

INSOL EUROPE

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The Articles of Association governing the internal regulations and objectives are as follows:

1. Law governing the Affairs of the Association

- 1.1 INSOL Europe is an Association governed by French law of 1st July 1901 and the decree of 16 August 1901 and is set up between the signatories to the articles of 1st July 1981 (called Founder Members) and those who join the Association at a later date, according to article 8 below.

2. Constitution

- 2.1 The articles were and are approved at meetings of members of the Association ("**Members**") convened under the provisions of article 17.

3. Name of the Association

- 3.1 The Association is called INSOL EUROPE. The languages of the Association are French and English.

4. Objects goals and strategies

- 4.1 The mission of the Association is to take and maintain a leading role in European business recovery, turnaround and insolvency issues, to facilitate the exchange of information and ideas amongst its Members and to discuss business recovery, turnaround and insolvency issues with official European and other international bodies who are affected by those procedures. The Association will encourage greater international co-operation and communication within Europe and also with the rest of the world.

- 4.2 The goals and strategies of the Association are :

- to take a leadership role in the study, evaluation and development of business recovery, turnaround and insolvency subjects of common interest within Europe.
- to facilitate and co-ordinate the dissemination of both technical and topical information, to include the execution of the educational programmes and the publication of a magazine and a website.
- To advise, discuss and negotiate with relevant officials of European and other international bodies in regard to any matter which may concern Members.
- to expand membership and to ensure that the Association is adequately financed to achieve its mission and goals.
- to organise and hold congresses at venues chosen by the Council, including an annual congress aimed at the whole membership (the “**Congress**”) preferably taking place immediately after the Ordinary General Meeting.
- to co-operate with Insol International and all or any of its Members in connection with any business recovery, turnaround or insolvency study or project.
- to provide an opportunity for Members to network with people from other European jurisdictions and to encourage individual Members to take part in the work of the Association.

- 4.3. The Association is a non-profit entity. Members are involved as volunteers. No profits will be distributed to Members.

5. Registered Office and Administrative Function

- 5.1. The registered office of the Association is at 106 rue La Boétie, 75008 Paris, France. The registered office may be transferred by a decision of the Council.

6. Duration

- 6.1 The duration of the Association is fixed for an indefinite period of time, each Member being able to leave at any time.

7. Composition of the Association

The Association is comprised of:

- 7.1 **Honorary members;** the Council by unanimous vote of those present will be entitled to confer honorary membership on any person who in the opinion of the Council has given outstanding meritorious service to the insolvency profession or who has performed outstanding work on behalf of the Association. A nomination to honorary membership shall set out the basis for the nomination and shall be signed by three Members, at least one of whom shall be from a country other than the country of the proposed nominee, and submitted to the President at least 14 days prior to the last Council Meeting prior to the Ordinary General Meeting. The President shall present the nomination to the Council meeting. The decision of Council to award honorary membership shall be announced at the next Congress, noted in the Congress report and published in Eurofenix. Such Member will not be required to pay an entrance fee or annual subscription, but shall have all the rights of a Member.
- 7.2. **Members** who shall be qualified professionals and those who have practical experience in the field of business recovery, turnaround or insolvency and also members of the judiciary, lenders, credit insurers, academics, regulators, students and other persons who are interested in business recovery, turnaround or the insolvency process. In these Articles of Association any reference to Members will include Honorary Members.

8. Applications for membership

- 8.1 In order to join the Association each applicant for membership should complete the relevant application form and submit it to Membership Services who will lay it before the President and the Deputu President for consideration.
- 8.2 A Member shall report to the Director of Administration if he ceases to comply with the conditions of membership.

9. Subscriptions

- 9.1 The Council will decide upon the rate of the entrance fee, the annual subscription rates and the fines at the Council meeting immediately before the Ordinary General Meeting, at which the accounts are submitted to Members. The Council decision will be made on a two thirds majority of those attending the meeting and in the event of failure to reach the required majority the previous rates will apply. The Council's decision is final.
- 9.2 In the event that the annual subscription is not paid within three months after it has become due, the Member shall not be entitled to the benefits which the Association

may confer upon its Members, his voting rights will be suspended and he shall pay a fine as decided by the Council.

- 9.3 No annual subscription will be rebated even in case of termination of membership.

10. Termination of membership

- 10.1 Membership of the Association is terminated:

- on death
- on resignation
- on termination by the Association

- 10.2 The Association may, upon the decision of the Executive Committee terminate the membership of any Member:

- a) if the Association has serious reasons to terminate the membership; or
- b) the Member ceases to comply with the conditions for membership; or
- c) upon failure to pay the annual subscription and/or fines imposed on that Member for a period of one accounting year after they have become due.

