



# **New version of the Internal Regulations Of ECIIA aisbl**

These Internal Regulations have been approved at the meeting of the ECIIA Extraordinary General Assembly of [1December] 2023, upon recommendation of the Board of Directors. Together with their Schedules, they replace and supersede all prior versions of the Internal Regulations/Internal Rules of Orders.



### **Article 1 – Criteria for membership (Article 5 of the Articles of Association)**

By Single European Market, we mean the Internal Market, made of the countries members of the European Union (28 countries) and 3 countries listed in the European Economic Area (Iceland, Lichtenstein and Norway) and Switzerland, based on bilateral treaties.

The list of the countries that are candidates or potential candidates to the European Union is available on [https://europa.eu/european-union/about-eu/countries\\_en](https://europa.eu/european-union/about-eu/countries_en).

### **Article 2 – Rights of the Affiliate members (Article 7 of the Articles of Association)**

Affiliate members have the right to receive the publications of the Association and updates on EU news impacting the profession.

Affiliate members are also invited, at their costs, to the activities of the Association that take place in Belgium.

### **Article 3 – Financing and membership fees (Articles 7 and 26 of the Articles of Association)**

#### *3.1. General Principle*

The budget of the Association is mainly made up of (i) yearly membership fee paid by the members and (ii) contribution to the projects of the Association paid by members and/or interest third parties.

The principles applicable to the determination and payment of all membership fees and contribution to projects are the following:

1. Members pay a membership fee based on the number of members in their own Institute;
2. The number of members in each Institute is annually determined by the Board of Directors at least 15 calendar days before the date of the Ordinary General Assembly on the basis of the official number of average members in each Institute, as shown in the last available global statistics of the Institute of Internal Auditors Inc.;
3. The membership fees are decided and reviewed annually by the Ordinary General Meeting, upon proposal of the Board of Directors, on the basis of the budget of the Association;
4. Timing of the payment of the membership fees and contribution to the projects, in one or several instalments, is decided by the Board of Directors.

#### *3.2. Membership fee*

All members pay a yearly membership fee:

- The 4 full members (big members) that have the highest number of members in their own Institute pay a flat membership fee adapted yearly based on the budget of the Association.



- The other full members and the associate members pay a variable membership fee per member affiliated in their own Institute. The fee by member is defined yearly based on the budget of the Association.
- The affiliate members pay a variable membership fee per member affiliated in their own Institute. The membership fee due per member is equal to 50% of the membership fee due by the full (except the 4 full members that have the highest number of members in their own Institute) and associate members.

### 3.3. Contribution to projects

Specific projects can be financed by interested parties, members and non-members in accordance with provisions that will be agreed by the Board of Directors from time to time to suit the Association's circumstances.

### **Article 4 – Voting rights of the full and associate members (Article 12 of the Articles of Association)**

Voting rights of the full and associate members are based on their number of members in their own Institute and on the strength of their financial contribution to the Association.

Full and associate members are divided into the 4 levels below for the purpose of the determination of their voting rights:

<b>Level</b>	<b>Number of members</b>	<b>Voting rights</b>
Level 1	4 full members that have the highest number of members	6 votes
Level 2	From 2,001 members	3 votes
Level 3	From 1,000 members to 2,000 members	2 votes
Level 4	From 1 member to 999 members	1 vote

Within each level, the voting rights are identical for all full and associate members of that level.

Level of each full and associate members is annually determined by the Board of Directors at least 15 calendar days before the date of the Ordinary General Assembly on the basis of the official number of average members in each Institute, as shown in the last available global statistics of the Institute of Internal Auditors Inc.

The level shall be communicated to each full and associate members by the Board of Directors at least



15 calendar days before the Ordinary General Meeting together with the notice letters to attend the meeting.

#### **Article 5 – Written resolutions of the General Assembly (Article 12 of the Articles of Association)**

If decisions have to be taken by written resolutions, the President sends the contemplated written resolutions to members of the Association (including to the affiliate members but only for their information, as they do not have the right to vote).

The written resolutions are sent by letter or any other written means (including electronic format).

The written resolutions enumerate the decision(s) to be taken, followed by the three possible voting modalities:

- In favour of the decision;
- Against the decision;
- Abstention.

As the case may be, working documents are attached to the written resolutions.

The written resolutions equally indicate the date upon which they must be sent back by the full and associate members by letter or any other written means (including electronic format) to the registered office of the Association, duly completed and dated. The term granted to the full and associate members to send back the written resolutions must be at least 15 calendar days, except in the case of substantiated emergency.

At the expiry of the term mentioned in the written resolutions, the President proceeds to the counting of the votes.

