

**Finance Watch AISBL: statutes modified after the  
Extraordinary General Meeting of June 30<sup>th</sup> 2011**

**Finance Watch**

Registered office: Rue Washington 40, 1050 Brussels

*Association Internationale Sans But Lucratif*  
[International non-profit association]

**ARTICLES OF ASSOCIATION**

**CHAPTER I - NAME, REGISTERED OFFICE, OBJECTIVES,  
TERM**

**Article 1 - Name**

It is hereby constituted, under the regime of Title III of the Belgian Act of twenty-seven June nineteen hundred and twenty-one on non-profit associations, international non-profit associations and foundations, an international non-profit association named « **Finance Watch** » (hereafter referred to as the « association » or « Finance Watch »).

**Article 2 – Registered office**

The registered office of the association is established at Rue Washington no. 40, 1050 Brussels, in the judicial district of Brussels. The registered office may be transferred by decision of the general meeting to any other place within Belgium, subject to observance of the law on the use of languages in administrative matters.

**Article 3 - Objectives, activities and founding principles**

The association has as its non-profit objectives:

To develop citizen advocacy on financial issues, issues of the organisation of financial activity and regulation of this activity with a view to ensuring that the general interest of society is taken into account in the organisation of these activities.

In order to achieve the above-mentioned objectives, the association will engage in the following activities:

Development, in coordination with its members, of expertise (production of research reports, analyses, publications, etc.) on financial issues, issues regarding the organisation of financial activity and financial regulation.

Sharing of the expertise produced.

Communication (press, media, internet, conferences, seminars, etc.) on financial issues or ones relating to the organisation of financial and banking activity and financial regulation.

Dialogue and advocacy (lobbying) vis-à-vis legislators, political authorities, administrative authorities and regulators on issues relating to finance, the organisation of financial and banking activity and financial regulation.

More generally, all means regarded as necessary in order to develop citizen advocacy on financial issues or the issues of the organisation and regulation of financial and banking activity with a view to ensuring that the dimension of the general interest is taken into account in the organisation of these activities.

The actions of the association will be based on the following founding principles:

1. The financial industry plays an important role in allocating capital and providing financial services and this role has strong public interest implications.
2. The essential role of the financial system is to allocate capital to productive use in a transparent and sustainable manner.
3. The purpose of finance is to serve the real economy. The situation where the economy becomes subordinated to finance must be rejected because it is destructive of economic and social structures.
4. Whilst profitability constitutes both a legitimate objective and a necessary condition for the sustainability of financial institutions, the pursuit of profitability should not be conducted to the detriment of public interest.
5. The transfer of credit risk to society at large is not acceptable.
6. The general objective of Finance Watch is an economic organisation of society where the needs of the real economy to have access to capital and to financial services are fulfilled in a sustainable, equitable and transparent manner.

#### Article 4 - Term

The association is created for an unlimited term.

## CHAPTER II - MEMBERS

#### Article 5 – Admission of members

The members of the Association are persons (natural or legal),

Belgian or foreign, fulfilling the following conditions:

- For all members: adhere to the objectives of the association as well as to the founding principles set forth in article 3 of the present articles of association.
- For natural persons: possess a real qualification or experience on issues of finance, organisation of the financial industry or advocacy on these issues. The members who are natural persons constitute a category of members called «qualified members». The qualified members become members of Finance Watch individually and cannot, as qualified members, represent an organisation or a legal person.
- For legal persons: legal persons not representing the interests of the financial or banking industry and whose purpose is related, directly or indirectly, in whole or part, to the objectives of Finance Watch described in article 3. The members who are legal persons constitute a category of members and are called «member organisations». Any organisation or entity approved as a member by the Board of Directors shall be regarded as a legal person for the purposes of the present articles of association.

The present association is constituted by two members called «founding members» who are member organisations.

During the course of the period between the General Meeting constituting the association and the first Extraordinary General Meeting following the publication of the Royal Decree of recognition, the Board of Directors will approve a list of members called «initial members»; the initial members will be either qualified members or member organisations; the founding members and the initial members of the association will be convened to the Extraordinary General Meeting that will be held following the publication of the Royal Decree of recognition of the association.

