



Statutes¹

EUROPEAN ASSOCIATION OF LONG-TERM INVESTORS “(ELTI)”

Association internationale sans but lucratif
1000 Bruxelles, Rue Montoyer 51

PREAMBLE

The parties declare that the members of the Club of Institutions of the European Union Specializing in Long-Term Credit (ISLTC) are willing to go further, with the European Union members of the Club of Long Term Investors (LTIC), in their cooperation and to join their efforts to promote and enhance long term investment, in full convergence with the objectives and initiatives developed by the European Union. The European Association of Long Term Investors, ELTI (a.i.s.b.l.) shall be open to membership of all interested European long-term financing institutions fulfilling the conditions foreseen in its Statutes; it shall develop at European Union level the actions carried out notably by the LTIC and it shall substitute the “Co-operation agreement (2011 – 2015)” signed by Institutions of the European Union Specialising in Long-Term Credit (ISLTC), hereto attached.

STATUTES

TITLE I: NAME AND REGISTERED OFFICE

Article 1: - Name-

*The association takes the name “**EUROPEAN ASSOCIATION of LONG-TERM INVESTORS (ELTI)**” and is referred to hereafter as “the Association”.*

The Association is governed by the provisions of Title III of the Belgian Law of the twenty-seventh day of June nineteen twenty-one on non-profit associations, international non-profit associations and foundations (Articles 46 to 57).

¹ Statutes after changes of the 2016 ELTI General Assembly

Article 2: - Registered office-

The Association's registered office is located in Brussels at Rue Montoyer 51, 1000 Bruxelles

In accordance with articles 10 and 15 of the Statutes, the registered office may be moved to any other location in the "Bruxelles-Capitale" Region if the Management Board so decides according to article 18 and the decision is published in the Annexes to the "Moniteur belge" (Belgian Official Gazette) and placed in the file held by the registry of the competent commercial court within one month of the date of the decision.

TITLE II: PURPOSE, ACTIVITIES, DURATION and LANGUAGE

Article 3: -Purposes and activities-

The Association has no commercial purpose and pursues the following non-profit-making objectives at international level:

- represent, promote and defend the shared interests of its Members;
- strengthen cooperation, including at an operational level, between European financial institutions as well as with other Institutions of the European Union (EU) acting as long-term financiers;
- develop the concept of long-term investment within the economic and financial sector;
- promote academic research on long-term investments
- inform the EU and its institutions on the role and potential of the Members as institutions and agencies for long-term financing;
- strengthen the access of the Members to information on matters related to the EU;
- Exchange information and experiences among Members and with national and international organisations sharing the Association's interest in the promotion of long-term investment.

To that end, the Association proposes to carry out the following activities:

- to inform its Members regarding the discussions, initiatives and measures conducted by the institutions of the EU;
- to initiate and publish research programmes or studies and to hold conferences for the Members;
- to promote convergence and common positions among its Members with a view, in particular, to responding to consultations launched by the European Commission;
- to exert influence on EU Institutions and act as a common interlocutor in dealings with such institutions, notably by acting as a spokesperson for its Members in dealings with EU institutions and bodies, without prejudice to the separate freedom of expression of each Member

This list is not exhaustive. Neither does it preclude stronger cooperation between only some of the Association's Members. Nothing in this document limits or prevents any Member from entering into similar or different agreements that may give rise to the Members competing with each other.

The Association may conduct any activity or legal act which is directly or indirectly related to its objectives or has the potential to facilitate the achievement of those objectives.

The Association shall have no authority to enter into any agreements or make commitments on behalf of any Member without their formal consent.

The Association proposes to carry out activities with a view to fulfilling its objectives. It may undertake any action relating indirectly or directly to its objectives. It may, in particular, support or take an interest in any activities that are in line with its own objectives.

Article 4: - Duration, Language-

The Association is established for an indefinite period of time and may be dissolved at any time pursuant to Article 23 of the present Statute.

The working language of the Association shall be English.

TITLE III: MEMBERS – CATEGORIES, JOINING AND LEAVING

Article 5: -Categories-

The Association comprises Full Members and Associate Members, which shall be legal persons established in accordance with the laws and customs of their States of residence or European law and the European Investment Bank (EIB) as permanent observer.

Each Full Member will have a voting right at the General Assembly, whereas each Associate Member will have no voting right and will be invited to attend the General Assembly as observer.

