

FERMA Bylaws

2013 version

Contents

1. Form, name, head office, object, duration	3
1.1. Constitution.....	3
1.2. Head Office.....	3
1.3. Objectives.....	3
1.4. Duration	3
1.5. Official language.....	3
2. Membership	4
2.1. Membership categories	4
2.2. Membership fees	4
2.3. New members	4
2.4. Members Governance.....	5
3. General Assemblies	6
3.1. General Assembly composition and powers.....	6
3.2. Functioning of the General Assembly	6
3.3. Voting rights at the General Assembly.....	6
3.4. Amendment to bylaws or dissolution of the association	7
3.5. Association Register	8
4. FERMA Governance.....	8
4.1. FERMA Board of Directors.....	8
4.2. FERMA Officers.....	8
4.3. Functioning of the Board of Directors.....	8
4.4. Board of Directors' powers	9
4.5. Association's binding deeds	9
4.6. Legal procedures	9
5. Accounts	10
6. The Association's funds.....	10
7. Dissolution, Liquidation.....	10

1. Form, name, head office, object, duration

1.1. Constitution

The “Fédération Européenne de Risk Management – Federation of European Risk Management Associations”, in abbreviated form: FERMA, is a non profit international association (AISBL/IVZW), hereinafter referred to as the “Association”.

The Association is established in Belgium subject to the prescriptions of chapter III of the law of 27 June 1921 on non-profit associations, foundations and international non-profit associations.

1.2. Head Office

The Association’s office is currently established at Avenue de Tervuren 273 - 1150 Brussels (Belgium).

The head office may be transferred within Belgium to a region, which does not require the translation of the statutes to another national language by simple decision of the Board of Directors.

1.3. Objectives

- 1.3.1. The association’s object is the study at international level of any issue related directly or indirectly to Risk management or insurance of any risks.
- 1.3.2. It represents its members in international organisations.
- 1.3.3. It can organise or participate, either through direct representation or by special appointment of accredited representatives in any work, investigation, conference, meeting or congress directly or indirectly connected with risk management and insurance matters dealt with by the association.

1.4. Duration

- 1.4.1. The Association is constituted for an unlimited period of time.

1.5. Official language

- 1.5.1. Being an international and European association, the official language of the Association is English for official meetings, minutes, documents and internal and external communication except when not authorized by Belgian law.

2. Membership

2.1. Membership categories

- 2.1.1. National Associations membership: national associations are deemed to be any association, legally established, with a minimum of ten members (individual or legal entities), concerned with the defence of the interests of risk managers or buyers of insurance or associated value added solutions or services ("insurance managers") operating within the national boundary of a European country. National associations are voting members.
- 2.1.2. Individual membership: a person domiciled in a country where there is no national association of Risk and/or Insurance managers member of FERMA who is solely employed by an organisation to plan and/or oversee the management of risks and insurances of that organisation. Individual members have no voting rights.
- 2.1.3. Corporate membership: an organisation domiciled in a country where there is no national association of Risk or Insurance managers member of FERMA, with insurable interests in Europe and employing a risk or insurance manager, excluding insurance and reinsurance companies and brokerage firms. Corporate members have no voting rights.
- 2.1.4. Honorary membership: The Board of Directors may admit as honorary member an individual person who has rendered outstanding services for the benefit of Ferma. Honorary members have no voting rights

2.2. Membership fees

- 2.2.1. Members pay a membership fee proposed annually by the Board of Directors and accepted by the General Assembly.
- 2.2.2. For national associations, the fee applies to the number of active risk or insurance managers in the national association,
- 2.2.3. Membership fees are waived for honorary members.

2.3. New members

- 2.3.1. The Board of Directors decides upon admission of a new member following the review of a written application of the candidate or for honorary members upon the proposal of a Director.
- 2.3.2. Application for membership of a national association must be accompanied by a copy of the articles of constitution of the association, a list of members and Board members (as applicable) and a short report enabling the Board of the Association to understand fully the nature, size and representative capacity of the applicant.
- 2.3.3. If an application is denied membership by the Board, the applicant has the right to appeal against such decision at the next General Assembly which will decide when three-quarters of the votes of the members present and/or represented are cast for the same outcome.

2.4. Members Governance

- 2.4.1. To maintain its membership, a member must justify at all times to meet the initial requirements for its admission. Any member must inform without delay the Board of Directors of the loss of one of those.
- 2.4.2. A member may at any time by written notification to the Board of Directors, resign from the Association.
- 2.4.3. Members who fail to pay their membership dues as stated in 2.2 during two consecutive years shall lose, upon decision of the Board, their status of members of the Association.
- 2.4.4. Members who act against the objectives or interests of the Association can have their membership revoked by decision of the General Assembly taken by a majority of three-quarters.
- 2.4.5. Before its revocation, the member will have the possibility to be heard by the General Assembly.
- 2.4.6. Resigning members or members who cease to belong to the Association for whatsoever reason shall have no claim to the contribution paid and shall not assert any claim to the patrimony of the Association.