Without prejudice to the admission of founding members and initial members, applications for membership in the association are submitted in writing to the Committee of Transparency and Independence (referred to in article 16 of the present articles of association), which will verify that the candidate, whether a natural or legal person, is in accordance with the purpose and action of Finance Watch and that there are no conflicts of interest. With respect to qualified members, the Committee of Transparency and Independence also verifies the effective qualification of the candidate and the fact that the membership in Finance Watch is being assumed in the natural person's own name and not as a representative, explicitly or implicitly, of any legal person. The Committee of Transparency and Independence renders an opinion on the application within a

period of one month following the application and submits this opinion to the Board of Directors for decision. The decision to admit a new member is taken by the Board of Directors by a simple majority (5 members of 9) in the event of following the recommendation made by the Committee of Transparency and Independence, and otherwise by a qualified majority of six-ninths (6/9ths or 2/3). In the latter case, the Board of Directors must justify its decision in writing and make this decision public.

#### Article 6 – Resignation of members

Members are free to withdraw from the association at any time by sending their resignation to the Chair of the Board by registered letter with acknowledgement of receipt. The resignation will be effective on the date of receipt of this letter or on the date specified by the Board of Directors.

Resigning members remain obliged to pay the fees and contributions due on the date when their resignation shall have become effective. As of their resignation, they will no longer enjoy the rights and privileges granted to members and will no longer have any right to the assets of the association.

#### Article 7 – Exclusion - suspension of members

The capacity as member is lost automatically (subject to examination by the Board of Directors) by:

- the loss of one of the conditions required for approval as a member as specified in article 5 of the present articles of association;
- failure to pay the fee, contributions or any other amount owed to the association within one month of the reminder sent to the member by the Secretary General by registered letter.

A member may be suspended or excluded by decision of the Board of Directors at the recommendation of the Committee of Transparency and Independence (see article 16 of the present articles of association). The decision of the Board of Directors is taken by a simple majority (5 members of 9) in the event of following the recommendation made by the Committee of Transparency and Independence, and otherwise by a qualified majority of two-thirds (2/3). In the latter case, the Board of Directors must justify its decision in writing and make this decision public.

The Chair of the Board can suspend, until decision of the Board of Directors after having received the opinion of the Committee of Transparency and Independence, any member that he / she believes has committed serious breaches of his obligations in his capacity of member or violated the laws of honour or honest-dealing in business.

The excluded members remain obliged to pay the annual fees and contributions due on the effective date of the exclusion. The excluded members are not entitled to reimbursement of the fees and contributions already paid. As of their exclusion, they no longer enjoy the rights and privileges granted to members.

#### Article 8 - Rights, obligations and liability of the members

Each member has the right to participate in the General Meetings, to vote in these General Meetings and to enjoy all of the rights granted to members by the present articles of association.

The member organisations must designate a natural person to represent them at the General Meeting.

Each member is obliged to pay the annual fee and any other contribution determined by the General Meeting or the Board of Directors, knowing that the Board of Directors can decide by a simple majority on the reduction of or exemption from fee of a member at the written request of the latter.

The annual fees must be paid at the latest by the thirtieth (30) of September of each year. The payments of the contributions will be made as a function of the decisions of the General Meeting.

No member may be held personally liable for any debt or obligation of the association, even if it is a debt or obligation contracted by the member for the account of the association pursuant to a valid authorisation.

The financial obligations of the association are covered by the latter's assets.

### CHAPTER III - GENERAL ASSEMBLY

#### Article 9 – Composition and powers

The General Assembly is composed of all of the members of the association.

There is created two bodies of members within the General Meeting: the body of member organisations and the body of qualified members. The sole purpose of these bodies is to vote separately for the election of the members of the Board of Directors. For all other positions, all of the members of the General Meeting possess equal rights according to the principle of « one member, one vote ».

The General Assembly possesses full powers enabling the objectives and activities of the association to be achieved. The following are therefore reserved to its exclusive competence:

- a) approval of the budget and the annual accounts;
- b) appointment, by a simple majority, of the members of the Board of Directors and of the Statutory Auditor(s) if the association is obliged to appoint the latter;
- c) granting of discharge to the members of the Board of Directors and to the Statutory Auditor(s), if any;
- d) amendment of the articles of association;
- f) approval, by a simple majority, of the members of the Committee of Transparency and Independence nominated by the Board of Directors;
- g) approval of the association's key action priorities for the coming year;
- h) all cases where the law so requires.

#### Article 10 – Notifications to attend and meetings

At least one General Meeting shall be held per year; this meeting is designated as the "Ordinary General Meeting".