- 10.3 In the event that the Association wishes to terminate a membership other than under Article 10.2.(c), the Member shall be notified by registered or recorded delivery letter, setting out the grounds for termination and the date of the Executive Committee meeting convened to make a decision on the termination. The Member shall be invited to file written submissions concerning the contemplated termination or to appear before the Executive Committee in order to be heard. Failure to request a hearing within twenty days of the date of the invitation letter will be taken as a response in the negative. The hearing may take place before one Member of the Executive Committee, authorised for that purpose by the President. The hearing may take place by telephone. Following a hearing the person or persons who conducted the hearing shall report to the Executive Committee, which shall then decide whether or not to terminate the membership. The decision of the executive Committee shall be notified to the Member within 10 days after its date.

- 10.4 On termination on grounds other than failure to pay as reference to Article 10.2.(c) the Member may appeal to Council within thirty days of the decision of the Executive Committee by writing to the President. The appeal shall be put on the agenda of the next Council meeting and the Member may file written submissions or appear before the Council when the appeal is discussed. The decision of Council is final and binding and shall be notified to the Member within 10 days after its date.

11. Resources

- 11.1 The resources of the Association shall be obtained from :

- entry fees, subscriptions and fines
- gifts and donations of any kind

- conference fees
- bank or deposit interest
- sponsorship and advertisements
- sale of publications
- website linking and I.T. related revenues
- any other source of funds approved by the Council

12. Council

- 12.1 The Association will be governed by a Council, which shall ensure that the Association's activities seek to implement and further its missions, goals and strategies. The Council shall consist of:
- the **Secretary General** (if any has been appointed by Council),
 - the **Officers** as defined in Article 13,
 - the **elected and co-opted Members as provided for in Article 12.2-12.10, and**
 - the **Director of Administration**.
- 12.2 Members may be elected to the Council to a “**reserved seat**” as described in article 12.5 or to a “**general seat**” as described in article 12.6. Each elected Member will serve for a three year term starting at the date of the announcement at the Ordinary General Meeting following the Council Meeting and shall be eligible to serve a second three year term if re-elected.
- 12.3 Council Members appointed as Officer will remain Council Member as long as they will be Officer, although their three years term as Council Member has expired.
- 12.4 The number of elected Member must not exceed three from the country where those Members practice. Council may make an exception to this rule on the proposal of the Executive Committee.
- 12.5 One elected place on the Council (a “**reserved seat**”) will be reserved for each country with thirty or more Member as at 20 June in any year (or such greater or smaller figure as the Council may decide). The Members who can vote on a reserved seat election are only those from the country in question who have paid their annual subscription fee for the current year. In the event of there being more than one person nominated for a reserved seat, then the place will go to the person with the greater or the greatest number of votes cast. In the event of a tie, the President shall cast a second vote. Should there be no nomination for a reserved seat, the reserved seat shall remain vacant and may be filled in the following year.
- 12.6 Four elected places on Council shall be “**general seats**”. A candidate for a general seat may be a Member from any country and may be nominated and seconded by Members from his own or any other country. All Members who have paid their annual subscription can vote on a general seat election. In the event of there being more than one person nominated for a general seat, then the place will go to the person with the greater or the greatest number of votes cast. In the event of a tie, the President shall cast a second vote. Should there be no nomination for a general seat, the general seat shall remain vacant and may be filled in the following year.

- 12.7 Candidates for election to Council must be fully paid up Members and must be nominated by two other fully paid up Members of the Association. Membership Services shall send nomination papers to each relevant member before the 30th June in each year, to be returned by 21 July. The papers shall require the person being nominated to state his name and address on the form, to which he should attach his photograph and his curriculum vitae in the format submitted to him by Membership Services. He should then sign the form signifying his consent to be nominated, obtain the names and signatures of the proposer and the seconder on the form and should submit the form by 21 July to Membership Services. In the case of a nomination to a reserved seat the candidate, the proposer and seconder shall be from the country which holds the reserved seat in question.
- 12.8 Membership Services will process the forms and, where there is more than one nomination for the position will prepare and forward voting forms to each Member before 10th August with instructions that the voting forms should be returned by 10th September. The voting forms sent by Membership Services will show the photograph of each candidate and his curriculum vitae. The voting process will take place electronically in accordance with the procedure approved by the Executive Committee and issued by the Membership Services from time to time by post or facsimile only and not otherwise. The Director of Administration and a Council member will be responsible for the counting of the votes and they will report to the President the result of the vote. In the event that only one candidate is nominated for a seat, that candidate shall be deemed elected.
- 12.9 For the avoidance of doubt no candidate may be nominated for election to a general and a reserved seat in the same year.
- 12.10 The Council may co-opt any Member including a Past President to serve on the Council for such period as the Council may decide ("**Co-opted member**"). Co-opted members will not be included in the count for elected Members or for any specific country. No more than eight Co-opted members may serve on the Council at the same time.
- 13. Appointment of the Members of the Executive Committee (Officers)**
- 13.1 The Officers shall consist of a President, a Deputy President, the immediate last Past President, a Vice President and the Treasurer.
- 13.2 Any elected Member of Council may be nominated by the Executive Committee or by any two other Council members to be Vice President for one year.
- 13.3 If more than one nomination is made a vote shall be held by secret ballot of all Council members who are present and the nominee receiving most votes shall be the new **Vice President**. In the event of a tie, the President shall cast a second vote. At the Council meeting each year immediately prior to the Ordinary General Meeting, the Council shall appoint from amongst its elected Members a Vice President. The new Vice President's place as an elected Member will then fall vacant and is to be included in the elections for the following year.
- 13.4 At the end of each Ordinary General Meeting or at the conclusion of the ~~Congress~~ during which the Ordinary General Meeting is held (whichever is the later) the