3. General Assemblies

3.1. General Assembly composition and powers

- 3.1.1. The General Assembly is composed of all national association members who have paid their membership due. Individual, Corporate and honorary members can be present at the General Assembly but do not have voting rights.
- 3.1.2. Without prejudice to the other powers which are reserved by the law or by these statutes, the General Assembly has the following powers:
 - 3.1.2.1. The amendments of the bylaws except for the transfer of the head office that may be decided by a simple decision of the Board of Directors;
 - 3.1.2.2. The appointment and the removal of directors;
 - 3.1.2.3. The approval of the budgets and the annual accounts;
 - 3.1.2.4. The voluntary dissolution of the Association;
 - 3.1.2.5. The exclusions of members

3.2. Functioning of the General Assembly

- 3.2.1. The Ordinary General Assembly shall legally convene once a year in Belgium between 1st March and 30th June under the presidency of the President of the Board of Directors or a Vice President, at the head-office or at any such place as indicated in the notice. Such notice shall be forwarded by electronic mail to all members at least 30 days before the date set for the meeting.
- 3.2.2. Any member who attends the General Assembly or is represented is considered as having been regularly convened.
- 3.2.3. In addition, the General Assembly can be convened for an extraordinary meeting whenever the Board deems it necessary or on a signed requisition of at least one quarter of the members with indication of the motives thereof.
- 3.2.4. Each National Association member, represented by its President or equivalent, designates via a proxy his representative at the General Assembly. This representative must be a member of the national association and an active or retired risk or insurance manager.
- 3.2.5. To be admitted to the General Assembly, any member can give mandate to another member of the Association.
- 3.2.6. Any member cannot represent more than one other member.

3.3. Voting rights at the General Assembly

- 3.3.1. Except for the cases in 3.4 and where the law enforces other conditions of presence and/of majority, the General Assembly is regularly constituted and deliberate validly whatever the number of members having voting rights present, and the resolutions shall be taken by the simple majority of the voting rights, without taking into account the abstentions.
- 3.3.2. The number of votes is attributed per country. This number is based on the number of risk or insurance managers members of each national association in

the country, with the following quotas:

- from 1 to 25 members 1 vote
- from 26 to 50 members 3 votes
- from 51 to 100 members 4 votes
- from 101 to 250 members 5 votes
- from 251 to 500 members 7 votes
- from 501 members 9 votes

3.3.3. Voting rights are independent of the number of associations in a country. If a country has more than one association, a representative of the country is chosen to vote with the number of votes obtained by adding up the qualifying members of all associations of the country

3.3.4. Representatives of a country shall agree on the exercising of their vote

3.3.5. Each national association shall remit, for the 31st December of each year, the list of their risk or insurance managers members to the treasurer of the association, in order to fix, for the next calendar year, the number of votes entitled to each country. The list that members provide each year makes a distinction of the categories its membership.

3.3.6. Each national association who fails to communicate this information or pay the membership fee within the deadline as required at 2.2 will forfeit their right to vote until advised by the Treasurer of the Association.

3.4. Amendment to bylaws or dissolution of the association

3.4.1. Without prejudice of the article 55 of the law of 27 June 1921, any proposal of amendments to the articles of constitution and dissolution of the Association shall emanate from the Board of Directors or at least a quarter of the voting members of the association.

3.4.2. At least one month in advance the Board of Directors shall inform the members of the Association of the date of the General Assembly which will decide on this proposal.

3.4.3. The General Assembly can decide only if two-thirds of the voting members of the Association are present and/or represented. The resolutions shall be taken at the majority of three-quarters. However, if this General Assembly, does not have two-thirds of the voting members, a new General Assembly shall be convened in the same conditions mentioned here above, which will decide finally on the proposal in question whatever the number of members be present and/or represented.

3.4.4. Amendments to the statutes regarding the object shall come into effect after the approbation by Royal Decree in conformity with the article 50 §3 of the law of 27 June 1921 and when the conditions of publicity required by the article 51 of the law of 27 June 1921 are completed.

3.4.5. Without prejudice of the article 56 of the law of 27 June 1921, the General Assembly shall fix the mode of dissolution and the liquidation of the Association.

3.5. Association Register

- 3.5.1. The resolutions of the General Assembly are kept in a register signed by the President and made available to all members.
- 3.5.2. This register is preserved at the registered office where all the members can take note of it.
- 3.5.3. The members can also request from the secretary-general a copy or, if necessary, an extract of the minutes of the general assemblies.

