



CHARTER (Approved in April 11th, 2014)
of the European Federation of Financial Analysts Societies (EFFAS)

§ 1

Name and location of the Association

- (1) The association bears the name "European Federation of Financial Analysts Societies (EFFAS)."
- (2) The association is based in Frankfurt am Main.
- (3) It is registered in the Register of Associations.
- (4) The language of the association is English. The Charter will be translated into French, German, Italian and Spanish. Translations will be approved by the general meeting of members.

§ 2

Objective of the association

The European Federation of Financial Analysts Societies (hereinafter: EFFAS) brings national associations of investment professionals in Europe together into a European umbrella association. EFFAS has set itself the goal of:

- promoting relations and the exchange of information between the national associations of investment professionals and their members and constructing a European network of national associations of investment professionals;
- representing the interests of investment professionals at European and European Union level in relations with political institutions, associations and companies in all matters concerning the profession;
- promoting the development and dissemination of international professional standards in order to contribute towards a high level of quality in the professional practice of investment professionals;
- promoting the development and dissemination of an international code of ethics and professional conduct;



- taking on a communications and co-ordinating role at European level for its members in the case of offers of services by the national associations of investment professionals;
- promoting public understanding at European level of the importance and function of financial analysis and asset management and collaborating in informing investors.

EFFAS is a not-for profit organisation.

§ 3

Recruitment of members

- (1) Associations of investment professionals (or national combinations of associations) in the various European countries can be ordinary members of EFFAS, subject to the proviso that only one association is admitted as an ordinary member for each country. Natural persons cannot be members.

The acceptance of an association as an ordinary member presupposes that:

- It adequately represents the profession of investment professionals in its country and
 - The association recognises the EFFAS Charter.
- (2) National associations of investment professionals (or national combinations of associations) can also be admitted as non-ordinary members. The Executive Management Committee will decide on the requirements for obtaining associate membership or other forms of non-ordinary membership. The decision of the Executive Management Committee shall be either based on a prior authorisation by the general meeting or subsequently approved by the general meeting.
 - (3) Written applications for admission as well as for obtaining the documents required for membership are to be addressed to the Chairman of EFFAS. The general meeting of members will decide by a simple majority on the acceptance of new members.



§ 4

Rights and obligations of members

- (1) Ordinary members will collaborate in accordance with the further provisions of this Charter in the formation of EFFAS intentions.
- (2) Associate members are entitled to take part in the general meeting of members. They have no voting right. Other non-ordinary members are entitled to take part and to collaborate according to the decisions of the Executive Management Committee approved by the general meeting of members.
- (3) Natural persons belonging to an ordinary or non-ordinary member can take part in EFFAS events and use EFFAS installations. The Executive Management Committee is empowered to establish pre-conditions, type and extent of these rights.
- (4) Each member is obliged to meet its financial commitments, in particular to pay the contributions in accordance with § 6 and to promote the goals of EFFAS.
- (5) In its correspondence and publications each member will use the logo of EFFAS combining it with its name and / or its logo.

§ 5

Termination of membership

Membership is ended in the event that the member:

1. Is dissolved or otherwise extinguished. In the case of liquidation, membership comes to an end only with the conclusion of the liquidation.
2. Resigns. Any member can declare resignation. The decision will be notified in writing to the Chairman of EFFAS. Membership terminates at the end of the EFFAS business year. The member will give nine months' notice before the end of the business year.
3. Is expelled. The general meeting of members decides on expulsion at the proposal of the Executive Management Committee with a three quarters majority of votes cast. The general meeting of members constitutes a quorum only if at least half of the members entitled to vote are represented at the general meeting of members. The member concerned is to be notified in good time before the decision concerning its expulsion is made and must be given a chance to express its views.



Expulsion is permissible only on serious grounds, especially if the member:

- Has subsequently lost the pre-conditions for acceptance or
- Has seriously infringed the Charter.

The Arbitration Board will decide on the legality of the expulsion on the demand of the member concerned. The decision of the Arbitration Board is binding.

§ 6

Contributions and business year

- (1) At the proposal of the Executive Management Committee, the general meeting of members decides in advance on the amount of the yearly contribution for the following year. The yearly contribution is due at the beginning of the year.
- (2) The business year is the calendar year.

