

ARTICLES OF ASSOCIATION

Article 1 – Name

1.1. « Réseau Européen de la Microfinance », abbreviated « REM », in English « European Microfinance Network », abbreviated « EMN », is an association governed by the provisions of Books 1, 2 and 10, Code of Companies and Associations (CSA).

1.2. All documents, invoices, announcements, publications and all other documents issued by the International Non-Profit Association shall mention its Name immediately preceded or followed by the words « International Non-Profit Association », or by the abbreviation « AISBL », the address of its Registered Office, the enterprise number, the legal entity register and the court of the registered office.

Article 2 – Address of the Registered Office

2.1. The Registered Office of the association shall be located in the Brussels-Capital Region.

2.2. The Registered Office may be transferred to any other place within the Brussels-Capital Region by decision of the Board of Directors and shall be published in the Annexes of the Moniteur Belge.

Article 3 – Purpose and Objectives

3.1. The association has as its main non-lucrative purpose:

- to represent, through its members, the institutions and organisations related to the microfinance sector in Europe as defined in article 4 below;
- to promote financial and social inclusion, self-employment, micro-enterprise and the supply of micro-finance services including micro-credit, any other micro-finance service such as but not limited to, micro- insurance, personal credit, micro-securities, micro-payment and all other related services in Europe;
- to support the development of micro-finance programs and micro-finance institutions;
- to develop and strengthen the technical support to training and information programs;
- to increase knowledge about microfinance, particularly on good practices in this field;
- to establish and improve a regulatory framework for micro-finance and self-employment in the European Union and in the Member States.

3.2. The Association has as its main objective to initiate the following activities to achieve its purpose:

- a) Design, coordinate, implement or monitor the following:
- Technical and financial support projects to institutions working in the areas of micro-finance, mentoring, entrepreneurship, social economy and social finance;
 - Events such as debates, seminars, presentations, workshops and trainings;
 - Activities aimed at strengthening the network and exchange amongst members, such as websites, newsletters, debates, forums and consultations;
 - Research, analysis and evaluation of issues relating to the Purpose of the Association;



- In person and on-line training, workshops and exchange visits;
 - Training material production and dissemination.
- b) Provide input and contribute to presentations and events concerning regulation, national/regional policies, legal, economic and social matters to the extent that they affect the sectors mentioned in section 3.2 a).
- c) Cooperate with individuals, organisations, companies and networks operating to support the Objectives of the Association.
- d) Undertake any other action related to and in support of the Objectives of the Association. Within the limits of the law, the Association can undertake all actions or lucrative activities that help accomplishing its object and purpose.

Article 4 – Members

4.1. All Members of the Association shall be legal entities or private individuals active in the field of micro-finance / financial inclusion / social economy (the “Active Micro Finance Activities”) or legal entities having an interest in the development of these sectors or developing specific activities related to and supporting these sectors in Europe (the Interested Micro Finance Activities) (together the “Micro-Finance Activities”), established in the European Union or in countries that are candidates to become member of the European Union or in countries of the European Free Trade Association Trade Association (EFTA) / European Economic Area (EEA) (herein after defined as “Europe”), or legal entities not established in Europe, but with Micro-Finance Activities in Europe.

4.2. At least two-thirds of the members must implement Active Micro Finance Activities.

4.3. All members participate actively in the Association’s operations and the attainment of its Objectives and Purpose.

4.4. The classification of the members will be regulated by the Internal Rules of Procedures of the Association, to be adopted and approved by the Board of Directors.

Article 5 – Admission, resignation, exclusion

5.1. The admission of all new members is subject to the following conditions:

- a) Submitting a written request to Board of Directors and the General Manager.
- b) Ascertaining that pursuant to its own articles of association and/or bylaws and applicable laws, it is allowed to become a member.
- c) Obtaining the support of a minimum of two members.
- d) When c) is not possible, providing evidence that the applicant is active in the sector of microfinance or financial/social inclusion.
- e) Obtaining board approval after the General Manager reviews and proposes the application. The Board of Directors has to motivate its decision in the minutes, in case of refusal of admission.

5.2. When the member has lost its membership under Article 5, a new application can be submitted the year after the first refusal of membership or loss of membership.

5.3. Members can resign from the association at any time by sending their resignation in writing to the Secretariat or President of the Board of Directors of the association.

5.4. For members failing to pay their memberships dues during two consecutive years:

- a) The Secretariat has a responsibility to contact them and find out if they are planning to resign or if the non-payment is due to a specific situation
- b) Special arrangements can be put in place if the non-payment is temporary and the members wish to remain in EMN
- c) If these members wish to resign, it is proposed to the Board of Directors for approval.

