



New version of the Articles of the Association Of ECIIA aisbl

-Approved by the General Assembly of October 8, 2016-

CHAPTER I – NAME, REGISTERED OFFICE, PURPOSE AND OBJECTIVES AND DURATION

Article 1 – Name

The name of the international non-profit association is “**European Confederation of Institutes of Internal Auditing**”, abbreviated as “**ECIIA**” (hereinafter referred to as the “**Association**”). Both the full name and the abbreviated name may be used interchangeably.

The Association is governed by the provisions of Title III of the Belgian Act of 27 June 1921 regarding non-profit associations, international non-profit associations and foundations (the “**Act**”).

All acts, invoices, announcements, publicity, letters, orders and other documents issued by the Association, shall indicate the name of the Association preceded or followed by the words “*association internationale sans but lucratif*” or the abbreviation “*AISBL*”, as well as the indication of the registered office of the Association.

Article 2 – Registered office

The registered office of the Association is located at Rue Royale 109-111, box 5, 1000 Brussels.

The registered office may be transferred to any other location within the Brussels Capital Region by decision taken by the Board of Directors. The decision to move the registered office must be published in the Annexes to the Belgian Official Journal.

The decision of the Board of Directors to move the registered office of the Association within the Brussels Capital Region is not considered as an amendment to the Articles of Association and does not require a decision of the General Assembly. The Board of Directors is entitled to establish a coordinated version of the Articles of Association and file it with the Commercial Court.

Article 3 – Purpose and objectives

The Association has no profit-making purpose and has as its main objectives the promotion of internal audit and good governance at the European level.

In this respect, the Association intends to be the consolidated voice for the profession of internal auditing in Europe and to promote the role of internal audit and good corporate governance by dealing with the European Union, its Parliament and Commission and any other European regulators and associations representing key stakeholders.

Article 4 – Duration

The Association is incorporated for an unlimited period of time.

CHAPTER II – MEMBERS

Article 5 - Criteria for membership

The Association is composed of full, associate and affiliate members. The Association must have at all times at least two full members.

The quality of member of the Association is personal and may not be assigned to a third party.

All applicants for membership (and once admitted, members), must, at all times, (a) be validly incorporated under the laws and customs of their country of origin and (b) abide with the Articles of Association of the Association, its Internal Regulations and the decisions of its bodies.

All applicants for membership (and once admitted, members), must be able, at all times:

- (i) to satisfy all of the obligations deriving from membership of the Association;
- (ii) to demonstrate that their activities are in accordance with the purpose and objectives of the Association.

Full membership is open to Institutes of Internal Auditing that:

- (i) are affiliated to The Institute of Internal Auditors Inc.; AND,
- (ii) have their registered office or are incorporated in a country member of the EU; OR,
- (iii) have their registered office or are incorporated in a country member of the Single European Market, as further described in the Internal Regulations.

Associate membership is open to Institutes of Internal Auditing that:

- (i) are affiliated to The Institute of Internal Auditors Inc.; AND,
- (ii) have their registered office or are incorporated in a country which is on the candidates list or on the potential candidates list of the European Commission, as further described in the Internal Regulations.

Affiliate membership is open to Institutes of Internal Auditing that:

- (i) are affiliated to The Institute of Internal Auditors Inc.; AND,
- (ii) have their registered office or are incorporated in a country which is not a member of the EU; AND,
- (iii) have their registered office or are incorporated in a country which is not member of the Single European Market, as further described in the Internal Regulations; AND,
- (iv) have their registered office or are incorporated in a country which is not on the candidates list nor on the potential candidates list of the European Commission, as further described in the Internal Regulations.

No shift of membership category is allowed. If a member does not fulfil all its membership requirements anymore, it will be deemed as having resigned as from the first day of the following financial year, but will remain liable for all its outstanding financial obligations towards the Association. If the resigning member wishes to be admitted in another category of member, it will have to file an application in accordance with the provisions of Article 6.