§ 7

Association bodies

The following are association bodies:

1. The general meeting of members and
2. The Executive Management Committee (EMC).

§ 8

The general meeting of members

- (1) At the general meeting of members each member will be represented by an authorised representative. He or she has to prove appropriately in writing his or her entitlement to represent a member as its competent representative body or as representative empowered by the competent representative body.



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- (2) The general meeting of members decides on:
 - The election and discharge of the Chairman of EFFAS and of other members of the Executive Management Committee;
 - The approval of the report submitted by the Executive Management Committee on the financial statement, the budget and on the amount of the yearly contribution for the following year;
 - The election of members and alternate members of the Arbitration Board;
 - Amendments to the Charter;
 - The acceptance and expulsion of members and
 - The dissolution of the association.
- (3) The annual ordinary general meeting of members will take place at the latest in the second quarter of the year. Moreover, an extraordinary general meeting of members is to be called if this is required in the interest of the association or requested in writing by at least one quarter of the members, indicating the purpose and the grounds for calling the meeting.
- (4) The Chairman of EFFAS will call the general meeting of members by means of a written invitation to all members, notifying the agenda with notice of at least one month before the meeting. If the general meeting of members is to decide on an amendment to the Charter, the wording of the proposed amendment to the Charter along with its justification will be made known with the invitation to the general meeting of members. If elections are on the agenda, members are to be requested in writing six weeks before the invitation to the general meeting at the latest to nominate candidates. This written request contains a deadline by which date proposals have to be submitted in writing to the EMC. The proposals received are to be communicated at least one week before the general meeting of members. The yearly report to be prepared by the Executive Management Committee is to be sent to members along with the calling of the yearly general meeting of members.
- (5) The general meeting of members constitutes a quorum only if at least half of the members entitled to vote are represented at the general meeting of members. The general meeting of members will decide by a simple majority of votes cast, unless another majority is required by this charter. Amendments to the Charter require a majority of at least three quarters of the votes cast.
- (6) Each ordinary member has one vote and exercises this voting right through its authorised representative. Non-ordinary members have no voting rights, unless they have the prior approval of the general meeting to exercise such voting rights. The general meeting considers and votes



upon the recommendation of the Executive Management Committee on such voting rights. Non-ordinary voting rights must always be less than 25% of the total voting rights defined as the voting rights of ordinary members plus non-ordinary members.

- (7) A member entitled to vote can empower in writing another member entitled to vote to exercise its right to vote. Substitute powers of attorney can also be issued.
- (8) The Chairman of EFFAS or, in the event of his being prevented the Vice Chairman, and only in case of the Vice-Chairman being also prevented another member of the general meeting of members elected by the general meeting of members chairs the general meeting of members and decides on voting methods.
- (9) A record will be produced of the course of the general meeting of members, displaying the participants, the topics dealt with, the decisions made and their compliance with the charter. The record will be signed by the chairman of the meeting.
- (10) A decision is also valid even without a general meeting of members, if all members entitled to vote approve the decision in writing or by electronic voting corresponding to the procedure approved by a preceding decision of the general meeting of members. Decision-making is also permissible in a written circular procedure if in the case of a specific proposed decision all members entitled to vote declare their agreement in writing to take the decision by written circular procedure. The Chairman of EFFAS will inform all members in writing of the proposed decision with justification and will request the members entitled to vote to cast their vote and to inform him within a period of at least a month as to whether they agree to written decision-making even if not all members entitled to vote approve the decision. The Chairman of EFFAS will without delay inform all members in writing of the result of the decision-making. In addition, the provisions concerning decision-making in the general meeting of members apply *mutatis mutandis*.

§ 9

The Executive Management Committee (EMC)

- (1) The Executive Management Committee (hereinafter: EMC) consists of the Chairman, the Deputy Chairman and up to a maximum of six other members. The Deputy Chairman is elected by the EMC members at the first EMC meeting following the AGM.