The President communicates to all members (including affiliate members), within 15 calendar days as of the said date of return, whether or not the decisions mentioned in the written resolutions have been validly taken, in compliance with the required voting majorities.

#### **Article 6 – Composition of the Board of Directors (Article 14 of the Articles of Association)**

Each of the 4 full members that have the highest number of members proposes a preferred candidate for directorship to be presented to the General Assembly. In case the preferred candidate is not ratified by the General Assembly, it is recommended to select a reserve candidate.

The 4 full members that have the highest number of members in their own Institute are annually determined by the Board of Directors at least 15 calendar days before the date of the Ordinary General Assembly on the basis of the official number of average members in each Institute, as shown in the last available global statistics of the Institute of Internal Auditors Inc.

If one member on the list of the 4 full members that have the highest number of members does not want to get the right to present a candidate for the Board of Directors, the next member on the list (based on average membership communicated by the Institute of Internal Auditors Inc) will be automatically appointed as part of the 4 full big members for the purposes of this Article 6.



Directors elected upon proposal of the 4 full members that have the highest number of members are appointed by the General Assembly for a period of 2 years, even if the Board of Directors notices during their term of office that based on the last available global statistics of the Institute of Internal Auditors Inc. the full member that they represent is no longer part of the 4 full members that have the highest number of members. In such case, their term of office can however not be renewed.

The full members will make sure to propose a delegate for a seat at the Board of Directors with sufficient seniority and experience and empowered by this full member.

All directors represent their own Institute and have the support from their own Institute.

#### **Article 7 – Committees and Working Groups (Article 17 of the Articles of Association)**

The Board of Directors may set up Committees and Working Groups. These will:

- undertake detailed analyses in selected areas;
- draw up draft proposals;
- make recommendations to the Board of Directors.

The number of Committees and Working Groups, their role and their terms of reference will be agreed by the Board of Directors from time to time to suit the Association's circumstances.

#### **Article 8 – Written resolutions of the Board of Directors (Article 18 of the Articles of Association)**

If decisions have to be taken by written resolutions, the President sends the contemplated written resolutions to all directors of the Association.

The written resolutions are sent by letter or any other written means (including electronic format).

The written resolutions enumerate the decision(s) to be taken, followed by the three possible voting modalities:

- In favor of the decision;
- Against the decision;
- Abstention.

As the case may be, working documents are attached to the written resolutions.

The written resolutions equally indicate the date upon which they must be sent back by the directors by letter or any other written means (including electronic format) to the registered office of the Association, duly completed and dated. The term granted to the directors to send back the written resolutions must be at least 8 calendar days, except in the case of substantiated emergency.

At the expiry of the term mentioned in the written resolutions, the President proceeds to the counting of the votes.

The President communicates to all directors, within 8 calendar days as of the said date of return,



whether or not the decisions mentioned in the written resolutions have been validly taken, in compliance with the required voting majorities.

## **Article 9 – Audit Committee (Article 21 of the Articles of Association)**

### *9.1. Composition*

The Audit Committee is composed of 3 delegates of full members that are freely elected by the General Assembly, on the basis of a list of candidates submitted by the Board of Directors.

The members of the Audit Committee cannot be delegates of full members that are represented at the Board of Directors. Any director shall have to wait 2 years from the date of the end of his/her term of office as a director before being appointed as a member of the Audit Committee.

The members of the Audit Committee are appointed for a period of 2 years renewable 2 times for the same period.

The General Assembly may at any time dismiss the members of the Audit Committee.

The mandate of member of the Audit Committee is not remunerated, unless decided otherwise by the General Assembly and travel costs are not reimbursed by ECIIA

Unless specifically decided otherwise by the General Assembly, the term of office of the members of the Audit Committee 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 Audit Committee elects a president of the Audit Committee among its members.

### *9.2. Vacancy*

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

### *9.3. Role*

The Audit Committee shall inform the General Assembly on the adequacy and effectiveness of the Board of Directors' internal controls .

In this context, the Audit Committee is authorized to:

- investigate any activity of the Board of Directors and seek any information it requires from the Association's employees, officers or members ;



- meet the members of the Board of Directors or some of them in order to be informed of the actions taken by the Board of Directors;
- obtain outside legal or independent professional advice of any kind if it considers this to be necessary, at the cost of the Association, but subject to prior approval by the Board of Directors.

#### *9.4. Meetings, notices, proceedings and representation*

The Audit Committee will meet at least once a year before the Ordinary General Assembly.

The meetings of the Audit Committee are chaired by its president.