5.5. Exclusion of membership can be proposed by the Board of Directors and after hearing of the concerned Member, to the extent the member so requests, can be decided by the General Assembly with a majority of two-thirds of the members present or represented.

5.6. The Board of Directors can suspend the concerned member during the period of the convocation of the General Assembly and pending the decision of the General Assembly.

5.7. A member who has lost its membership is not entitled to the reimbursement of its membership fees, nor any part in the social fund and still has to pay all dues related to the year in which they cease to be a member.

5.8. A member who is declared bankrupt, is liquidated or otherwise ceases to exist, loses automatically its membership and is not entitled to any reimbursement of its membership fees, nor its part in the social funds.

Article 6 – Rights and Obligations of the Members

6.1. All members pay an annual fee that cannot exceed ten thousand euros (€ 10,000). The fee level will be decided by the Board of Directors at the admission of the new member. The fee to be paid by type of member is described in the membership annex document.

6.2. Members have the same rights and obligations, except otherwise provided in these Statutes.

Article 7 – The General Assembly

7.1. The General Assembly has full Powers to allow the achievement of the purposes and activities of the Association.

The following items are particularly part of its Powers:

- a) amendment of these Statutes;
- b) appointment and revocation of Board Members, at least once every three years, under the conditions established under article 7.3 (other than the independent directors), and if it applicable of the appoint company auditor;
- c) approval of Budget and Annual Accounts;
- d) discharge given to the Board of Directors and if applicable to the appointed company auditor;
- e) voluntary dissolution of the Association;
- f) exclusion of a Member.

7.2. The General Assembly is composed of all members. Each member has one vote.

7.3. Meetings and convocation

- a) The General Assembly has a legal right to meet every year to carry out tasks as defined in 7.1 above.
- b) The General Assembly shall meet under the management of the President of the Board or the Vice-President and in their absence, the Director present at the meeting with the longest term in office, at the Registered Office or any other place indicated in the notice.
- c) The meeting can be held by video conference.
- d) The notice is signed by the President or the Secretary-General and sent by letter, fax, electronic mail or by any other means of communication, at least fifteen days before the meeting of the General Assembly and contains the agenda.
- e) An extraordinary meeting of the General Assembly may also be convened at the written request of the Board of Directors or at least one-fifth of the members of the Association.
- f) Each Member may be represented at the General Assembly by another Member holding a proxy.
- g) Each Member may, however, hold no more than three proxies. Alternatively, the members may give a proxy to a notary public or any member of the personnel of a notary public or to an attorney at law without limitations on the number of proxies.

7.4. Decision-making

- a) Except as provided by these Statutes, all resolutions are voted by a simple majority of the votes, validly cast by the members, who are present or represented at this meeting.
- b) In case of a tie, the Chair of this meeting has the deciding vote. Such votes can be cast electronically.
- c) Elections for Members of the Board of Directors and for the company auditor are organised by secret ballot.
- d) Resolutions of the General Assembly are listed in a Register signed by the Chair and Secretary of the meeting, as well as by any other member present who wishes to sign.
- e) Register mentioned in previous item is kept at the Registered Office and all members can consult it.
- f) The Register can be stored electronically.

Article 8 – Amendments to the Statutes and dissolution of the International Association

- 8.1. The Board of Directors must give notice of at least 15 days in advance, in accordance with article 7.3, to convene a General Assembly to approve a proposal to amend the Statutes or to dissolve the Association.
- 8.2. No decision shall be valid unless the quorum is reached of one-third of the members present or represented and the amendments are approved by a two-third of the members present or represented and, in case of an amendment to the purpose or object, by a majority of four fifth of the members, present or represented.
- 8.3. If the quorum is not reached, the general assembly shall be reconvened with 15 days' prior notice, following which any amendments to the by-laws can be approved with a majority of two-thirds of the members present or represented, respectively four-fifth for the amendments of the purpose and object.
- 8.4. If applicable, amendments to the Statutes will not take effect until approved by the competent



authority in accordance with Article 2:5 § 4 final alinea of the CSA.

8.5. The General Assembly shall determine the methods of liquidation and dissolution of the Association.

8.6. The net assets after liquidation will be assigned to a non-profit association pursuing a similar social object.

Article 9 – Board of Directors

9.1. Powers

- a) The Board of Directors has all powers of management and administration, except those reserved for the General Assembly.
- b) The Board of Directors must maintain the image and the overall direction of the Association, has to adopt a strategy proposed by the General Manager and oversee its implementation, respecting all that is necessary to fulfil the Purpose of the Association and executing all the decisions of the General Assembly.
- c) The Board of Directors also proposes a Budget and the Membership Fees in accordance with it, to the General Assembly.
- d) The Board of Directors has the general representative powers of the Association and has the powers to appoint up to two independent directors.