The Chair convenes any Extraordinary General Meeting at the request of the Board of Directors or at the written request of one-third of the members, such request being addressed to the association by registered letter. The agenda of these Extraordinary General Meetings is set forth in the decision of the Board of Directors, or, if applicable, in the written request made by the members.

The notification to attend the Ordinary General Meetings and the Extraordinary General Meetings are made by the Board of Directors and shall contain the date, the place and the agenda of the meeting and will be addressed to the members by letter, fax or e-mail within a period reasonably calculated so that these notifications to attend are received at least **twenty (20)** days prior to the date of the meeting, except for the invitation to attend to the first Extraordinary General Meeting following the Royal Decree of recognition of the association as well as in the event of emergency, within the judgement of the Board of Directors, in which case the period may be reduced to ten (10) days.

Any General Meeting may be held virtually, if the notification to attend so provides (i.e. by teleconferencing system, by exchange of e-mail or any other method of remote communication).

## Article 11 – Deliberations and minutes

The General Assembly may validly deliberate only on the items set forth on the agenda joined to the convocation. However, if all of the members are present, the meeting may deliberate on items that had not been placed on the agenda.

Each member has one vote. The voting right of members who have not paid their fee or any other contribution due may be suspended by the Board of Directors, unless a fee exemption has been granted to a member by the Board of Directors.

The General Meetings shall be chaired by the Chair or, in his / her absence, by the Vice-Chair of the Board of Directors or, in his / her absence, by the member of the Board of Directors having the most seniority within this Board.

The General Assembly can deliberate and validly make decisions if one-half of the members are present, virtually present or validly represented by power of attorney. If this quorum is not attained, the meeting is adjourned. A new meeting is convened with the same agenda, and the convocation is sent out within ten (10) days. Any General Meeting thus adjourned and reconvened can then validly deliberate and take decisions regardless of the number of members present or represented.

All decisions at a General Meeting are taken by a simple majority of the members present, virtually present or represented, with the exception of amendments of the articles of association and decisions relating to the dissolution of the association.

The methods of organisation and the security rules relating to virtual meetings of the General Meeting may be established in the internal regulations.

The minutes of each General Meeting are signed by the Chair, at least two members as well as the Secretary General. The original of the minutes is kept in a special register maintained at the address of the registered office of the association (where it can be freely consulted by any member); a copy of these minutes is sent on request to each member of the association by e-mail, fax or post.

## Article 12 - Representation

The members may delegate their powers - in writing, by e-mail or fax - to another member present or represented, or to a person duly mandated for this purpose.

## CHAPTER IV – BOARD OF DIRECTORS, CHAIR, VICE-CHAIR, SECRETARY GENERAL, COMMITTEE OF TRANSPARENCY AND INDEPENDENCE

### Article 13 – Composition of the Board of Directors – powers – meetings – deliberations – minutes

The association is administered by a Board of Directors whose members are appointed by the General Meeting. The number of members of the Board of Directors is established at nine (9). Six members of the Board of Directors represent the member organisations of Finance Watch (legal persons) and three the qualified members (natural persons).

Notwithstanding the foregoing, the Board of Directors will be composed of two (2) persons only without condition of membership until the first Extraordinary General Meeting that will be held after the association has obtained the Royal Decree of recognition. This Extraordinary General Meeting will proceed, among other things, with the definitive election of the members of the Board of Directors.

The members of the Board of Directors can be natural persons or legal persons; in the latter case, they must designate a natural person who will represent them in the exercise of their director's mandate.

The members of the Board of Directors representing member organisations of the association are elected within the General Meeting by the body of member organisations by a simple majority (the six candidates having obtained the most votes are elected).

The members of the Board of Directors representing qualified members of the association are elected within the General Meeting by the body of qualified members by a simple majority (the three candidates having obtained the most votes are elected).

The mandate of the members of the Board of Directors has a term of three (3) years; it is renewable once. It ends at the conclusion of the term, at the time of the resignation of the member, of his exclusion or for any other reason entailing cessation of the capacity of member of the association.

If the number of members of the Board is reduced to fewer than nine (9), the Board provides for the temporary replacement of the missing member(s). The person(s) thus co-opted by the Board will complete the mandate of the member(s) of the Board replaced.

All of the decisions of the General Meeting relating to the election and the resignation of members of the Board of Directors must be published in conformity with the law.

