Officer;
- v. To provisionally approve the financial statements within four (4) months of the end of the financial year and to submit these accounts for final approval to the next meeting of the General Assembly;
- vi. To propose to the General Assembly the appointment of independent auditors and the amount of their fees;
- vii. To provisionally approve the budget of the next year and to present it for final approval to the next General Assembly;
- viii. To prepare other decisions for consideration by the General Assembly;
- ix. To provisionally approve (amendments to) the Statutes and Internal Rules of the Association before submitting them for final approval to the General Assembly;
- x. To approve the Annual Review for publication, submitted by the Chief Executive Officer.
- xi. To take any other decision in conformity with the Statutes and the objectives of the Association;
- xii. To perform other functions as shall be prescribed to it by law or by the General Assembly or as and when deemed necessary;
- xiii. To oversee the due process system used by the reporting boards and reporting technical expert groups and their working groups, panels and task forces, and periodically evaluate the transparency, efficiency and effectiveness of the Association's due process;
- xiv. To ensure that the Association maintains a proper liaison with all relevant stakeholders and the maintenance of these relationships;
- xv. To recommend the composition of the reporting boards for appointment by the General Assembly;

- xvi. To support the appointment process of the Chairs and the members of the reporting technical expert groups and oversee the appointment of any working groups by the reporting technical expert groups, as detailed in the Internal Rules;
- xvii. To appoint the reporting technical expert groups' Chairs.
- xviii. To ensure that the composition of EFRAG's governance and technical bodies reflect an appropriate degree of diversity, including in particular gender and geographical diversity;
- xix. To prepare the decision of the General Assembly on the compensation and travel policy for Administrative, reporting boards' members and reporting technical expert groups' members as deemed appropriate. These decisions require a qualified majority by the General Assembly described in Art 7.2.5.3. In the absence of any decision, no compensation is paid, and no reimbursement of travel costs is paid. The General Assembly approves the amount of any compensation granted to an individual Administrative or reporting board member. Any compensation of the Chairs of the reporting boards is determined in due consultation with the European Commission;
- xx. To advise the General Assembly on associate membership and cooperation agreements and other forms of agreements including financial contributions. In doing so, the Administrative Board will seek advice from the reporting boards and from the reporting technical expert groups' Chairs before making a proposal to the General Assembly; taking into account that this cooperation may develop over time and should be reciprocal in nature;
- xxi. To ensure that the reporting boards and reporting technical expert groups establish appropriate cooperation arrangements with global and other relevant standard-setting initiatives;
- xxii. To advise the EFRAG General Assembly on the form of cooperation and agreements with (global) corporate reporting initiatives;
- xxiii. To prepare, supported by the reporting board Chairs and reporting technical expert groups Chairs, the debate of the Discussion Forum for members on strategy and broader orientations relevant to the environment in which the Association's activities take place.

**7.3.5.** The Administrative Board can only deliberate if at least two thirds (2/3) of its members are either present or represented. The President of the Administrative Board has the discretion to accept that Administrative Board members are represented by written proxies in exceptional cases. The Administrative Board's decisions are made by consensus. Should it not be possible to reach a consensus-based decision, decisions are taken by a simple majority of the Administrative Board members present or represented. For all decisions of the Administrative Board, abstentions, blank and mutilated votes are not taken into account (both in the numerator and denominator).

It is the role of the President of the Administrative Board to use best efforts to achieve consensus decision-making.

**7.3.6.** The Administrative Board meets at least three (3) times a year and more often if needed. A meeting of the Administrative Board needs to be convened:

- At the request of five (5) of its members; and
- At the request of either the President of the Administrative Board or the Chief Executive Officer.

**7.3.6.1** The President of the Administrative Board convenes the meetings at least one (1) month in advance, unless extraordinary circumstances arise that require urgent decision-making or information sharing by Administrative Board members, provided the convening notice respects a minimum period of notice of five (5) working days. The convening notices are sent by e-mail.

**7.3.6.2** The draft agenda is proposed by the President of the Administrative Board and circulated to the members with the convocation. The agenda is circulated no later than five (5) working days before the meeting. Additional background papers and material are circulated five (5) days in advance of the meeting

**7.3.7.** The Administrative Board is entitled to set up (sub-) Committees and task forces which do not, however, take away the ultimate responsibility of the Administrative Board.

**7.3.7.1.** The Administrative Board may decide to delegate some of its responsibility to a committee or task force. However, it remains accountable and responsible for the operation of its committees or task forces.

**7.3.7.2.** The rules applicable to these committees are determined in the Internal Rules.

**7.3.8.** The meetings of the Administrative Board can be validly held by conference call, videoconference, web-conference or any other way indicated in the convening notice. Decisions taken by conference call, videoconference and web-conference are deemed to take place at the registered office of the Association.

**7.3.9** The Administrative Board, under conditions which it determines, may authorise members of the Administrative Board to remotely vote (including in electronic form) before an Administrative Board meeting.

**7.3.10** Decisions of the Administrative Board may be taken by written resolutions, provided that each member of the Administrative Board has been informed at least 3 working days in advance of the decisions to be taken. The decisions come into effect on the date mentioned on the written resolutions and are deemed to be taken at the registered office of the Association.

#### **7.4. *The President of the Administrative Board***

The main responsibilities of the President of the Administrative Board include, beyond the chairmanship of the Administrative Board and the General Assembly, being the public spokesperson of the Association except for the Association's technical positions that are the responsibility of the reporting boards. The remaining responsibilities and the delegation of the responsibilities are described in the Internal Rules.



