

Bylaws
« *European Microfinance Network* »
[Revised]

Article 1: Establishment

An association governed by the law dated 1 July 1901 and the decree of 16 August 1901 is created between the adherents to these Bylaws.

Article 2: Corporate Name

The Association's corporate name is “European Microfinance Network” and its acronym is “EMN”.

The organisation has the legal status of an Association. In this text the word “Association” is used to refer to the “European Microfinance Network” (EMN).

Article 3: Duration of the Association

- i. The duration of the Association is unlimited.

Article 4: Corporate Purpose, Objectives and Activities

- i. The corporate purpose of the European Microfinance Network is:
 - ↳ The promotion of self-employment, microentrepreneurship and delivery of microfinance services (in the broadest sense including in addition to microcredit any microfinancial services such as - but not limited to - microinsurance, personal credit, microguarantee, micropayment services and any related services) in Europe
 - ↳ The support of the development of microfinance programmes and microfinance institutions
 - ↳ The development and strengthening of technical assistance, training programmes and information
 - ↳ Building up the body of knowledge about microfinance (in particular on good practices to be followed)
 - ↳ The establishment and improvement of the regulatory framework for microfinance and self-employment at the level of the European Union and its Member States
- ii. To achieve its objectives, the Association will initiate the following activities [but without this list being exhaustive] both in the European Union Member States and in the EU Candidate Countries, as well as at the European Commission and European Parliament levels:
 - ↳ Arranging and organising the supply of technical and financial assistance to microfinance institutions in particular to strengthen their organisational and financial capacity;
 - ↳ Arranging and organising advice to microfinance institutions with regard to the setting up and management of their organisations;
 - ↳ Organising discussions, seminars, conferences, presentations, workshops and training courses;

- ↵ Arranging and organising networking between the members and relevant stakeholders, and activities in support of such networking such as setting up websites, newsletters, debates, forums and consultations;
- ↵ Arranging and organising the funding and implementation of research, analysis and evaluations of subjects relating to the Association's corporate purpose;
- ↵ Arranging and organising the funding and implementation of training courses in situ, practical sessions and exchange visits for people involved in activities listed in the Association's objectives;
- ↵ Publishing and distributing training aids and other publications;
- ↵ Arranging and organising the funding and implementation of technical assistance assignments by and for the members;
- ↵ Organising and participating in policy dialogues and policy formulation related to the Association's corporate purpose (including conducting the related research on legal, economic and social issues);
- ↵ Cooperating with people and organisations that conduct activities in line and in support of the Association's objectives;
- ↵ Undertaking any other action related to and in support of the Association's corporate purpose.

Article 5: Registered Office

- i. The registered office of the Association is located at 103 rue de Vaugirard, 75006 Paris, France.
- ii. The registered office may be transferred to any other location by decision of the Board of Directors, subject to endorsement by an Ordinary General Assembly.

Article 6: Membership of the Association

- i. The Association is composed of members; members can be active members, Corporate members [the meaning of this term will be defined in point IV hereafter], founder members, and honorary members.
- ii. Only legal entities based in the European Union (EU), Candidate Countries to the European Union, or the EFTA/EEA states and that operate within the microfinance industry in Europe, and legal entities that have a common interest in the development of the microfinance industry in Europe can become members (active members, corporate members, founder members) of the Association.
- iii. Members (except honorary members who can only be physical persons) are specifically legal entities based in the European Union, Candidate Countries or the EFTA/EEA states, that operate within the microfinance industry in Europe or carry out special activities in the interest and support of the microfinance industry in Europe.

Members (active, corporate or founder) are only legal entities who are actively involved in the activities of the Association to achieve its purpose.

- iv. Legal organisations concerned may either be governed by a non-profit status [association, foundation or other] or have a commercial corporate status [commercial business, credit union or other]. Especially referred to are financial institutions, banks or companies registered in EU countries, EU candidate countries or EFTA / EEA countries and which are involved, in their country of origin, in the area microfinance. In this case they are designated as “corporate members”.
- v. Founder members are individuals or legal organisations that participated at the creation of the Association on 28 April 2003.
- vi. The title of honorary member may be conferred by the Board of Directors. It is exclusively reserved for individuals that provide or have provided exemplary services to the Association. The holders of such title do not pay subscription fees and have the right to attend the General Assembly. Honorary members have, however, a purely advisory role and do not have voting rights.
- vii. To become a member, any candidate organisation must present a written request to the Board of Directors. This request must be sponsored by two members of the Association. The Board of Directors decides on such requests for membership.
- viii. The Board of Directors has sole power on the subject and its decision does not need to be justified.
- ix. All members (except honorary members) pay an annual subscription. The different levels of the annual subscription will be determined by the Board of Directors and approved by the General Assembly.