The term “Members” means the Full and the Associate Members.

Article 6: -Conditions governing admission-

The first Full Members and the first Associate Members are the parties to the present instrument listed in the Constitution preamble.

The following entities may request to join as Full Members: national financial institutions with a public or promotional mandate, acting as long-term investor and with their head office in a Member State of the EU. Entities not meeting this criterion may be admitted where this is in the interests of the Association.

The following entities may request to join as Associate Members: any financial institution, including banks, pension funds, insurance companies and funds, associations and professional federations, European Institutions and multilateral organisations, and any other legal person that shares the Association's purposes as defined in Article 2 and wishes to contribute to its activities, as long as it has a registered office in a Member State of the EU, a country that is a candidate for accession to the EU or a country that is a member of the European Economic Area.

Article 7: -Formalities to be completed on joining the Association-

All applications to become a Full Member or Associate Member are to be addressed to the President in writing in such form as may be stipulated in the Internal Rules. Applications will include an agreement to abide by the present Statute and will be submitted to the Management Board, which will make a proposal to the General Assembly on whether to accept or reject the application.

Applications will be approved or rejected by means of a resolution adopted by:

- a qualified majority of two thirds of the Full Members
and
- the unanimity of the Full Members which have their registered office in the same country as the one of the candidate.

The Secretary-General (as defined under article 22) will inform each candidate, in writing, of the acceptance or rejection of its application. The Association is not required to communicate the reasons for a candidate's rejection.

Article 8: -Formalities and conditions on leaving the Association-

Full Members and Associate Members are free to leave the Association at any time by addressing a letter of resignation to the President. That resignation will take effect at the end of the current financial year. The resigning Member will retain its rights and comply with its financial obligations in respect of the Association for the duration of that period.

The Management Board may propose that a Full Member or an Associate Member be expelled from the Association for good cause, after hearing the arguments put forward by the relevant Member in its defence. Any decision to expel a Member must be taken by the General Assembly by a qualified majority of two thirds of the Full Members. The Management Board may suspend the rights of the relevant Member pending a decision by the General Assembly.

A Member is considered to have resigned if it does not pay its subscription fee within three months of a formal reminder being issued by the Secretary-General. Membership ends at the liquidation of a Member.

A Member that ceases to belong to the Association on account of its resignation or expulsion or for any other reason has no rights in respect of the net assets of the Association. It may not request or demand account statements, copies of the accounts, inventories or the selling of the Association's assets.

TITLE IV: MEMBERS – RIGHTS AND OBLIGATIONS

Article 9: - Rights and Obligations-

Each Member shall be responsible for the costs and expenses related to the participation of its own representatives in the Association.

Each Full Member is entitled to appoint a representative who could participate in the General Assembly with one vote, while Associate Members are entitled to appoint a representative as observer in a non-voting consultative capacity.

Members pay an annual Membership fee as foreseen in Article 24.

Neither Full Members nor Associate Members are individually liable for commitments made in the name of the Association, with the liability of each Member being limited to its Membership fee and its contribution to expenditures relating to the running of the Association, if decided by the Management Board.

Otherwise, the rights and obligations of Full Members and Associate Members are as laid down in the present Statutes.

TITLE V: GENERAL GOVERNING BODY – GENERAL ASSEMBLY

Article 10: -Remit-

The Association's general governing body is the "General Assembly". The General Assembly comprises all Members, who are represented by their representative. However, only Full Members have the right to vote. The General Assembly enjoys all of the powers necessary for the achievement of the Association's objectives and the supervision of the conduct of its activities by the Management Board.

The General Assembly is competent to approve:

- *amendments of the Statute (with the exception of changes to the registered office, which can be made only by the Management Board);*
 - *nomination and dismissal of Management Board Members, President, Vice-President(s), Secretary-General and Treasurer, as well as, where necessary, auditors;*
 - *admission of new Members and expulsion of existing Members*
 - *annual report, budget and accounts;*
 - *modifications of the budget;*
 - *annual Membership fee;*
- and to*
- *discharge Management Board Members and, where necessary, auditors;*
 - *voluntarily dissolve the Association;*
 - *adopt internal rules*

Article 11: -Calling of meetings-

The General Assembly meets at least once a year. An extraordinary General Assembly may be called on the initiative of the Management Board or following written requests from at least one-third of all Full Members.