#### **7.5. *The Vice-President of the Administrative Board***

The Vice-President of the Administrative Board is replacing the President of the Administrative Board when the President of the Administrative Board is either absent or unable to exercise his/her function for a certain limited period. The Vice-President acts only by the delegation of the President.

#### **7.6. *Left empty***

#### **7.7. *The Chief Executive Officer***

**7.7.1.** The Administrative Board appoints the Chief Executive Officer who will be responsible for the day-to-day management of the Association.

**7.7.2.** The Chief Executive Officer has the following tasks:

- a) To be responsible for the day-to-day management of the Association;
- b) To prepare the budget, the annual financial statements
- c) To coordinate the decision making process on Secretariat recruitment or dismissal and the level of remuneration of members of the Secretariat in accordance with the remuneration policy. The Administrative Board as specified in the Internal Rules shall address the remuneration package for the management team;
- d) To acquire or dispose of capital goods within the limits of the approved budget;
- e) To take any financial and administrative management decisions necessary to provide adequate support to the President of the Administrative Board, the activities of the Administrative Board listed in Article 7.3.4, the reporting boards, the reporting technical expert groups and other Committees, Task Forces, Working Groups and Advisory Panels.

**7.7.3.** The administrative office including the Secretariat members of the Association, except for Secretariat members who operate under the direction of the President of the Administrative Board operate under the direction of the Chief Executive Officer.-

**7.7.4.** The reporting technical expert groups Chairs are responsible for the technical oversight and work of the technical members of the Secretariat of the Association.

#### **7.8. *Authorised representation of the Association***

Notwithstanding the general powers of representation of the Administrative Board as a collegial body, the Association shall be validly represented in court and towards third parties, including any public officer (including the mortgage registrar – “conservateur des hypothèques”) by:

- a) The President of the Administrative Board and an Administrative Board member, acting jointly;



- b) Within the limits of the day-to-day management, the Chief Executive Officer acting individually;
- c) An attorney-in-fact, within the limits of his/her power-of-attorney.

#### **7.9. A financial reporting board and a sustainability reporting board**

**7.9.1.** A financial reporting board is responsible for all positions of the Association on financial reporting, after having considered the technical advice provided by a financial reporting technical expert group and reflecting the results of the Association's due process. The details of this task are further specified in the Internal Rules.

**7.9.2.** A sustainability reporting board is responsible for all positions of the Association on sustainability reporting, after having considered the advice provided by the sustainability reporting technical expert group and reflecting the results of the Association's due process. The details of this task are further specified in the Internal Rules.

### **Article 8: ANNUAL FINANCIAL STATEMENTS**

**8.1.** The annual financial statements and the budget are prepared in conformity with the procedures fixed in the Internal Rules and approved by the General Assembly.

**8.2.** The financial year corresponds to the calendar year.

**8.3.** The audited financial statements are submitted by the Chief Executive Officer to the Administrative Board within four (4) months after the end of the financial year. They are provisionally approved by the Administrative Board and then distributed to the members of the Association. The General Assembly approves the annual financial statements within six (6) months of the end of the financial year.

### **Article 9: ASSETS AND LIABILITIES OF THE ASSOCIATION**

#### **9.1. Members' interests in the assets of the Association**

**9.1.1.** All interests of a member in the assets of the Association come to an end immediately in the event that the membership of the member ceases for whatever reason.

**9.1.2.** In the event of such termination of membership, neither the member concerned, nor its representatives have the right to bring a claim against the Association, other members or their representatives, whether collectively or individually, on account of such assets.

#### **9.2. Disposal of the assets of the Association in the event of dissolution**

**9.2.1.** In the event of dissolution of the Association neither the Association's members nor their representatives have the right to bring a claim against the Association, other members or their representatives, whether collectively or individually, on account of such assets.

**9.2.2.** Upon dissolution of the Association, and after payment of all obligations of any kind, the remaining assets of the Association are allocated to a body having a similar purpose or any other non-profit purpose.

**9.2.3.** In the case of voluntary dissolution, the Administrative Board appoints the liquidator(s) and determines the manner of the dissolution and liquidation of the Association.

**9.3. *Liability of the members***

Members are understood to have no civil liability for the debts of the Association. However, financial contributions committed by members within the notice period for resignation may be called upon in advance, totally or partially, as needed to settle all liabilities of the association upon termination or winding down.

## **Article 10: AMENDMENTS TO THE STATUTES – DISSOLUTION**

**10.1.** Every resolution to amend the Statutes or its Internal Rules, or to dissolve the Association, must be submitted to the General Assembly by the Administrative Board.

**10.2.** What is not foreseen by these Statutes, including legal publications in the *Moniteur belge*, will be regulated by the provisions of the Companies and Associations Code applicable to international non-profit associations.

## **Article 11: INTERNAL RULES**

**11.1.** The General Assembly is entitled to adopt and amend Internal Rules.

**11.2.** The Internal Rules regulate the functioning of the Association and may not conflict with the Statutes.

**11.3** The General Assembly can grant an exemption from the application of the provisions in the Internal Rules when it is deemed to be in the interest of the Association and the public interest. Such exemptions are considered on a case-by-case basis and may have a time limit. Proper justification needs to be provided for the exemption.

## **Article 12: GOVERNING LAW AND COMPETENT COURTS**

**12.1.** Any dispute in connection with the Statutes, the Internal Rules and/or any decision of the bodies of the Association, shall be governed by Belgian law and shall be submitted to the (French-speaking) Courts of Brussels.