

## FINANCE WATCH AISBL: ARTICLES OF ASSOCIATION FOLLOWING THE MODIFICATIONS AT THE GENERAL MEETING (AGM) OF 8 APRIL 2015

### **Finance Watch**

Registered office: Rue d'Arlon 92, 1040 Brussels

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

This English version is a translation of the official French version of the Articles of Association of Finance Watch. In case of discrepancy, the French version is the legally valid binding version.

### CHAPTER I - NAME, REGISTERED OFFICE, TERM

#### Article 1 - Name

On 28 April 2011, 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 »).

All the acts, invoices, announces, publications and other documents coming from the international non-profit association shall mention its denomination, preceded or immediately followed by the words “association internationale sans but lucratif” or the initials “AISBL” as well as the address of its headquarter.

#### Article 2 – Registered office

The registered office of the association is established at Rue d'Arlon n°92, 1040 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.

All transfer of the registered office of the association shall be filed in the offices of the local commercial court and published in the Annexes du Moniteur belge.

#### Article 3 - Term

The association is created for an unlimited term. It can be dissolved at any time.

### CHAPTER II – OBJECTIVES, ACTIVITIES AND FOUNDING PRINCIPLES

#### Article 4 - Objectives

The association has non-profit objectives, in order 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.

For this purpose, the association can, in particular, acquire any propriety of material right, hire staff, sign contracts, collect funds as well as help and take part in any activity similar to its own.

The association can do anything that relates directly or indirectly to its goal.

#### Article 5 – Activities

To achieve the above-mentioned objectives, this association will in particular focus on 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.

#### Article 6 – Founding principles

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.

### CHAPTER III - MEMBERS

#### Article 7 – Admission of members - conditions

The association is composed of individual members and member organisations. The members are natural or legal persons, Belgian or foreign.

Admission of new members is subject to the following conditions:

- For all members: adhere to the objectives of the association as well as to the founding principles set forth in article 6 of the present articles of association.
- For individual members: possess a real qualification or experience on issues of finance, organisation of the financial industry or advocacy on these issues. The individual members constitute a category of members called «individual members». The individual members become members of Finance Watch individually and cannot, as individual members, represent an organisation or a legal person.
- For organisation members, either legal persons or organisations with different status: 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 4. The organisation members constitute a category of members called «member organisations».

#### Article 8 – Admission of members - formalities

Applications for membership to the association are submitted in writing. The Committee of Transparency and Independence (referred to in article 27 of the present articles of association) 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 individual members, the Committee of Transparency and Independence also verifies that the individual 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 Board of Directors approves or not the members upon recommendation of the Committee of Transparency and Independence. If the decision is taken in accordance with the Committee's recommendation, it requires a simple majority of votes as detailed in Article 24 of these Articles of association (Meetings and deliberations). If it is taken against the Committee's recommendation, a qualified majority of two-thirds (2/3) is required (Article 24) and the decision must be justified in writing, with copy to the Committee of Transparency and Independence. The Board of Directors does not have to explain its decision to the candidates.

The membership is valid upon reception of the first membership fee.

Members are obliged to notify Finance Watch of any material changes in their situation that might affect their eligibility for membership, and to cooperate to investigations and inquiries from Finance Watch in this context.

The Committee of Transparency and Independence will review the membership at least

every 3 years to ensure that members fulfil the conditions of independence required and to verify that no conflict of interest has emerged.

#### Article 9 – 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.

#### Article 10 – Exclusion

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 7 of the present articles of association;
- failure to pay the fee, contributions or any other amount owed to the association, after a reminder by registered letter is left unanswered for over 30 days.
- death, or in the case of a member organisation, dissolution or bankruptcy.

Mergers or splits of moral persons do not automatically lead to the term of membership, if they are duly notified to the Board of directors and the new member(s) still fulfil the membership conditions.

Exclusion of members can be proposed by the Board of directors and has to be approved by the General Assembly by a qualified majority of two-thirds (2/3) of the votes.

The Board decides on exclusion of an external personality from the Board. In such a case, the Board will consult the AGM on the exclusion by virtual means; in the absence of negative reactions duly justified and substantiated within 15 working days, the exclusion will be confirmed. This decision and its confirmation are made by those Board Members who are not affected by the decision.

#### Article 11 – Suspension

The Chair of the Board can suspend, until decision of the General Assembly and 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.

#### Article 12 – Consequences of resignation, exclusion or suspension

As of their resignation, exclusion or suspension, members no longer enjoy the rights and privileges granted to members and will no longer have any right to the assets of the association.