Article 7: List of Members and Loss of Membership

A – List

The Board of Directors establishes and verifies the list of members, updates it annually if necessary, and in any case communicates the list to all members regularly each calendar year and not later than 30 June.

B – Loss of Membership

- i. Membership will be lost:
 - ↳ By resignation by the member organisation;
 - ↳ In case of bankruptcy of the member organisation;
 - ↳ In case of dissolution of the member organisation;
 - ↳ By deregistration for non-payment for two consecutive years of the annual subscription;
- or
- ↳ For serious grounds negatively affecting the image of the Association or the microfinance sector at large
- ↳ The Board of Directors establishes and maintains a standard list of these serious grounds that it communicates regularly for information to the members.

- ii. A member that loses its membership for one of the above-mentioned reasons remains liable for the entire amount of the annual subscription, to be paid before the end of the calendar year.
- iii. More generally, an organisation that loses its membership will remain liable for any amount that it owes to the Association at the time of exclusion.
- iv. An organisation that loses its membership can only submit a new application for membership after the expiration of two years following that decision of the General Assembly to exclude the member.
- v. The Board of Directors has sole power in deciding on the requests for exclusion that are submitted. The organization concerned is invited, by registered letter with acknowledgment of receipt, either to appear before the Board of Directors to provide any verbal explanation, or to formulate an explanation in writing.

Article 8: Partners of the Association

- i. Organisations based outside the European Union, Candidate Countries to the European Union, and the EFTA/EEA states, that promote and/or support the development of the microfinance sector in Europe, and national and/or international network organisations of microfinance organisations that promote and/or support the development of the microfinance in general and in particular in Europe can become partners of the Association.
- ii. In the partnership agreements, reciprocal rights will be defined such as the mutual use of benefits, attendance at Assemblies and/or International Conferences and/or cooperation on specific projects and programmes.

Article 9: Resources

- vi. The resources of the Association are composed of:
 - ↻ Annual subscriptions that can vary as indicated in Article 14 hereafter;
 - ↻ Income generated from services;
 - ↻ Grants from multilateral and national organisations, or from private and public entities either in cash or in kind;
 - ↻ Grants and legacies from individuals or legal entities, either in cash or in kind;
 - ↻ Income from the sale of publications;
 - ↻ Revenues from financial operations using its own resources;
 and
 - ↻ Any other income or revenues received and/or generated as long as such have been generated in accordance with prevailing legislation and moral and ethical standards.

Article 10: Ordinary General Assembly

- i. The ultimate body of the Association is the General Assembly.

1 / Composition

It consists of active members and founding members of the Association.

2 / Powers

- ii. An Ordinary General Assembly takes place at least once a year and:
 - a. Approves the general strategy of the Association
 - b. Approves the work plans of the Association
 - c. Approves the financial reports of the Association
 - d. Approves the financial plans of the Association
- iii. The Ordinary General Assembly also receives the reports of the Board of Directors presented by the President on the management activities and the situation of the Association. The Treasurer presents the financial report, previously approved by the Board of Directors, reports on its management and submits the balance sheet and financial accounts to the Assembly.
- iv. The General Assembly also decides on the accounts for the financial year, decides on their approval and on the allocation of the benefits. It deliberates on the other issues on the agenda.
- v. Finally, it elects the Board of Directors.

3/ Functioning

- vi. A General Assembly can also be convened by the President upon the written request of at least two members of the Board of Directors or upon the written request of at least a quarter of the members.
- vii. The agenda for the General Assembly is set by the Board of Directors and must be sent to the members at least two weeks in advance.
- viii. All members can attend the General Assembly. They can be represented by other members by written proxy to be submitted to the Secretariat not later than one hour before any meeting and duly verified by the same. A member may not hold more than two proxies.
- ix. The meeting is chaired by the President. In the absence of the President, the meeting is chaired by the Vice-President and in case of the latter's absence by a Member of the Board of Directors.
- x. To take decisions at a meeting of the General Assembly at least half of the members of the organisation must be present or be legally represented by proxy unless the General Assembly has been convened in accordance with paragraph XIII hereafter. A proxy holder shall never represent more than two other members.
- xi. Decisions are made by majority of votes of the members present at the meeting. In the event of a tie the President has the casting vote.

xii. Members that, at the moment of voting, have not paid their annual subscription for two consecutive years cannot take part in the vote.

xiii. In the event that a quorum is not reached in a General Assembly, a new General Assembly may be convened immediately and take place with a delay of one hour.