President shall vacate office. The **Deputy President** shall become President, the Vice President will become Deputy President and the new Vice President shall take office. In the event of a vacancy occurring in any of these offices during the course of a year, each subsequent President shall automatically move up a place. In the event of a vacancy in the office of President, the period of office of the Deputy President so becoming President shall run to the date to which it would have run had the vacancy not occurred. The Council shall appoint a Vice President as soon as may be to fill a vacancy in that office.

- 13.5 The **Immediate Past President** shall continue to be a Member of Council for one further year and then retire. No Past President shall be eligible for election to the Council again.
- 13.6 The Council shall appoint one of its members to act as **Treasurer** for a period of time determined by the Council at the date of the appointment and renewable if necessary. Any Council member may be nominated by the Executive Committee or by any two other Council members to be Treasurer. If more than one nomination is made, a vote shall be held by secret ballot of all Council members and the nominee receiving most votes among the voting Council members shall be the Treasurer. In the event of a tie, the President shall cast a second vote.

14. Secretary-General

- 14.1 The Council may appoint a Secretary General to act as executive officer of the Association for such period as the Council may decide for a period of time determined at the date of the appointment and renewable if necessary. The Council may also abstain from appointing a Secretary General. The voting procedure will proceed according to article 13.3.
- 14.2 The Secretary-General (if appointed) is ex officio a member of Council and is a member of the Executive Committee. The Secretary-General will consult, inform and report the Executive Committee on his action and on matters that are in the Association's interest and always when invited by at least two members of the Executive Committee.
- 14.3 The Secretary-General (if appointed) will report to the Council on the policy, the progress of plans and decisions and the general state of affairs of the Association as often and in such manner as circumstances require, but at least twice a year, including the Council meeting preceding the Ordinary General Meeting. Council will discuss his report at this meeting.
- 14.4 The Secretary-General (if appointed) will report to the Members of the Association in the Ordinary General Meeting on the general state of affairs of the Association.

15. Director of Administration

- 15.1 The Director of Administration is appointed by the Council. His remuneration is established by the Council on the proposition of the Executive Committee.

16. Executive Committee

- 16.1 The Executive Committee represents the Council when Council is not sitting. The Executive Committee is responsible for ensuring the implementation of decisions taken by the Council and General Meetings. The Executive Committee is charged with developing the policies and activities of the Association within its mission, goals and strategies.
- 16.2 The Executive Committee consists of the **Secretary-General** (if appointed), the **Officers**, the **Director of Administration** and a number of persons chosen by the Executive Committee in consultation with the Council for a period of time determined at the date of the appointment and renewable if necessary. The Executive Committee shall be chaired by the President and shall meet or consult together (in accordance with article 15.4 below) at least twice a year between council meetings. Meetings will be convened by the Director of Administration at the behest of the President or on the initiative of at least three other members of the Executive Committee.
- 16.3 The Executive Committee may nominate a secretary of the Council. If required the secretary shall take minutes of the meetings of the Executive Committee, the Council and the OGM.
- 16.4 The Executive Committee may consult together and take decisions by e-mail and by conference telephone call. The quorum for decisions to be made on a conference call shall be the participation of more than half of the members of the Executive Committee.
- 16.5 In the event that the President is temporarily unable to fulfil his functions the Deputy President will replace him for such time.