The mandate of Director is exercised without remuneration. The expenses incurred by the directors within the framework of their mandate may be reimbursed to them upon submission of substantiating documents; such reimbursement will be done under the control of the General Assembly.

The Board of Directors is vested with all powers of management, administration and disposal, under reservation of the powers of the General Assembly.

The Board of Directors adopts and modifies, upon proposal of the Secretary General, the internal regulations of the association.

The Board of Directors appoints the Secretary-General, from outside of its own members, by a simple majority of votes and can dismiss him by a qualified majority of two-thirds (2/3).

The Board of Directors approves the members or revokes them after receiving the opinion of the Committee of Transparency and Independence. If the approval or revocation of a member is made in accordance with the opinion of the Committee of Transparency and Independence, this decision is taken by a simple majority of votes. If it is taken against the opinion of Committee of Transparency and Independence, a majority of five-sevenths (5/7ths) is then required, and the decision must be justified in writing in an opinion made public.

The Board of Directors sets the amount of membership fees, making a distinction between the fees owed by the member organisations and those which are owed by the qualified members. At the express written request of a member, it may decide to exonerate the latter from the payment of the fee or grant that member the right to pay a reduced fee.

The Board of Directors meets at least twice a year and as often as it deems useful. It may be convened by its Chair or its Vice-Chair. The notifications to attend are made by letter, fax or e-mail and must reach the interested parties at least five (5) working days prior to the meeting.

The Board of Directors can meet either physically or virtually.

The Board of Directors can validly deliberate and take decisions if at least one-half of its members are present, physically or virtually, or represented. The decisions of the Board are adopted by a simple majority of votes of the members present except in the cases where the Board of Directors takes a decision that is not in conformity with an opinion rendered by the Committee of Transparency and Independence or in the event of early dismissal of the Secretary-General, in which cases a qualified majority of two-thirds (2/3) is required. In the event of a tie vote within the Board of Directors, the vote of the Chairman is decisive.

The methods of organisation and the security rules relating to virtual meetings of the Board of Directors may be established in the internal regulations.

The minutes of each Board meeting are signed by at least two members. The original of the minutes is kept in a special register maintained in the registered office of the association.

#### Article 14 – Chair and Vice-Chair

The Board of Directors elects the Chair from amongst its members by a simple majority of its members.

The Chair directs the Board of Directors and sets its agenda. He / she maintains the relationship with the Secretary General with a view to the proper functioning of the association. The Chair is responsible for the ethics of the association and for the pursuit of its objectives.

The Board of Directors elects the Vice-Chair from amongst its members by a simple majority of its members. The Vice-Chair replaces the Chair in the event of the latter's absence.

The mandates of the Chair and that of the Vice-Chair have a term of three (3) years and are renewable once.

#### Article 15 – Secretary General

The Secretary General is appointed by the Board by a simple majority, for a term of five (5) years. His / her mandate is renewable once. The remuneration of the Secretary General is set by the Board of Directors.

The Secretary General attends the meetings of the Board of Directors but is not a member of the Board of Directors.

The Secretary General directs the association under the control of the Board of Directors. He / she develops and proposes the strategic and operational plans and represents the association acting under his sole signature in all acts of day-to-day management of the association.

The Secretary General decides autonomously on public positions, the content of the research reports, articles and advocacy efforts undertaken by the association without referring on a case-by-case basis to the Board of Directors, to the General Meeting or to the members of the association. The Board of Directors verifies a posteriori the coherence of the public positions taken by the association under the authority of the Secretary General with the mission of the association and with the orientations decided by the General Meeting. The Secretary General answers a posteriori to the Board of Directors for the coherence of the positions taken with the mission of the association and with the orientations decided by the General Meeting.

The Secretary General is vested with the day-to-day management of the association. He / she prepares the General Meetings and implements their decisions, unless decided otherwise. He / she drafts and preserves the minutes of all of the meetings and keeps the books, reports, certificates, accounts and other minutes and documents required by law in an appropriate manner.

The Secretary General administers the assets of the association, hires and manages the staff of the association and pursues the implementation of all of the activities undertaken by the association within the framework of its objectives.

He / she can delegate his / her powers, under his / her own responsibility, to persons of his / her choice.

The Secretary-General must answer to the Chair of the Board of Directors. He/she may be dismissed by the Board of Directors by a qualified majority of two-thirds (2/3) of the votes.