Members who resign, are excluded or suspended, remain obliged to pay the annual fees and contributions due on the effective date of the resignation, exclusion or suspension. They are not entitled to reimbursement of the fees and contributions already paid.

#### Article 13 - Rights, obligations and liabilities 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.

Each member is obliged to pay the annual fee, whose amount is fixed by the Board of directors.

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 IV - GENERAL ASSEMBLY

### Article 14 – Composition

The General Assembly is composed of all of the members of the association and chaired by the Chair of the Board of Directors, or the Vice-President in his/her absence.

Each member organisation shall designate a natural person to represent it at the General Assembly.

Two bodies of members are created within the General Assembly: the body of member organisations, composed of all member organisations, and the body of individual members, composed of all individual members.

Each body elects separately its representatives to the Board among the candidates proposed by each body.

For all the other decisions of the General Assembly, the votes of the members of the body of individual members will represent 40% of the total of expressed votes, independently of the real number of votes expressed by this body, if the attendance quorum is reached. The votes of the members of the body of member organisations will represent 60% of the total of expressed votes, independently of the real number of votes expressed by this body, if the attendance quorum is reached.

### Article 15 – Representation

The members may delegate their powers - in writing or by e-mail - to another member present or represented, or to a person duly mandated for this purpose. Rules regarding proxies, such as their number, the content of the proxy form and the voting procedure are detailed in the Internal Rules

### Article 16 – Competencies

The General Assembly is the sovereign body of the association. It possesses powers expressly acknowledged by law or these Articles of Association.

The following are in particular 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, as well as the liquidator(s)
- c) granting of discharge to the members of the Board of Directors and to the Statutory Auditor(s), if any; in case of voluntary dissolution, to the liquidators;
- d) amendment of the articles of association;
- e) approval, by a simple majority, of the members of the Committee of Transparency and Independence nominated by the Board of Directors;
- f) approval of the association's key action priorities for the coming year;
- g) voluntary dissolution of the association;
- h) all cases where the law or the Articles of association so requires.

#### Article 17 – Convocations and meetings

At least one Ordinary General Meeting shall be held per year, at the latest in June, at the date, time and location chosen by the Board of Directors.

The Chair may also convene 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 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 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. All members shall be invited.

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 18 – Deliberations

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 Assembly can deliberate and validly make decisions if half of the members of each body are present, virtually present or validly represented by a written proxy,

dated and signed.

If this quorum is not reached, 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 votes, weighted by body, of 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. In case of level, the vote of the Chair or the Director replacing him/her is dominant. The weights of votes attributed to the two bodies are described in article 14.

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

#### Article 19 – Minutes

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 or post.

### CHAPTER V – BOARD OF DIRECTORS

#### Article 20 – Composition of the Board of Directors

The General Assembly makes sure that the Board of directors represents the diversity of the members of the association, in particular in terms of countries, gender and type of organisations.

The Board of Directors is composed of eight members, including four members elected from the body of member organisations, two members from the body of individual members and two external personalities.

Member organisations that have been elected to sit on the Board of Directors must designate a natural person who will represent them in the exercise of their director's mandate, as well as a substitute to incidentally replace them.

The members of the Board of Directors representing individual members are elected (excluded or suspended) within the General Assembly by the body of individual members by a simple majority, among the candidates from this body (the two candidates having obtained the most votes are elected).

The members of the Board of Directors representing member organisations of the association are elected (excluded or suspended) within the General Assembly by the body of member organisations by a simple majority, among the candidates from this body (the four candidates having obtained the most votes are elected).

The Board of Directors nominates two external personalities to sit on the Board, as full

Members of the Board of Directors. These members are elected by a simple majority of votes from Board members present or represented. The Board then consults the AGM by virtual means; in the absence of negative reaction duly justified and substantiated within 15 working days, the appointments are confirmed. This decision and its confirmation are made by those Board Members who are not affected by the decision.

In the hypothesis that an external personality is not confirmed after consultation of the AGM, a new external personality will be proposed following the same procedure.

All decisions of the General Assembly related to the election or the resignation of the Board members shall be published according to law.

#### Article 21 – Term

The mandate of the members of the Board of Directors has a term of three (3) years; it is renewable once. After a 2-year period out of the Board, a member can be re-elected. It ends at the first General Assembly after 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.

A member of the Board of Directors who wishes to resign shall send a resignation letter to the Board by registered mail.

Every other year at the Ordinary General Meeting, the mandates of half of the Directors end, two (2) for the representatives of the member organizations, one (1) for the representatives of the individual members. For these occasions the Board will present in due time a proposal for the replacement and/or renewal of Board members whose mandate ends. Every member of Finance Watch has the right to put forward a candidature.