4. FERMA Governance

4.1. FERMA Board of Directors

- 4.1.1. The Board of directors is composed of minimum 7 members and of maximum 12 members.
- 4.1.2. The national association Presidents (or equivalent) propose candidates and certify that he/she is an effective member of the association and an active risk or insurance manager. An association cannot propose more than two candidates.
- 4.1.3. Individual members, corporate members or honorary members cannot be members of the Board.
- 4.1.4. The Directors are elected by the General Assembly for a staggered three-year period. The terms of office of Directors may be renewed at the end of their mandate.
- 4.1.5. The Directors are revocable by the General Assembly only upon decision taken by the majority of two thirds of the votes present or represented.
- 4.1.6. The term of office of a director is free of charge.
- 4.1.7. A national association cannot have more than two representatives at the Board of Directors
- 4.1.8. A board member has to represent the interest of all members of the Association.

4.2. FERMA Officers

- 4.2.1. The Board of Directors elects at a simple majority, among its members a President, Vice Presidents, and among or outside its members a Secretary General and a Treasurer. With the Executive Director, they form the Executive Committee.
- 4.2.2. These terms of office are conferred for two years. The mandates of the President and the Vice-Presidents are only renewable once.
- 4.2.3. The Secretary general is in charge of the legal duties and the supervision of the daily administration of the association.
- 4.2.4. The Treasurer assumes the financial administration of the association.

4.3. Functioning of the Board of Directors

- 4.3.1. The Board of Directors meets after due notice from and under the Presidency of

the President or in his absence, One Vice-President or two Directors

- 4.3.2. The notice for the board meeting should be sent by the President or by the person designated by him at least 10 days before the meeting by letter or electronic mail. The agenda of the meeting should be sent preferably 1 week before.
- 4.3.3. Each director can be represented at the Board of directors by another director on presentation of a written proxy.
- 4.3.4. A director who attends or is represented at the meeting is considered as having been properly convened.
- 4.3.5. Board decisions are made at the majority of members (present or represented) with a minimum of 5 votes in favour.
- 4.3.6. The following decisions require a majority of three-quarters of the votes (present or represented)
 - 4.3.6.1. Decisions involving a financial commitment in excess of 250,000 Euro;
 - 4.3.6.2. Admission of new members within the Association;
 - 4.3.6.3. Exclusion of a member failing to pay his membership due;
- 4.3.7. In the event of parity of votes, the vote of the President or of a Vice-President assuming his functions is preponderant.
- 4.3.8. The proceedings are recorded in the minutes of the meeting signed by the President or a Vice-President

4.4. Board of Directors' powers

- 4.4.1. The Board of Directors is invested with the widest powers under reserve of the rights of the General Assembly.
- 4.4.2. It settles any difficulty that could arise from the interpretation of the articles of the bylaws.

4.5. Association's binding deeds

- 4.5.1. The President or two directors who do not need to justify a decision taken previously by the Board can sign any contract or document binding the Association with third parties.
- 4.5.2. The Board can delegate specific powers, including that of representation.

4.6. Legal procedures

- 4.6.1. Legal procedures as plaintiff or defendant are conducted on behalf of the Association by the Board of Directors, represented by the President.
- 4.6.2. The President can, however, delegate this function to a Vice-President or to another member of the Board.

5. Accounts

- 5.1. The financial year shall end on the 31st December of each year. The Board of Directors shall submit every year to the approval of the Ordinary General Assembly the accounts of the past year and the budget of the next year.
- 5.2. The Association will produce a simplified bookkeeping relating at least to the movements of cash and on accounts, following the legal provisions.
- 5.3. However, if at the end of one of its financial years, the Association comply two of the three criteria as mentioned in the article 53 of the law of June 27, 1921, it will have to comply with the provisions of the law of July 17, 1975 relating to the accountancy of the companies.
- 5.4. An Audit and Finance committee is nominated within the Board and is in charge of auditing and supervising the accounting procedures, cash management and investment policy of the FERMA funds. This committee reports to the Board twice a year on these items.
- 5.5. Each year an Auditor will be designated by the General Assembly. The Auditor's duty is to verify the completed accounts, pre-approved by the Board.

6. The Association's funds

- 6.1. The funds of the Association are comprised of the memberships, the donations accepted by decision of the Board, the income of its patrimony or its activity.
- 6.2. With the exclusion of the gifts, any liberality to the benefit of the Association whose value exceeds the sum of 100,000 Euro, will have to be authorized by Royal Decree.

7. Dissolution, Liquidation

- 7.1. The Association can be dissolved at any time by the General Assembly according to the terms of procedure as provided for the amendments to the articles of constitution.
- 7.2. Said assembly shall appoint the liquidator(s), determine their powers in compliance with the articles 19 and 19 bis of the law of 27 June 1921, and the destination of the balance of the liquidation which will be distributed to another association pursuing a similar objective. Any provision not mentioned in the statutes shall be resolved in conformity with the provisions of the law of 27 June 1921."