9.2. Composition and term length

- a) The Association is administered by a Board of Directors composed of, at least, three members and a maximum of seven members, chosen among the members of the Association and up to two independent directors, therefore a maximum of 9 Directors.
- b) At least two-thirds of the Board members must be Active Micro-Finance Activities Members. These organisations will be henceforth called Active Micro Finance Activities Members.
- c) No more than four members will have the same nationality and each organisation can only have one representative regardless of their size.
- d) Other European networks could be represented on the Board, but only on a reciprocal basis.
- e) Each member of the Board which is a legal entity must appoint its legal representative.
- f) Directors are appointed by the General Assembly, under the following conditions:
 - Their term of office is three years and their function is not remunerated.
 - A director can only be re-elected once for a maximum duration of six years,
 - Independent directors' term is equally three years and can only be re-elected, by the Board, once for a maximum duration of six years.
 - After two consecutive terms, a member may be re-elected after an interval of at least three years beginning from the end of the last term, and the board member's new mandate may then only last for a period equivalent to one new term.
 - Their office shall be terminated by death, resignation, civil incapacity of a member or when they are placed under provisional administration, or in liquidation, dissolved or declared bankrupt by revocation and the end of their term.

9.3. Candidacy, appointment and dismissal

- a) Candidates for the Board must submit an application at least 15 days prior to the meeting of the General Assembly and the agenda will include their election.
- b) Applications must be submitted in writing and must be supported by at least two other

members.

- c) If a vacancy occurs during a term, the Board may temporarily designate a substitute who will terminate the term of the member he or she replaces. This shall be confirmed at the next meeting of the General Assembly.
- d) Directors can only be dismissed by the General Assembly.
- e) All documents relating to the appointment, revocation and termination of offices of Directors shall be in accordance with the Law and shall be published in the Annexes of the Moniteur belge.

9.4. Meeting and Convocation

- a) The Board of Directors meets at least three times a year, whenever the needs of the Association call for it and when requested by a minimum of three of its members (in case the Board is made of minimum 5 members) and two members (when the Board is made of fewer than 4 members).
- b) The Board of Directors is convened by its President or Secretary-General and the notice is sent by letter, fax, e-mail or any other means of communication, together with the agenda.
- c) A Director may be represented by another Director who cannot, however, hold more than four proxies.
- d) The Board meetings can be held by video conference and also in writing, provided the minutes are approved by all the Board members by unanimity. In such cases, the dates of the meeting shall be the date of the last signature of the Board minutes, by the Board members.

9.5. Decision-making

- a) The Board of Directors cannot validly deliberate unless, at least, half of its members are present or represented (which requires a proper proxy, according to Belgium legal requirements).
- b) Resolutions of Board are taken by a majority of votes validly cast by the members present or represented.
- c) In case of a tie, the Chair of the meeting has the deciding vote.
- d) The votes can be cast electronically.
- e) The Director or, failing that, any other person who has knowledge of, or is in a conflict of interests, informs the Board of this at the beginning of the meeting and shows the item on the agenda that causes this conflict of interests. He or she may be restricted from the deliberations and cannot vote on the conflicting item.
- f) Are considered as conflicts of interests, all those referred to in Article 9:8 CSA and in the internal rules.
- g) A Board member is obligated to behave in the best interests of the association. When his or her interests in related organisations can damage the performance of the association and have a negative impact on its activities, this is also considered a conflict of interest. A Board member in such situations is obligated to report the potential conflict of interest, prior to the Board meeting.
- h) The conflict of interests and the explanations thereof are reported in the minutes of the Board of Directors.
- i) If unreported, when this relationship is revealed, a recommendation may be made to the General Assembly to remove the director as a member of the Board. Reference is made to the conflict-of-interest policy, which is signed by the Board member upon taking the Board seat, and subsequently every year of its term.

- j) The Association is validly represented by the signature of two Directors acting jointly, of which at least one must be a Director appointed by the General Assembly or the President or by President and the General Manager, acting jointly.

9.6. Register of Resolutions of the Board

- a) The Resolutions of the Board are recorded in a Register, which can be held electronically, signed by the Chair and the Secretary of the meeting and kept at the Registered Office.
- b) The Register can be consulted by all the members and directors.