Article 6 – Admission of members

Any application for membership shall be communicated in writing (by email confirmed by registered letter) to the President who will transfer the application to the Board of Directors. The Board of Directors will examine whether or not the application meets the membership requirements and will make a recommendation to the General Assembly. The General Assembly shall take its decision with a simple majority of the votes cast. Its decision does not need to be justified and is final. The decision must be taken by the General Assembly at the latest at the forthcoming meeting of the General Assembly. The decision is communicated to the applicant by the General Assembly at the latest 1 month after its decision (by email confirmed by registered letter).

Any candidate member whose application is refused by the General Assembly and any member expelled by the General Assembly in accordance with Article 8 shall have to wait 1 year from the date of the decision refusing its application for membership or expelling it before submitting any new application for membership.

Article 7 - Rights and obligations of members

Unless explicitly provided otherwise in the Articles of Association, all members enjoy the same rights and have the same obligations.

Full members have the right to take part in the meetings of the General Assembly, voice their opinion, vote at the General Assembly and present candidates for election at the Board of Directors.

Associate members have the right to take part in the meetings of the General Assembly, voice their opinion, vote at the General Assembly but do not have the right to present candidates for election at the Board of Directors.

Affiliate members have the right to take part in the meetings of the General Assembly and to voice their opinion but they do not have the right to vote.

All members pay a yearly membership fee (or any other form of financial contribution), in accordance with the rules laid down in the Articles of Association and the Internal Regulations.

Article 8 - Resignation, suspension and expulsion of members

Any member may resign from the Association at any time by giving 6 months' notice by registered letter addressed to the General Assembly. The General Assembly will acknowledge receipt of the resignation letter in writing. The resignation comes into effect at the forthcoming meeting of the General Assembly held after the end of the 6 months' notice period.

All resigning members will remain liable for all their financial obligations vis-à-vis the Association until the end of the financial year in the course of which the resignation comes into effect.

If a member fails to meet its financial obligations within 1 month of a written reminder sent by the Secretary General by email confirmed by registered letter, the sums owed by the defaulting member shall immediately and without notice be increased with an interest at a rate equal to the Belgian legal rate applicable to commercial transactions plus two (2) percentage points from the due date of the payment until such payment is made. If after another period of 1 month, the sums (and interest) owed by the defaulting member have not settled in full, the defaulting member will be considered as having resigned as from the first day of the following financial year, but will remain liable for all its outstanding financial obligations towards the Association

In addition, and to the extent permitted by law, membership automatically ends in the case of arrangement with creditors, winding up or any similar situation. However, the member will remain liable for its financial obligations towards the Association until the end of the financial year during which the membership ends.

Without prejudice to the above provisions and to the provisions of Article 5 last paragraph, any member who (i) fails to meet the criteria for membership, and/or (ii) fails to fulfil its obligations under the Articles of Association, the Internal Regulations, and/or (iii) acts in a manner which is seriously injurious to the interests of the Association and/or (iv) acts contrarily to the common values and ethics of the Association, may be expelled by a resolution of the General Assembly which, after having heard representations in the defence of the member concerned, shall take its decision with a simple majority of the votes cast. The member concerned will not be entitled to vote on the resolution of expulsion nor shall it count for the attendance quorum.

The expulsion decision sets forth the grounds on which the expulsion is based but, this apart, the decision does not need to be motivated and is final. The Secretary General will send a copy of the decision to the expelled member by registered letter, within 15 calendar days. The expulsion shall come into force immediately but the expelled member will remain liable for all its outstanding financial obligations towards the Association.

Until there is a decision by the General Assembly, the Board of Directors is entitled to suspend the member (including its voting right as the case may be) for whom there exist serious and consistent indications of breaches of the obligations referred under paragraph

5 (i) to (iv) above, notwithstanding the obligation of the suspended member to fulfil all its financial obligations.

A member, who has resigned or is considered as having resigned, been suspended or been expelled, shall have no claim against the assets of the Association.

CHAPTER III – ASSOCIATION BODIES

Article 9 - Association bodies

The bodies of the Association are:

- the General Assembly;
- the Board of Directors;
- the Secretary General.

CHAPTER IV – GENERAL ASSEMBLY

Article 10 - Composition

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

Other people may be invited to attend a meeting of a General Assembly, upon proposal of the Board of Directors.

Article 11 - Powers

The resolutions passed at the meetings of General Assembly shall be binding on all members, including those absent or dissenting.