#### Article 16 – Committee of Transparency and Independence

The Committee of Transparency and Independence is composed of three (3) or five (5) members approved by the General Meeting upon proposal of the Board of Directors. It elects its Chair from amongst its members. Its opinions are rendered by a simple majority of votes of its members. In the event of a tie vote, the vote of the Chair is decisive.

The members of the Committee of Transparency and Independence are appointed for a term of three (3) years, renewable once.

The position of member of the Committee of Transparency and Independence ends by conclusion of the term, death or revocation for just causes, if probative elements make it appear that the member is not or is no longer capable of fulfilling his functions in complete independence. The revocation for just causes must be pronounced by the General Meeting ruling by a majority of two-thirds of the votes.

The members of this Committee exercise their mandate without remuneration. The expenses incurred by these members within the framework of their mandate may be reimbursed to them on presentation of substantiating documents; such reimbursement will be done under the control of the General Assembly.

The Committee of Transparency and Independence is the guarantor of the association's transparency and independence. Its purpose is to ensure that the association functions without conflicts of interest both on the level of its members and on the level of its funders, and that its operational independence, notably with regard to the taking of positions within the framework of its advocacy activity, is not endangered.

The Committee of Transparency and Independence submits an opinion to the Board of Directors on the approval of new members in the light of three criteria: 1) effective qualification of the candidates in relation to the objectives of the association; 2) existence of conflicts of interest; 3) threat to the independence of the association with regard to taking positions or producing expertise. The Committee ensures, among other things, that the new members (qualified members or member organisations) do not represent the interests of the financial industry and that the qualified members do not represent, explicitly or implicitly, any organisation.

The Committee of Transparency and Independence submits an opinion to the Board of Directors on the acceptability of all financing (in any form whatsoever, and notably donations in kind or in cash) of an amount equal to or greater than twenty-five thousand euros (€ 25,000.00) (or the equivalent of twenty-five thousand euros (€ 25,000.00) in some other currency). The Committee's assessment is based on the following four criteria: 1) absence of conditionality of the financing apart from respect of the association's articles of association; 2) absence of conflict of interest between the contribution of the financing and the objectives of the association; 3) absence of threat to the independence of the association with regard to the taking of positions or production of expertise; 4) origin of the

contributed capital (with a particular attention to the issues relating to the laundering of money deriving from illicit activities).

## CHAPTER V - REPRESENTATION OF THE ASSOCIATION

### Article 17

The association is represented vis-à-vis third parties in all acts and for any action in court by its Secretary General and one Director acting jointly. In conformity with article 15 of the present articles of association, the association is validly represented in all acts falling within the scope of the day-to-day management by its Secretary General acting alone.

Specific powers may be delegated to any authorised agent.

## CHAPTER VI - FINANCIAL YEAR, BUDGET, ANNUAL ACCOUNTS

### Article 18

The financial year begins on January first and ends on December thirty-first of each year, subject to the transitional clause provided for below.

Each year the Board of Directors prepares the budget for the following year and the annual accounts of the past year; these documents are submitted for the approval of the Ordinary General Meeting.

The annual accounts must be filed in conformity with the law.

## CHAPTER VII - AMENDMENT OF THE ARTICLES OF ASSOCIATION, DISSOLUTION

### Article 19 – Amendment of the articles of association

The present articles of association may be modified at any time by a General Meeting deciding by a two-thirds majority of the votes present, represented or virtually present.

### Article 20 - Dissolution

At the proposal of the Board of Directors, the General Meeting decides on the dissolution of the association.

The General Assembly determines the method of liquidation, it being understood that the net assets (provided that any remain after the dissolution) shall be allocated to a non-profit organisation whose purpose is similar to that of the association, as determined by the General Meeting.

## CHAPTER VIII - GENERAL PROVISIONS

### Article 21 – Internal regulations and applicable law

With a view to improving the functioning of the association, the Board of Directors may adopt internal regulations whose provisions are compatible with the articles of association.

Anything that is not explicitly regulated by a clause of the articles of association shall be regulated by the Act of twenty-seven June nineteen hundred and twenty-one on non-profit associations, international non-profit associations and foundations.

Any clauses of the articles of association that should prove to be incompatible with imperative new legal provisions which have entered into force shall be deemed not to have been written.

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For certified true copy of the articles of association on 28 April 2011