In such case, that General Assembly may deliberate without quorum except for decisions related to Article 24 (dissolution of the organisation).

xiv. Following the meeting of a General Assembly, minutes are prepared and subsequently signed by the President and by a one of the members of the Board of Director. The minutes are written down on numbered pages, without gaps or deletions, and kept at the registered office and submitted to the subsequent General Assembly for formal approval by the Association.

Article 11: Extraordinary General Assembly

i. In the case of a special need and upon the initiative of the President or the written request of at least three members of the Board of Directors, or the written request of at least a quarter of the members of the Association, an Extraordinary General Assembly can be convened.

ii. An Extraordinary General Assembly shall obligatorily be convened to decide when a statutory amendment is proposed.

iii. An Extraordinary General Assembly may take any decision including to dissolve the Association provided the corresponding preparatory steps as defined in Article 24 hereafter have been taken.

iv. Following the meeting of an Extraordinary General Assembly, minutes are prepared and subsequently signed by the President and by a one of the members of the Board of Directors. The minutes are written down on numbered pages, without gaps or deletions, and kept at the registered office and submitted to the subsequent General Assembly for formal approval by the Association.

Article 12: Board of Directors and Terms of Office

i. The Association is governed by a Board of Directors consisting of a minimum of four (4) and a maximum of nine (9) members being member organisations represented by individuals in the employ of such organisations (at senior management or director level in such organisations). The Members of the Board of Directors are elected by the General Assembly.

ii. Should the individual representing the member on the Board of Directors be unable attend a Meeting of the Board of Directors (s)he can be represented, through a proxy, by another individual in the employ of such organisation at senior management or director level in such organisation. (S)He can also give a written proxy to one of the other Members of the Board of Directors.

- iii. The Board of Directors has the most extensive powers to authorize any act that is not reserved for the General Assembly.
- iv. At least half of the members of the Board of Directors must be organisations engaged in providing microfinance services in Europe.
- v. The Board cannot include more than two members from one single country.
- vi. The term of office for members of the Board of Directors is three (3) years. A member can be re-elected a maximum of two (2) times. A member of the Board of Directors cannot sit on the Board of Directors for more than nine (9) consecutive years.
- vii. A member that has completed the maximum number of years can stand for membership of the Board of Directors again after at least three (3) years following the end of the previous terms of office as a Member of the Board of Director but then only for one new term. Therefore no director can be a member of the Board of Directors for more than twelve (12) years in total.
- viii. The founder members were ex officio members of the first Board of Directors. At the end of their first term of office the founder members had the right to co-opt their successors from persons recognised for their achievements for the Association.
- ix. No member of the Board of Directors shall receive any remuneration from the Association for services rendered to the Association as an director.

Article 13: Election of members of the Board of Directors

- i. The General Assembly elects the members of the Board of Directors from the members of the Association.
- ii. Any member can stand as a candidate for membership of the Board of Directors when a term of office of an elected member of the Board of Directors comes to a regular end. Election of new members to the Board of Directors then takes place at the first General Assembly following that vacancy.
- iii. Candidates for the Board of Directors must apply at least fifteen (15) days before the General Assembly where such election has been placed on the agenda.
- iv. The nomination of a candidate for membership of the Board of Directors shall be submitted in writing by the member and must be supported by at least two other members.
- v. At the first meeting of the Board of Directors following the General Assembly in which new members of the Board of Directors have been appointed, the new Board of Directors choose the Bureau composed as indicated in Article 16.
- vi. In the event of a vacancy during the term of office of a member of the Board of Directors, the Board of Directors may appoint a successor by cooptation within three months after the vacancy has occurred. The mandate of the member expires when the corporate position of the replaced member would have expired.

Article 14: Powers of the Board of Directors

- i. The role of the Board is to safeguard the image and the overall management of the Association as well as to define or propose its strategy and supervise its correct execution.
- ii. The Board of Directors is responsible for implementing whatever is necessary to accomplish the purpose of the Association and carries out the decisions of the General Assembly. Furthermore, it sets the rate of annual subscription to be paid by the members. This rate can vary depending on the nature of the member, including active members or corporate members, between the legal organizations that have a not-for-profit status and those which have a corporate business status.