If vacancies occur during a mandate and the number of members of the Board is reduced to fewer than eight, the General Assembly may nominate a temporary Director to replace the missing member. This person will complete the mandate of the member of the Board replaced.

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.

#### Article 22 – Chair, Vice-Chair and Treasurer

The Board of Directors elects from amongst its members a Chair, a Vice-Chair and a Treasurer by a simple majority of its members.

The Chair directs the Board of Directors and sets its agenda. The Chair is responsible for the ethics of the association and for the pursuit of its objectives.

The Vice-Chair replaces the Chair in the event of the latter's absence.

The Treasurer oversees the accounts of the association. He/she has an annual meeting with the Auditor (if any) regarding the annual accounts and the functioning of the financial procedures, prepares the budget proposals with the Secretary General and approves the reimbursement of costs for Directors and Secretary General.

The functions of Chair, Vice-Chair and Treasurer may be executed for a maximum of six (6) years.

#### Article 23 – Secretary General

The Board appoints the Secretary general outside its members by a simple majority, for a term of five (5) years. His / her mandate is renewable once. He/she may be dismissed by the Board of Directors by a qualified majority of two-thirds (2/3) of the votes.

The Board of Directors sets the remuneration of the Secretary General.

The Secretary General is vested with the day-to-day management of the association. He/she executes his/her mandate in accordance with the general directives and the strategic decisions of the Board of Directors.

The Secretary General 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 Assembly 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 Assembly.

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.

The Secretary General prepares and attends the meetings of the Board of Directors, and implements its decisions but is not a member of the Board of Directors. He / she prepares the General Meetings and implements their decisions. 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 can delegate his / her powers, under his / her own responsibility, to persons of his / her choice.

#### Article 24 – Meetings and deliberations

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 sent by letter 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 methods of organisation and the security rules relating to virtual meetings of the Board of Directors may be established in the Internal Rules.

The Board of Directors can validly deliberate and take decisions only if at least half of its members are present, physically or virtually.

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 Chair has a casting vote.

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 25 – Competencies

The Board of Directors is vested with all powers of management and administration, under reservation of the powers of the General Assembly and the delegation of day-to-day management to the Secretary General.

The Board of Directors can, under its own responsibility, form advisory boards whose composition and functioning will be determined either by the Internal Rules, or by the Board of Directors. In particular, the Board establishes a Nominations Committee, in charge of preparing the procedures related to the composition of the Board of Directors.

The Board of Directors approves the members or suspends them after receiving the opinion of the Committee of Transparency and Independence in accordance with article 7.

The Board of Directors sets the amount of membership fees, making a distinction between the fees owed by the member organisations and those owed by the individual 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.

#### Article 26 – Internal rules

In order to improve the functioning of the association, the Board of directors can adopt Internal Rules compatible with the Articles of Association. The Internal rules are available online in the area reserved to the members of the General Assembly.

#### Article 27 – Committee of Transparency and Independence

The Board of Directors may consult the Committee of Transparency and Independence on matters that fall within its functions whenever it sees fit.

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.

In particular, the Committee of Transparency and Independence submits an opinion to the Board of Directors on the approval of new members in the light of two criteria: 1) existence of conflicts of interest; 2) 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 (individual members or member organisations) do not represent the interests of the financial industry and that the individual 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 VI - REPRESENTATION OF THE ASSOCIATION

### Article 28

The actions binding the association other than those of daily management are signed jointly by the Secretary General and the Chair of the Board of Directors.

All legal actions, whether as plaintiff and defendant, are initiated or defended in the name of the association, jointly by the Secretary General and the Chair of the Board of Directors, who will not have to prove their powers to third-parties.

Specific powers may be delegated to any representative, in agreement with Article 25 of these Articles of association.

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

### Article 29

The financial year begins on January first and ends on December thirty-first of each year.

Each year the Board of Directors prepares the budget for the following, to be approved by the General Meeting. Each year the Board prepares the annual accounts of the past year; these documents are submitted for the approval of the Ordinary General Meeting, which will be held on before the end of June each year.

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

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

### Article 30 – 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 31 - Dissolution

In case of dissolution, the General Assembly determines the liquidator(s), their powers and will indicate what should be done with the net assets of the association, 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 Assembly.

These decisions as well as the name, profession and address of the liquidator(s) will be published in the annexes of the Moniteur Belge.

## CHAPTER IX - GENERAL PROVISIONS

Anything that is not explicitly regulated by a clause of the articles of association shall be regulated by the Act of 27 June 1921 modified by the Act of 2 May 202 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.