A General Assembly is called by means of a standard letter or e-mail sent to all Members by the Secretary-General at least thirty days in advance.

The EIB as permanent observer shall be invited to attend the meetings of the General Assembly and participate in the deliberations but shall not be entitled to vote on any decision.

Article 12: -Method of decision-making-

The General Assembly is chaired by the President of the Management Board – or, where the President is absent or unable to attend, a Vice-President. If neither is in attendance, those Members present elect a chairperson of the meeting from among them.

Full Members have one vote each and are represented in the General Assembly by their appointed physical person representative or by another full Member according to the internal rules referred to under Article 26.

Except for a modification of the Statute, for the dissolution of the Association and for the admission or expulsion of Members, which require a quorum of two thirds of the Full Members, the deliberations of the General Assembly are valid only if at least half of the Association's Full Members are either present or represented according to the internal rules referred to under Article 26.

Except for a modification of the Statute, for the dissolution of the Association and for the admission or expulsion of Members, which require a qualified majority of two thirds, resolutions are adopted by a simple majority of the votes expressed by Full Members according to the internal rules referred to under Article 26. In the event of a tie, the President casts the deciding vote.

The resolutions of the General Assembly are recorded in a register signed by its chairman and the Secretary-General.

Article 13: -Communication of resolutions-

The resolutions of the General Assembly are communicated to Members by standard post or e-mail.

TITLE VI: MANAGEMENT BODY – MANAGEMENT BOARD

Article 14: - Management Board-

The Association's management body is the "Management Board".

Article 15: -Remit-

The Management Board implements the decisions of the General Assembly and decides on the day to day management of the Association. Everything that does not fall exclusively to the General Assembly, by law or under the Statute, lies within the remit of the Management Board, including changes to the Association's registered office.

Article 16: -Appointment-/Dismissal

Management Board members are elected from among Members representatives or from independent personalities by the General Assembly on the basis of a proposal by the Management Board.

Elected Board members may co-opt other Board members in order to fill a post becoming vacant during a Board member mandate for example to substitute a Board member by another representative from the same Association Member.

The election procedure and term of office of Board members is defined in the Internal Rules referred to under Article 26.

Board members' duties come to an end in the event of death, resignation, legal incapacity or placement under temporary administration, dismissal or expiry of the term of office. A board member may be dismissed by the General Assembly according to the normal voting procedure.

All documentation relating to the appointment or dismissal of Board members is drawn up in accordance with the law and placed in the file in the Association's name held by the registry of the competent commercial court and is published in the Annexes to the "Moniteur belge".

Article 17: -Calling of meetings-

The Management Board meets on call by the President or the Secretary-General in agreement with the President as often as required and at least once a year. Thirty days before the annual meeting, Board members are sent an invitation indicating the place, date and time of the meeting, as well as its purpose. That invitation is sent to Board members by letter, fax or e-mail.

The EIB as permanent observer shall be invited to attend the meetings of the Management Board and participate in the deliberations but shall not be entitled to vote on any decision.

Article 18: -Method of decision-making-

The Management Board acts collectively and comprises between four and eight persons.

The locations, dates and format of meetings of the Management Board are determined by the Management Board itself on the basis of the internal rules referred to under Article 26. Without prejudice to other dispositions in the present Statute or in the law, the decisions of the Management Board are valid only if at least half and at least three of all Board members are voting. The Management Board decides by a simple majority of the votes expressed by its members according to the internal rules referred to under Article 26. In the event of a tie, the President casts the deciding vote.

Where he/she considers it necessary, or following a request by another Board member, the President may invite a person who is not a Board member to attend a meeting of the Management Board. That person has no voting rights.

Article 19: -Delegation of powers-

The Management Board may delegate certain tasks of the day-to-day running or administration of the Association to one or more Board members, to their delegates ("Sherpas"), to the Secretary-General, to the Treasurer or to a third party, the powers of whom will be determined by the Management Board.

Article 20: -Remuneration-

The Members of the Management Board shall not be entitled to remuneration nor expenses reimbursement.