Article 15: Meetings of the Board of Directors

- i. The Board of Directors meets at least three (3) times a year, and whenever a meeting is convened by the President or upon the request of at least two (2) members of the Board of Directors
- ii. The agenda and supporting documents for such meetings are sent to the members of the Board of Directors at least two (2) weeks in advance.
- iii. The Board can only deliberate and take decisions if at least half the members of the Board of Directors are present or legally represented.
- iv. Members of the Board of Directors unable to attend a meeting may delegate the power to represent them to other members of the Board of Directors provided such decision has been duly noted in the minutes of the meetings of the Board of Directors. The names of the Directors present and of those who are represented by proxy will be mentioned in the minutes of the Board meeting.
- v. Decisions are made by a majority of the votes of the Directors present or represented by proxy; in the event of a draw the President's vote counts twice.
- vi. Minutes of the meeting are prepared by the Executive Secretary, approved by the Board of Directors and subsequently signed by the President and the General Secretary of the Board. The minutes are written down on numbered pages, without gaps or deletions, and kept at the registered office.

Article 16: Bureau of the Board of Directors

- i. The Board of Directors chooses among its members a Bureau consisting of a President, one or two Vice-Presidents, a Treasurer and possibly a Deputy Treasurer, a General Secretary and eventually a Deputy General Secretary.
- ii. The tenure of the mandate of the Bureau members is identical to that of the Board of Directors. The President and General Secretary sign the minutes of the meetings of the Board of Directors. The President represents the Association in all acts of civil life; he can delegate. The President and Treasurer authorise spending.

Article 17: Powers and duties of Bureau members

The following functions are assigned to each member of the Bureau:

A - President

1 / Functions

- The President combines the function of President of the Bureau, of the Board and of the Association.

2 / Powers

- The President ensures the daily management of the Association. S/He acts on behalf of the Bureau, of the Board and of the Association and in particular:
- S/He represents the Association in all acts of civil life and has all powers required to commit the association
- S/He is entitled to represent the Association in court, as plaintiff or defendant. S/He can only be replaced by an agent acting with a special proxy, except if it is a lawyer.
- S/He can, with the authorization of the Board of Directors, bring any legal action to defend the interests of the Association, make all transactions and prepare all appeals.
- S/He shall convene the Bureau, the Board of Directors and the General Assembly, set the agenda and preside over their meeting.
- S/He executes the decisions adopted by the Bureau and the Board of Directors.
- S/He signs all contracts for purchase or sale and, more generally, all acts and contracts necessary to carry out the decisions of the Bureau, of the Board of Directors and of the General Assemblies.
- S/He is authorized to open and operate in all credit or financial institutions, all accounts and all savings accounts.
- S/He is authorized to issue the necessary instructions to banks to make any transfer of funds abroad.
- S/He authorizes spending.
- S/He shall pay expenses and collect revenues.
- S/He presents the annual budgets and monitors their implementation.
- S/He submits the internal rules of the Association for approval by the Board of Directors.
- S/He presents the President's report at the Annual General Assembly.
- S/He may delegate, in writing, his/her authority and signature; s/he may at any time terminate those delegations.
- S/He ensures that each member informs him/her of his/her activities.

Any act or any commitment beyond the powers defined above must be authorized in advance by the Board of Directors.

B –Vice-President

S/He replaces the President in his/her absence or in case of illness and then has the powers necessary for that purpose.

C –Treasurer

S/He oversees the financial management of the organization;

S/He writes the financial report and submits the annual accounts to the General Assembly.

D –General Secretary

S/He prepares and /or supervises the preparation of all official documents and correspondence of the Association.

S/He oversees the work of the Secretariat of the organisation.