The following powers are restrictively reserved to the General Assembly:

- a) approval of (i) the annual accounts, (ii) the budget, (iii) the membership fees and (iv) any other form of financial contributions of the members, as the case may be;
- b) appointment, dismissal and release from liability of the directors;
- c) appointment, dismissal, release from liability of the auditors and determination of their remuneration;
- d) expulsion of members;

- e) admission of new members;
- e) adoption of Internal Regulations;
- f) amendments to the Articles of Association and Internal Regulations;
- g) dissolution and liquidation of the Association;
- h) appointment and dismissal of the members of the Audit Committee, upon a proposal made by the Board of Directors;
- l) appointment and dismissal of the members of the Nomination Committee, upon a proposal made by the Board of Directors.

Article 12 – Meetings, notices, proceedings and representation

At least one meeting of the General Assembly must be held each year to approve the annual accounts of the past financial year and the budget of the current financial year. This meeting is called the “Ordinary General Assembly”.

All members must be invited to the meeting of the General Assembly.

A member may be represented by another member, or by a duly authorized natural person allowed by that member to represent it, by virtue of a written power-of-attorney. No proxyholder may represent more than 1 member.

As an exception to the previous rule, in the event that the Act provides that the decisions of the General Assembly need to be taken by notarial deed, a representative may act on behalf of an unlimited number of other members, in addition to his/her capacity of representative of its own member.

The Board of Directors may at any time decide to convene a meeting of the General Assembly, called “Extraordinary General Assembly”. An Extraordinary General Assembly must be convened upon written request of at least one fifth of the full or associate members. Similarly, all items signed by one fifth of the full or associate members should be placed on the agenda of the meeting.

The meetings of the General Assembly take place at the date, time and place indicated in the notice. They may also be validly held by videoconference and/or conference call.

The notice letters to attend the meetings of the General Assembly shall be communicated (by post, email or any other means of communication) at least 15 calendar days before the date of the meeting.

The notice letter will encompass the agenda. As the case may be, the working documents are attached to the notice.

The meetings of the General Assembly are chaired by the President or, in his/her absence, by the Vice-President or, in his/her absence, by a person appointed by the General Assembly.

An attendance list, indicating the member's name, shall be signed before the meeting by the representative of the member.

Unless otherwise provided by the Act or these Articles of Association, decisions may only be taken if more than the half of the full and associate members is present or duly represented at the meeting. However, if more than the half of the full and associate members is not present or duly represented at a meeting of a General Assembly, a new meeting of the General Assembly will be convened in the same conditions as stated hereabove. This second meeting of the General Assembly may validly decide on the items of the agenda, regardless of the number of full or associate members present or duly represented.

Unless otherwise provided by the Act or these Articles of Association, decisions will be taken by a simple majority of the votes cast. Only full or associate members who have fully settled their financial obligations before the date of the meeting may vote.

For all decisions of the General Assembly:

- abstentions shall not be taken into account and, in the case of a written vote, blank and mutilated votes will not be counted in the votes cast;
- all votes will be taken by a written vote (secret ballot) before the decision to be taken;
- in the case of a tied vote (or in the case of a draw for written vote), the person chairing the meeting will have a casting vote (or will decide);
- unless otherwise provided in the Articles of Association or by decision of the General Assembly, all decisions are deemed to come into force at the end of the meeting.

The rules related to the number of votes allocated to full and associate members are described in the Internal Regulations.

Items which are not on the agenda may not be discussed unless all full and associate members are present or duly represented and there is unanimous decision of the General Assembly to discuss such items.

A member present or duly represented at a meeting of the General Assembly is deemed to have been duly and regularly convened to such meeting.

Decisions may also be taken by written resolutions (communicated to the members by post, email or any other means of communication) in accordance with the rules laid down in the Internal Regulations. Decisions taken by written resolutions are deemed to come into force on the date mentioned on the letter.

Decisions taken by written resolutions, conference call or videoconference are deemed to take place at the registered office of the Association.

Article 13 – Minutes

The decisions taken by the General Assembly shall be recorded in minutes, which are ratified at the next General Assembly and signed by the chairperson of the meeting and kept in a register at the members' disposal at the registered office of the Association.