17. Council meetings

- 17.1 The Council shall meet at least once each year. Meetings will be convened by Membership Services at the behest of the President, who presides over the meeting. Should more than one meeting be required, then the President is empowered to instruct Membership Services to convene another. If more than five Council members request a further meeting they may instruct Membership Services in writing and this office shall convene a further meeting.
- 17.2 The Council may consult together and, take decisions by e-mail and by conference telephone call, provided that at least two weeks notice shall be given by Membership Services of any proposed conference call. The quorum for decisions to be made on a conference call shall be the participation of more than half the Council members and more than half the members of the Executive Committee.
- 17.3 Decisions at Council meetings, by e-mail and on Council conference calls, are taken on a simple majority vote of the voting members of Council. In the event of a tie, the President may cast a second vote. No proxy votes are allowed at Council meetings. Council members with reserved seats may nominate a deputy among members of INSOL EUROPE who may participate in meetings and vote on their behalf, provided they have notified the President of the name of the deputy prior to the meeting.

- 17.4 Any Council member who misses more than two consecutive Council meetings without reasonable excuse may be deemed to have resigned. The Council has the right to consider any deemed resignation effective.

18. Ordinary General Meeting

- 18.1 All Members of the Association may attend the Ordinary General Meeting.
- 18.2 Ordinary General Meetings will take place once a year, preferably in conjunction with the Congress. Membership Services will convene the meeting by giving not less than 15 days notice convening the meeting. The agenda and voting forms will be circulated with the notice.
- 18.3 The President, assisted by the officers of the Association, will preside over the Meeting. In case of a tie in voting on any resolution, the President may cast a second vote.
- 18.4 The Treasurer will present the audited accounts for approval by the meeting.
- 18.5 The President shall announce the election of the incoming Vice President and of new Council members at the meeting.
- 18.6 Only matters listed on the agenda will be dealt with at the meeting. The agenda will be set by the President. At the request of two members of the Executive Committee or at least 5% of the members or at least 20% of the members of the Council, additional matters will be listed on the agenda, provided the request have been received by the Director of Administration 30 days prior to the General Meeting.
- 18.7 All Members will be entitled to vote. The votes will be expressed either
(i) by post, email or by facsimile prior to the OGM, or
(ii) in person or by proxy during the OGM.
- 18.8 Members who do not attend the OGM but intend to vote shall return the voting forms to membership services at least 7 days before the date of the OGM. 2 Council members will be responsible for the counting of the votes by post, email or facsimile and they will report to the President the result of this vote. The results of this vote by post, email or facsimile will be kept secret by the President and the 2 Council members until after the vote of the members present at the OGM.
- 18.9 Proxy forms must be requested from Membership Services and returned to that office not less than 4 days before the meeting, otherwise the proxy holder will not be entitled to vote.
- 18.10 Decisions (including a decision to amend these Articles of Association) will be taken by simple majority of the votes expressed according to the provisions above.

19. Extraordinary General Meeting

- 19.1 At the request of at least 20% in number of the Members or at least 50% of the Council members, Membership Services shall convene an Extraordinary General Meeting which shall follow the rules and formalities set out in Article 17.

20. Internal Regulations

- 20.1 Council has the right to pass internal rules concerning the administration of the Association. Such rules do not require ratification by the Members. The Executive Committee have the right to propose to Council to pass internal rules concerning the administration of the Association and the formation of committees/secretariats, who shall be obliged to report regularly on their work to the Executive Committee, who shall notify Council of their progress.
- 20.2 The administrative function of the Association shall be provided by **Membership Services**, appointed by Council from time to time. Membership Services is run by the Director of Administration.

21. Representation of the Association

- 21.1 Contracts to be entered into by the Association shall be signed by the President together with one other member of the Executive Committee.

22. Accounts

- 22.1 The annual accounts of the Association will be made up to 31st March, or such other date as agreed by Council, in each year and be presented to the Ordinary General Meeting. The accounts shall be audited by a firm of "*expert comptables*"/chartered accountants or with similar qualifications, proposed by the Executive Committee, which firm shall be working in the country where the records are kept.
- 22.2 Council will appoint the auditors on the proposal of the Executive Committee.
- 22.3 The accounts must include an income and expenditure account and balance sheet together with any other relevant information which the Council believes to be necessary.

23. Dissolution

- 23.1 In case of dissolution decided by at least two thirds of the **Members** present in person or by proxy at a General Meeting, one or several liquidators are to be nominated by the meeting. Assets, if any, shall then be distributed in conformity with the rules proposed by the Executive Committee, approved by at least 51% of the Council Members present and voted by 51% of the Members during the General Meeting which will decide the dissolution.
- 23.2 None of the Members' subscriptions will be reimbursed.

- 23.3 In case of liquidation proceeds, the surplus can not be attributed to Members. The General Meeting will decide, upon proposal of the Executive Committee, approved by at least 51% of the Council Members present and voted by 51% of the Members during the General Meeting which will decide the dissolution, to which other similar association or similar entity of general interest, it should be distributed.

24. Political Activity

- 24.1 Any political activity is forbidden to the Association.

25. Europe

- 25.1 For the purpose of the Association's activities, Europe is deemed to cover all countries in continental Europe and the continental shelf.

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