The Audit Committee may validly proceed if at least the majority of its members are present or represented. When this quorum is not reached, a new meeting of the Audit Committee shall be called no earlier than 7 calendar days after the previous meeting.

Each member of the Audit Committee has one vote. Decisions of the Audit Committee shall be taken by a simple majority of the votes cast.

Members of the Audit Committee cannot be represented.

#### *9.5. Minutes and reporting*

The decisions taken by the Audit Committee shall be recorded in minutes, which are signed by the president of the Audit Committee after approval of its content by all members having attended the meeting of the Audit Committee. The minutes are circulated to all members of the Audit Committee and the Board of directors. They are also kept in a register, at the disposal of members of the Nomination Committee, at the registered office of the Association.

The Audit Committee shall present a report of its actions and deliberations at each Ordinary General Assembly.

### **Article 10 – Nomination Committee (Article 22 of the Articles of Association)**

#### *10.1. Composition*

The Nomination Committee is composed of 3 delegates: the President of the Association, a representative from the Board of Directors and a representative from the European CEOs Group. They are freely elected by the General Assembly, on the basis of a list of candidates submitted by the Board of Directors.

The members of the Nomination Committee are appointed for a period of 2 years. Their term cannot be renewed.

The General Assembly may at any time dismiss the members of the Nomination Committee.



The mandate of member of the Nomination Committee is not remunerated, unless decided otherwise by the General Assembly.

Unless specifically decided otherwise by the General Assembly, the term of office of the members of the Nomination Committee 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 Nomination Committee elects a president of the Nomination Committee among its members.

The Nomination Committee may decide to admit directors or any third parties to the meetings of the Nomination Committee. Those admitted people may voice their opinion, but do not have the right to vote.

### *10.2. Vacancy*

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

### *10.3. Role*

The Nomination Committee shall oversee the appointment process of the Board of Directors and the Audit Committee.

The responsibilities of the Nomination Committee shall include:

- overseeing and recommending the procedures for nomination and election of the Board of Directors and the Audit Committee;
- considering and preparing a description of the role and competencies required for the directors and the members of the Audit Committee;
- identifying candidates to fill Board of Directors vacancies in accordance with the following criteria:
  - o regional representation (e.g. Nordic countries, Central countries, South countries and Eastern countries);
  - o representation of small and medium size Institutes;
  - o competencies criteria of the candidate;
  - o experience criteria of the candidate;





- sector of activities of the candidate;
  - function in the Association of the candidate;
  - diversity;
  - availability of the candidate to be active at the Board of Directors;
  - support of the Institute of the candidate.
- identifying candidates to fill Audit Committee vacancies in accordance with the following criteria:
- representation criteria;
  - competencies criteria of the candidate;
  - experience criteria of the candidate;
  - availability of the candidate to be active at the Audit Committee.
- reviewing succession planning for directors and members of the Audit Committee members;
- determining the eligibility of candidates to be elected as directors and members of the Audit Committee;
- reviewing the size, composition, skills and experience of the Board of Directors and making recommendations for change taking into account the challenges and opportunities facing the Association;
- reviewing annually the Committees' terms of reference and their effectiveness and recommending any changes required as a result of this review.

#### *10.4. Meetings, notices, proceedings and representation*

The Nomination Committee will meet at least once a year before the Ordinary General Assembly.

The Nomination Committee meets upon request of its president each time the interests of the Association so requires.

The meetings of the Nomination Committee 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 the attend the meetings of the Nomination Committee 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 letter.



The meetings of the Nomination Committee are chaired by its president.

The Nomination Committee may validly proceed if at least the majority of its members are present or represented. When this quorum is not reached, a new meeting of the Nomination Committee shall be called no earlier than 7 calendar days after the previous meeting.

Each member of the Nomination Committee has one vote. Decisions of the Nomination Committee shall be taken by a simple majority of the votes cast.

Members of the Nomination Committee cannot be represented.

Items which are not on the agenda may not be discussed unless all members of the Nomination Committee are present or duly represented.

#### *10.5. Minutes and reporting*

The decisions taken by the Nomination Committee shall be recorded in minutes, which are signed by the president of the Nomination Committee after approval of its content by all members having attended the meeting of the Nomination Committee. The minutes are circulated to all members of the Nomination Committee and the Board of directors. They are also kept in a register, at the disposal of members of the Nomination Committee, at the registered office of the Association.

The Nomination Committee shall present a report of its actions and deliberations at each Ordinary General Assembly.

#### **Article 11 – Secretary General (Article 23 of the Articles of Association)**

The Secretary General fulfils his/her role in accordance with the job description and work plan agreed with the Board of Directors. He/she is bound by the decisions and instructions of the Board of Directors.