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- (2) The Chairman of EFFAS or, in the event of the Chairman being prevented, the Deputy Chairman, and in case of the Deputy Chairman being also prevented, another member of the EMC appointed by the EMC, chairs the meeting of the EMC.
- (3) The Executive Management Committee is competent for the management of the association, unless this has been assigned by the Charter to the general meeting of members. Its task is in particular to carry out the decisions of the association and to administer its assets. Members of the EMC meet at least four times a year. They may meet in person or by telephone conference. Decision-making by the EMC takes place in personal meetings of the members of the EMC, in writing, by electronic voting corresponding to the procedure approved by a preceding decision of the EMC or in written circular procedure. The provisions of the Charter on decision-making by members apply to decision-making by the EMC *mutatis mutandis*. In the event of a tie vote, the vote of the Chairman of EFFAS is deciding.
- (4) Two members of the EMC at a time represent the association.
- (5) The EMC can transfer to each member of the EMC a specific field of work to manage on his or her own responsibility and regulate the distribution of tasks by simple majority.
- (6) The EMC can entrust current association matters to full-time Officers or Managers or honorary members of the EFFAS' member associations and have itself represented by them in these matters.
- (7) The Chairman of EFFAS will be elected by the general meeting of members for a period of three years. The other members of the EMC will also be elected by the general meeting of members for a period of three years. All members of the EMC must be board members of an ordinary national member association of EFFAS or hold another official executive function within an ordinary national member association. If a member of EMC ceases to be a board member of an ordinary member society or to hold another official executive function that EMC member is obliged to step down from the EMC.
- (8) All members of the EMC remain in office, however, after the expiry of their period of duty according to this charter, until their successor has been elected. If a member of the EMC leaves before a new election by the general meeting of members takes place, the EMC is entitled to elect a successor immediately by co-option. In the event of important grounds, the general meeting of members can revoke the appointment of the EMC at any time. As a rule, the general meeting of members will elect one or two other members of the EMC every year. If necessary the general meeting of members will also be allowed to elect more members of the EMC at a time and to elect some members of the EMC for a period of only one or two years. Every member of EFFAS entitled to vote is entitled and at the request of the Chairman also obliged, to propose a



candidate for election to the EMC. The re-election of members of the EMC is permissible without limit. However, the Chairman and Deputy Chairman should normally be re-elected only twice.

- (9) The candidate or the candidates with the most votes will be elected. In case of equality of votes, a second ballot is required. If more than one position in the EMC is to be filled as per §9 (7) sentence 2, a collective election in one ballot follows. In this case, each member has as many votes as open positions are available. Every voter can only cast one vote per candidate.
- (10) The EMC can set up committees, working parties and working groups to promote the purposes of the association. They will regulate their organisation according to rules of procedure to be issued by themselves, which need to be approved by the EMC.

§ 10

Arbitration Board

- (1) The Arbitration Board consists of a chairman and two additional members. In the case of prevention, they are replaced by the alternate chairman and the alternate additional members. The members and the alternate members of the Arbitration Board are personally and materially independent and not subject to any instructions.
- (2) The Arbitration Board is competent:
 - a. in the case of disputes between EFFAS and members of EFFAS as well as disputes between members;
 - b. in the case of disputes between EFFAS bodies;
 - c. in the case of disputes between members of EFFAS or its members and third parties, if the parties have subjected themselves to arbitration on the basis of an individual arbitration agreement;
 - d. in the case of disputes on the legality of the expulsion of a member of EFFAS on the demand of the member concerned.
- (3) The general meeting of members elects the members and alternate members of the Arbitration Board for a period of two years.
- (4) The procedure for arbitration is governed by the Arbitration Board Order, which is a constituent part of this Charter.



§ 11

Honorary Positions

All offices are held in an honorary capacity. The Executive Management Committee will decide in what form and to what amount expenditure is reimbursed.

§ 12

Dissolution of the Association

- (1) The association can be dissolved by a decision of the general meeting of members. This decision requires a majority of three quarters of the votes cast. The general meeting of members constitutes a quorum only if at least three quarters of the members entitled to vote are represented at the general meeting of members.
- (2) The liquidation of the association will be carried out by the last Executive Management Committee in office, unless the general meeting of members appoints other persons as liquidators.
- (3) The remaining assets will be passed on to a charitable organisation, the choice of which will be decided by the general meeting of members.