9.7. Officers

- a) At the first meeting of the Board of Directors, after the meeting of the General Assembly, during which the new Directors have been appointed, the new Board elects its Officers.
- b) The Office shall be composed of a President, one or two vice-Presidents, a Treasurer and a Secretary General.
- c) The terms of the Officers are identical to those of the Board members.
- d) The rules of convening and holding the meetings of the Board shall also apply to the meetings of the Officers. Minutes of these meetings are signed by the President and the Secretary of the meeting.
- e) The President delegates representation of the association to the General Manager with respect to transactions of which the value does not exceed 15.000 EUR. In particular, the President delegated to the General Manager the daily management of the Association and has the power of representation towards third parties, in relation to this daily management, up to an amount of 15,000 EUR.
- f) The Vice-President shall replace the President when (s)he is absent or ill.
- g) The Treasurer oversees the financial management of the organisation. (S)he oversees the preparation of the financial reports to be submitted to the General Assembly and the Annual Accounts.
- h) The Secretary-General shall prepare and oversee all official correspondence of the Association. (S)he or supervises the work of the secretariat of the Association.
- i) The Board may decide to create committees to focus on specific matters of the Association and allow for more in-depth discussions. In such cases, terms of reference for each committee will be drafted. Dedicated committee meetings will take place and a summary of the discussions will be presented and recorded during the Board meeting.

9.8. Secretariat

- a) The Association is composed of a General Manager, a Secretariat and Working Groups. The head of the Secretariat is the General Manager.
- b) The Board appoints the General Manager of the Association. The Board may terminate the contract of the General Manager.
- c) The Board delegates to the General Manager the following tasks:
 - preparing and implementing the strategy of the Association, after approval of the Board of Directors.
 - preparing the annual and long-term plans of 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 Association in collaboration with the President or Vice-President;
- receiving donations, grants and legacies on behalf of the Association, after having informed the General Assembly thereof and having received its approval;
- managing the staff of the Secretariat of the Association, within the limits of the Annual Budget;
- preparing Board meetings;
- preparing, in collaboration with the Board, the meetings of the General Assembly.

9.9. Working Groups

- a) The Board may decide to delegate some of the operational tasks of the Secretariat to Working Groups. Those Working Groups are formed around specific topics selected by the Board. These tasks may be delegated to them for a specific period in time.
- b) The Working Groups are composed of at least four members, of whom one is the facilitator and coordinator. The coordinator may invite individuals and / or organisations involved in the field of micro-finance / social finance / entrepreneurship in Europe and / or with a specific expertise and / or interest in the development of the sectors mentioned above, to join these Working Groups.
- c) The Board may formulate, adapt, and modify the operational directives of the Secretariat and/or the Working Groups and delegate powers to the Secretariat and/or the Working Groups, to act on behalf of the Association to the extent they are in compliance with these Statutes.
- d) Those modifications will be noted in the minutes of the Board meeting.

Article 10 - Publications

10.1. All documents relating to the appointment, revocation and termination of the offices of Directors, the persons responsible for the daily management and the persons authorised to represent the international non-profit Association, shall be published in the Annexes of the *Moniteur belge*.

Article 11 - Budgets and annual accounts

11.1. The financial year begins every year on the 1st of January and ends on the 31st of December.

11.2. In accordance to article 10:8 of the CSA, the Annual Accounts for the past financial year and the Budget for the following year are prepared by the Board annually and submitted to the General Assembly for approval during its next meeting.

11.3. They shall be attached to a management and business report, a financial report and a report of the appointed company auditor if one is appointed.

11.4. All these documents can be consulted by the members at the Registered Office or through appropriate electronic means, at least 15 days prior to the date of the meeting of the General Assembly that shall have to approve the accounts for this financial year.



11.5. When necessary and when required by law, the Board shall appoint a company auditor among the members of the Institute of Auditors, to audit the accounts of the Association and to make an annual report. He or she shall be appointed for three years and may be re-elected.

11.6. The audited Annual Accounts of the previous year, if applicable, must be approved by the Board within the first six months after the end of the fiscal year.

11.7. A budget proposal for the following year must be approved by the Board of Directors within the same period.

Article 12 – Internal Regulations

12.1. The Board may draft Internal Regulations of the Association. In case of a conflict between the Internal Rules and the by-laws, the by-laws shall prevail. The Internal Regulations may be modified or repealed by a decision of the Board. The internal regulations adopted on 22 May 2019 are currently applicable in the association.

Article 13 – General Provisions

13.1. All that is not regulated by these Statutes and in particular the publications in the Annexes of the Moniteur belge, shall be done in accordance with the provisions of Books 1, 2 and 10 CSA.

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