The extracts or copies of the minutes are signed by the President and/or the Secretary General.

CHAPTER V – BOARD OF DIRECTORS

Article 14 – Composition

The Association is managed by a Board of Directors composed of 10 members.

The directors are appointed by the General Assembly for a period of 2 years renewable 2 times for the same period. After a period of 2 years after the expiry of the last term of office, former directors are again eligible for election as directors.

The General Assembly may at any time dismiss the directors.

The mandate of a director is not remunerated.

Unless specifically decided otherwise by the General Assembly, the term of office of the directors will come into effect at the end of the meeting of the General Assembly having appointed them and will expire at the end of the meeting of the General Assembly approving the annual accounts that is held 2 years later.

The appointment, resignation and dismissal of directors must be published in the Annexes to the Belgian Official Journal.

At all times the Board must be composed of:

- (i) a delegate proposed by each of the 5 full members that have the highest number of members in their own Institute, in accordance with the rules laid down in the Internal Regulations;
- (ii) 5 other delegates that are freely elected by the General Assembly on the basis of a list of candidates submitted by the other full members.

The Board of Directors may decide to admit third parties to the meetings of the Board of Directors, who are called "Observers", with unanimous consent.

Observers may voice their opinion, but do not have the right to vote.

Observers will be submitted to the same confidentiality obligations as directors.

Observers may be dismissed by the Board of Directors at all times.

Article 15 – Vacancy

In the event that a vacancy occurs (including as a result of a resignation), a new director can be appointed by the Board of Directors in accordance with the rules laid down in article 14 above. The term of office of the new director shall expire at the same time as the term of the replaced director would have expired. The confirmation of the appointment of the new director must be approved during the forthcoming meeting of the General Assembly (or by written resolutions).

Article 16 – Powers

The Board of Directors shall be vested with the powers to undertake any act necessary or useful to achieve the purpose and objectives of the Association, including the power to perform any act of management and administration which falls within the purpose of the Association, except for those powers that the Act or these Articles of Association reserve to the General Assembly.

The Board of Directors shall approve the annual accounts and draft budget and submit them to the Ordinary General Assembly.

The Board of Directors can draft Internal Regulations and submit them for approval to the General Assembly.

The Board of Directors may delegate, under its responsibility special and specific powers to one or more directors or third parties.

Article 17 - Committees and Working Groups

Notwithstanding the provisions of Chapter VII below, upon decision of the Board of Directors and under its responsibility, Committees and Working Groups may be formed to tackle specific areas of activity of the Association. Committees and Working Groups will have an advisory role to the Board of Directors but no representational powers. The composition, organisation and rules of procedure of the Committees and Working Groups are determined in accordance with the rules laid down in the Internal Regulations.

Article 18 - Meetings, notices, proceedings and representation

The Board of Directors will meet at least 2 times a year.

The Board of Directors meets upon request of the President each time the interests of the Association so requires. The President must request the Board of Directors to meet if 2 directors ask for it by a duly motivated written request.

The meetings of the Board of Directors take place at the date, time and place indicated in the notice. They may also be validly held by videoconference and/or conference call.

The notice letters to attend the meetings of the Board of Directors shall be communicated (by post, email or any other means of communication) at least 7 calendar days before the date of the meeting or 2 working days in case of emergency.

The notice letter will encompass the agenda. As the case may be, the working documents are attached to the notice.

The meetings of the Board of Directors are chaired by the President or, in his/her absence, by the Vice-President, or in his/her absence, by another director appointed by the Board of Directors.

The Board of Directors may validly proceed if at least the majority of its directors are present or represented. When this quorum is not reached, a new meeting of the Board of Directors shall be called no earlier than 7 calendar days after the first meeting. The second meeting of the Board of Directors shall be entitled to take valid decisions, regardless of the number of directors present or represented.

Each director has one vote. Unless otherwise provided in the Articles of Association, decisions of the Board of Directors shall be taken by a simple majority of the votes cast.

Each director may be represented by another director. However, one director may not hold more than one proxy.