Article 18: Executive Secretary, Secretariat and Working Groups

- i. The Association is supported by an Executive Secretary, a Secretariat and Working Groups.
- ii. The Secretariat of the Association is headed by an Executive Secretary.
- iii. The Board of Directors recruits, appoints and contracts on behalf of the organisation the Executive Secretary of the Association.
- iv. The appointment of the Executive Secretary can be terminated by decision of the Board of Director; such decision must be supported by at least half of the members of the Board of Directors.
- v. The Executive Secretary implements the Association's strategy.
- vi. The Board of Directors delegates the following duties to the Executive Secretary:
 - ↺ Preparing annual and long-term plans for the Association
 - ↺ Managing the assets of the Association
 - ↺ Preparing the annual budget of the Association
 - ↺ Preparing the annual accounts of the Association
 - ↺ Preparing the annual financial report of the Association in collaboration with the Treasurer
 - ↺ Representing the organisation in consultation with the President
 - ↺ Receiving on behalf of the Association donations, grants and legacies, after communication with and approval of the Board
 - ↺ Managing the staff of the Secretariat of the Association within the limits of the annual plan and the corresponding budget as they have been formally approved by the Board of Directors
 - ↺ Preparing the meetings of the Board of Directors
 - ↺ Preparing the meetings of the General Assembly in consultation with the Board of Directors
 - ↺ Executing any tasks assigned to him/her by the President of the Board of Directors in line with the present Articles of Association.
- vii. The Board may decide to delegate some of the operational tasks of the Secretariat to Working Groups. Working Groups are formed around specific themes to be selected by the Board, and may be delegated such tasks for specific periods,

- viii. Working Groups are composed of at least four (4) members or corporate members, one of them being the leader and coordinator. The coordinator may invite individuals and/or organisations active within the microfinance industry in Europe or with specific expertise and/or interest in the development of the microfinance industry in Europe to join such Working Group.
- ix. The Board at its own discretion may formulate, adopt and modify, when such is needed and/or required, operational guidelines for the Secretariat and/or the Working Groups and delegate authority to the Secretariat and/or Working Groups to operate on behalf of the Association as long as those guidelines are in line with the Bylaws. Such modifications will then be laid down in the minutes of the meeting of the Board of Directors.

Article 19: Internal Rules

- i. The Board of Directors may decide to establish, if it thinks it is necessary, internal rules. In this case, it submits them to the approval of the General Assembly. These rules are intended to clarify the various points not included in the bylaws.
- ii. Adherence to the bylaws shall automatically entail adherence to the internal rules.

Article 20: Financial year

The financial year begins on 1 January and ends on 31 December of each year.

Article 21: Accounting - Accounts and annual documents

- i. Accounting is carried out according to the accounting standards for associations and produces an annual balance sheet, income statement and, where appropriate, one or more annexes.
- ii. The annual accounts for the financial year are made available to all members, with the President's, management and operations reports, the financial report and the report of the auditor [if any], for fifteen (15) days prior the date of the Ordinary General Assembly convened to approve the accounts of that year.

Article 22: Auditor

- i. If necessary, the Board may appoint an Auditor, and an alternate statutory auditor, registered on the list of Auditors of the Regional Company of Paris.
- ii. The Auditor carries out his tasks according to the norms and rules of the profession. He shall prepare and submit annually to the General Assembly convened to approve the accounts for the financial year, a report outlining his mission and certifying the regularity and fairness of the accounts.

Article 23: Miscellaneous

- i. Where in this text reference is made to *written* documents, those documents can also be submitted in *electronic* version as long as the sender can be identified.

ii. Where in this text reference is made to *meeting*, a member can also be present by means of *telecommunication* provided:

↪ Each of the Members or members of the Board of Directors taking part in such meeting is able to hear, and speak.

↪ Each of the other Members or members of the Board of Directors taking part at the commencement of such meetings as Director must acknowledge his/her presence and that (s)he accepts that the proceedings shall be deemed to be a meeting of the Members or members of the Board of Directors.

↪ A Member or member of the Board of Directors may not cease to take part in such a meeting by disconnecting his/her telephone or other means of communication unless (s)he has previously obtained the express consent of the chairman of the meeting, and a member shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the meeting unless he/she has previously obtained the express consent of the chairman of the meeting to leave the meeting.

↪ Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or if there is no such group, where the chairman of the meeting is present.

↪ A minute of the proceedings at such meeting by telephone or other means of communication shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by either the chairman of the meeting or the General Secretary.

Article 24: Dissolution

i. The General Assembly, convened to rule upon the dissolution of the Association, is convened specifically for this reason.

ii. In order to take the decision to dissolve the Association at least half of the members of the Association must be present or be represented by proxy. The dissolution can only be passed by a majority of two thirds of the members who are present or legally represented at the Meeting.

iii. One or more liquidators are appointed by the General Assembly.

iv. In case of dissolution of the Association, all the assets shall be transferred to a not-for-profit organisation working in the field of microfinance, in compliance with French law and particularly with the provisions of the law dated 1 July 1901 and the decree of 16 August 1901.

PARIS,

For the Association
The President

Mr