Article 21: -Representation vis-à-vis third parties-

As regards judicial and extrajudicial documents, as well as legal action, the Association is represented either by its President acting alone or by two Board members acting jointly

Article 22: - President, Vice-Presidents, Secretary-General, Treasurer and staff-

The Management Board identifies, either from among Board members or from other Members representatives or from independent personalities, candidates to be appointed as President, one or more Vice-Presidents, Secretary-General and Treasurer and submit them to the approval of the General Assembly.

The term of office and other practical aspects of those functions are defined in the internal rules referred to under Article 26.

The President is responsible to lead and represent the Association and to chair the Management Board and General Assembly. The Vice-President(s) is (are) responsible to substitute the President whenever necessary or agreed.

The Secretary-General is responsible for the administrative running of the Association and for the support of the President, of the Management Board and of the General Assembly. He is in charge of the preparation of meetings, proposals, documentation, minutes, resolutions, reports, invitations to meetings etc. He must maintain, at all times, the record of the Association proceedings, resolutions and report as well as a register containing the names of all Full Members and Associate Members.

That register must contain the following information:

- the full name of each Member, as well as the name of the natural person who represents it and his/her alternate, as provided for in Article 12 of the present Statute;
- each Member's address;
- the date each Member joined;
- the date each Member left the Association.

A Treasurer may be appointed to prepare the budget and to hold the accounts.

The Association may recruit remunerated staff within the agreed budget and may use the services of non-remunerated detached or seconded personnel or experts if so decided by the Management Board.

TITLE VII: AMENDMENT OF STATUTE, DISSOLUTION AND LIQUIDATION

Article 23: - Amendment of statute, dissolution and liquidation

Without prejudice to Articles 50(3), 55 and 56 of the Law on non-profit associations, international non-profit associations and foundations, all proposals seeking the dissolution of the Association or the amendment of its Statute (other than the amendment related to a change the address of its registered office) must be made by the General Assembly by a qualified majority of two thirds of the Full Members.

The Management Board must, at least thirty days in advance, communicate to the Association's Full Members the date of the General Assembly that will decide on that proposal, as well as communicating the amendments proposed.

Deliberations by the General Assembly in respect of proposals to amend the Statute or dissolve the Association are valid only if at least two-thirds of the Association's Full Members are voting.

However, if fewer than two-thirds of the Association's Full Members have voted at the General Assembly, a new vote will be organised – at which a decision taken on the proposal by the simple majority will be both valid and definitive, regardless of the number of Full Members voting – to be held, at the earliest, on the fifteen days following that first meeting.

Moreover, any amendment of the elements referred to in point 2 of the first paragraph of Article 48 of the Law is subject to royal approval. Amendments to other statutory elements referred to in Article 48, first paragraph, points 5 and 7 are recorded by means of a notary deed.

The General Assembly will determine the means of dissolving the Association. Net assets remaining after its liquidation will be allocated to a private non-profit-making legal person pursuing objectives similar to those of the Association.

TITLE VIII: Budgets, accounts, internal rules and general provisions

Article 24: Annual Membership fee - Resources

The level of the annual Membership fee for Full Members and Associate Members is set annually according to modalities defined in the Internal Rules referred to under article 26, by the General Assembly on the basis of a proposal by the Management Board. Membership fees constitute the basic resource of the Association. Other resources are possible within the limits of the law and applicable regulations.

Article 25: Annual accounts

The financial year begins on the first day of January and ends on the thirty-first day of December of each year.

Every year, pursuant to Article 53 of the Law, the Management Board draws up the annual accounts for the previous financial year and the budget for the next financial year and submits them for the approval of the General Assembly at its next meeting.

The annual accounts are placed, in accordance with Article 51 of the Law, in the file in the Association's name held by the registry of the competent commercial court.

Article 26: Internal rules

The General Assembly will, on the basis of a proposal by the Management Board, adopt internal rules consistent with the present Statute with a view to ensuring the functioning of the Association. The General Assembly delegates to the Management Board the right to maintain the Internal Rules and to adapt them to the evolution of the Association while remaining fully consistent with the present Statutes. These internal rules will notably specify how and when meetings, resolutions and votes can be organised physically or virtually by electronic means as well as how tacit and written procedures can be applied for votes.

Article 27: General provisions

Everything that is not provided for by the present Statute, particularly as regards documents to be published in the Annexes to the "Moniteur belge", will be handled in accordance with the provisions of Title III of the Belgian Law of the twenty-seventh day of June nineteen twenty-one on non-profit associations, international non-profit associations and foundations."