For all decisions of the Board of Directors:

- abstentions shall not be taken into account and, in the case of a written vote, blank and mutilated votes will not be counted in the votes cast;
- all votes will be taken by a show of hands, unless in the case of conference call or unless the majority of directors present or represented at the meeting of the Board of Directors request a written vote (secret ballot) before the decision to be taken;
- in the case of a tied vote (or in the case of a draw for written vote), the person chairing the meeting will have a casting vote (or will decide);
- unless otherwise provided in the Articles of Association or by decision of the Board of Directors, all decisions are deemed to come into force at the end of the meeting.

Items which are not on the agenda may not be discussed unless all directors are present or duly represented and there is unanimous decision of the Board of Directors to discuss such items.

Decisions may also be taken by written resolutions (communicated to the directors by post, email or any other means of communication) in accordance with the rules laid down in the Internal Regulations. Decisions taken by written resolutions are deemed to come into force on the date mentioned on the letter.

Decisions taken by written resolutions, conference call or videoconference are deemed to take place at the registered office of the Association.

Article 19 – Minutes

The decisions taken by the Board of Directors shall be recorded in minutes, which are approved at the next meeting of the Board of Directors and signed by the chairperson of the meeting and sent out to each director. The minutes are also kept in a register, at the disposal of the directors, at the registered office of the Association.

The extracts or copies of the minutes are signed by the President or the Vice-President.

CHAPTER VI - OFFICERS OF THE ASSOCIATION

Article 20 – President and Vice-President

The Board of Directors elects 2 Officers among its members:

- a President
- a Vice-President.

The Officers shall be elected for a period of 2 years, not renewable. The outgoing President is not entitled to stand for Vice-President (and conversely).

The Board of Directors may at any time dismiss the Officers. In any event, the mandate of Officer automatically ends with the end of mandate as director, for whatever reason.

The mandate of Officer is not remunerated.

CHAPTER VII – COMMITTEES

Article 21 – Audit Committee

The General Assembly appoints and dismisses the members of the Audit Committee, upon a proposal made by the Board of Directors.

The Audit Committee will have an advisory role to the General Assembly but no representational powers. The composition, organisation and rules of procedure of the Audit Committee is determined in accordance with the rules laid down in the Internal Regulations.

Article 22 – Nomination Committee

The General Assembly appoints and dismisses the members of the Nomination Committee upon proposal from the Board of Directors.

The Nomination Committee will have an advisory role to the Board of Directors but no representational powers. The composition, organisation and rules of procedure of the Nomination Committee is determined in accordance with the rules laid down in the Internal Regulations.

CHAPTER VIII – DAILY MANAGEMENT OF THE ASSOCIATION

Article 23 - The Secretary General

A Secretary General, who may be a natural person or a legal entity, may be appointed by the Board of Directors, for an unlimited period of time. The Board of Directors may dismiss the Secretary General.

The Secretary General shall be entrusted with the daily management of the Association and shall be accountable and report to the Board of Directors.

The Secretary General shall run the secretariat of the Association.

CHAPTER IX – REPRESENTATION OF THE ASSOCIATION

Article 24 - Representation of the Association

The Association shall be validly represented with respect to all acts, including in court proceedings, by the signatures of the President and one director, who shall not be obliged to offer proof to third parties of a prior decision of the Board of Directors.

The Association shall be validly represented with respect to all acts of daily management, including in court proceedings, by the signature of the Secretary General, who shall not be obliged to offer proof to third parties of a prior decision of the Board of Directors

The Association is validly represented by an attorney-in-fact, within the limits of his/her power-of-attorney.

CHAPTER IX: ANNUAL ACCOUNTS - FINANCING – MEMBERSHIP FEES – AUDIT

Article 25 - Annual accounts and budget

The Association's financial year shall commence on 1 January and end on 31 December of each year.

The Board of Directors shall submit the annual accounts for the Association's last financial year and the draft budget for the following financial year to the Ordinary General Assembly for its approval.

Article 26 - Financing and membership fees

The Association may secure its financing by:

- (i) the payment of membership fees in accordance with the rules laid down in the Internal Regulations;
- (ii) as the case may be, a contribution to the projects of the Association, in accordance with the rules laid down in the Internal Regulations;
- (iii) as the case may be, royalties;
- (iv) any other form of authorised financial resource.

The membership fees to be paid by the Association's members shall be determined by the General Assembly on an annual basis, upon proposal of the Board of Directors.

The Secretary General shall inform each member in writing (including by email) of the amount of financial contributions that are owed. These financial contributions shall be payable within 30 calendar days that follow this written notification. Should payment not be made within this period, interest may rightfully be applied at the Belgian legal rate applicable to commercial transactions, plus two (2) percentage points from the due date of the payment until such payment is made, without any prior notice of same.

The Board of Directors may decide to establish a reserve fund, set the amount of it and the procedures for each member's contribution to this fund.

Article 27 - Audit

To the extent required by the Act, the audit of the financial situation, the annual accounts and the verification that the transactions set out in the annual accounts comply with the legal requirements or the Articles of Association, shall be entrusted to one or several auditors ("commissaires"), appointed amongst the members of the Institute of Auditors (*Institut des Réviseurs d'Entreprises*).

In the case that the Act does not require the appointment of an auditor ("commissaire"), the Association is still entitled to appoint one or more auditors; they need not to be members of the Institute of Auditors (*Institut des Réviseurs d'Entreprises*).

The auditors shall assess the true and fair view of the annual accounts of the Association.

The auditors shall establish an annual report that shall be presented at General Assembly.

CHAPTER XI: INTERNAL REGULATIONS

Article 28 - Internal Regulations

The General Assembly may adopt and amend Internal Regulations of the Association, upon recommendation of the Board of Directors. The decision must be taken with a simple majority of the votes cast. The Internal Regulations may not conflict with the Articles of Association.

CHAPTER XII: LIMITED LIABILITY

Article 29 - Limited liability

Members will not be personally liable for the commitments of the Association. Their liability is limited to the payment of their financial obligations.

The directors and the Secretary General will not be personally liable for the obligations of the Association. Their liability is limited to the proper performance of their mandate.

CHAPTER XIII: AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 30 - Amendments to the Articles of Association

Any proposal to amend these Articles of Association shall only be valid where it is proposed by the Board of Directors or one fifth of the full and associate members.

Motions containing amendments to the Articles of Association shall not be voted on unless attached to the notice calling the meeting.

Decisions regarding amendments to the Articles of Association shall be taken with a majority of two-thirds of the votes cast.

CHAPTER XIV: LIQUIDATION

Article 31 - Liquidation

Any proposal to dissolve the Association shall only be valid where it is proposed by the Board of Directors or one fifth of the full and associate members.

Motions containing the dissolution of the Association shall not be voted on unless attached to the notice calling the meeting.

Decisions regarding the dissolution of the Association shall only be passed if at least two-thirds of the full and associate members are present or represented.

However, if at least two-thirds of the full and associate members are not present or duly represented at this meeting of the General Assembly, a new meeting of the General Assembly will be convened in the same conditions as stated hereabove. This second meeting of the General Assembly may validly decide on the items of the agenda, regardless of the number of full and associate members present or duly represented.

Decisions regarding the dissolution of the Association shall be taken with a majority of two-thirds of the votes cast. The General Assembly shall also decide with a simple majority of the votes cast on (i) the appointment, powers and remuneration of the liquidators, (ii) the methods and procedures for the liquidation of the Association and (iii) the destination to be given to the net assets of the Association that will have to be allocated to a non-profit purpose.

CHAPTER XV: FINAL PROVISIONS

Article 32 - Language

These Articles of Association shall be written in the French and English languages. The French version of the Articles of Association shall take precedence.

English shall be the working language of the Association, without prejudice of the legislation on the use of languages in employment matters.

Article 33 - Competent courts

Any dispute in connection with the Articles of Association, the Internal Regulations, and/or any decision of one of the bodies of the Association, shall be governed by Belgian law and shall be finally settled under the CEPANI rules of arbitration by one arbitrator appointed in accordance with those rules. The place of the arbitration shall be Brussels and the arbitration shall be conducted in English.

Article 34 - Notifications

Any notice served pursuant to these Articles of Association or by email shall be deemed to have been received on the next working day following the date it was delivered or transmitted.