

**EUROPEAN ASSOCIATION OF INSOLVENCY PRACTITIONERS'  
ORGANISATIONS**

**ASSOCIATION EUROPEENNE DES ORGANISATIONS DE PRATICIENS DE  
L'INSOLVABILITE**

**EUROPÄISCHER DACHVERBAND DER INSOLVENZPRAKTIKER**

Abbreviated: **EIP**

***DRAFT***

**ARTICLES of ASSOCIATION**

**[\_] 2016**

International Non-Profit Association  
(Royal Decree July 27, 1927)

Enterprise number: RPR/RPM Brussels [...]

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## **Chapter I - Name, Registered Office**

### *Article 1*

A non-profit making international association is hereby created and named:

**“ASSOCIATION EUROPEENNE DES ORGANISATIONS DE PRATICIENS DE L’INSOLVABILITE”**,

Or in English:

**"EUROPEAN ASSOCIATION OF INSOLVENCY PRACTITIONERS' ORGANISATIONS"**

Or in German:

**“EUROPÄISCHER DACHVERBAND DER INSOLVENZPRAKTIKER”**,

Or, abbreviated:

**“EIP”**

(**“the Association”**).

The Association is governed by the Belgian law applicable to International Non-Profit Associations of June 27, 1919 as modified ("the Law").

The registered office is at 180 Boulevard Edmond Machtens, 1080 Brussels, Belgium.

The registered office may be transferred to any other place in Belgium in accordance with the Law by majority decision of the General Assembly, published in the annex of the “Moniteur belge”.

The General Assembly may decide to establish offices and operational entities in countries other than Belgium, by simple majority decision.

## **Chapter II – Purpose**

### *Article 2*

The purpose of the Association is:

- a) the representation of its members on an international level, principally in Europe;
- b) the promoting of the interests of the Association’s and its members on European level;
- c) the enhancement of cross-border cooperation and coordination in insolvency matters;
- d) the promoting of minimum standards for all insolvency practitioners’ organizations (“IPO”) across Europe;
- e) the promoting of the interests of the professions dealing with insolvency on European level;
- f) the exchange of information and data with the European bodies and lawmakers, including European Parliament and European Commission;
- g) the assisting on the improvement of insolvency related legislation and regulation in Europe;

- h) the creation of fora for and general promoting of studies, documentation and contacts for the purpose of improving the exchange of professional information among the members of the Association
- i) the serving as source of knowledge and information for legislators and other competent bodies dealing with insolvency or insolvency related matters and
- j) assisting its member organizations when approaching and liaising with their own jurisdictions official and governmental bodies and authorities.

The Association may undertake any other activities directly or indirectly linked to its purpose.

The Association shall not in any way participate in political activities.

### **Chapter III - Duration**

#### *Article 3*

The Association is created for an indefinite period of time.

### **Chapter IV - Members**

#### *Article 4*

##### ***Regular Members***

Regular membership of the Association is open only to national organizations and associations with good standing within the European Union representing IPO as profession. Insofar, this association is representing associations and organizations with a scope on

- (i) insolvency;
- (ii) restructuring and
- (iii) work-out situations;

and in particular consisting of members taking appointments and working in fulfillment of duties in proceedings listed in Annex A and Annex B of Regulation (EC) No. 1346/2000 of the Council from 29 May 2000 on Insolvency Proceedings, resp. in Annex A of Regulation (EU) No. 2015/848 of the European Parliament and the Council from 20 May 2015 on Insolvency Proceedings and being listed as “Insolvency Practitioner” in Annex B of this Regulation.

Such national associations must represent IPOs which may include professionals like

- Lawyers;
- Accountants;
- Court appointed administrators and court appointed mandatories; or
- generally insolvency and restructuring experts dealing with insolvency as far as working
  - (i) in-court or
  - (ii) out of court, or
  - (iii) appointed by courts or
  - (iv) working for debtors and/or

- (v) representing creditors with respect to insolvency matters.

Application for membership must be made in writing and addressed through the President to the Executive Board.

### **Associated Members**

Such national organizations representing IPOs from other European Countries but being from non-EU Member States, (ii) think tanks with the scope to promote best practice and knowledge for insolvency administration and insolvency law and (iii) international organizations with IPOs as individual members may become Associated Members.

If not set forth in the Articles of Association explicitly the term Member includes Associated Members as well.

### *Article 5*

Membership is granted by the General Assembly upon a majority vote of 3/4 of the Regular Members present or represented.

### *Article 6*

Regular Members shall pay an annual membership fee, the amount of which will be proposed by the Executive Board for approval by the General Assembly. The approval requires a majority vote of 3/4 of the Regular Members present or represented whereby at least Regular Members representing at least 50% of the fees paid in the previous year are present or represented (Owed but outstanding unpaid fees will not be counted). As long as not decided otherwise by the General Assembly the annual membership fee is payable and due as set out in **Schedule 1** (Membership Fee Table 2016 or as amended from time to time by decision of the General Assembly).

The contribution due by the Associated Members shall be agreed (on the case by case basis) between the President and the Associated Member.

### *Article 7*

Membership ends:

- a) by resignation notified by registered mail through the President to the Executive Board. The effective date shall be the date of receipt by the Association of the registered mail.
- b) upon dissolution of the member. The effective date shall be the date of the dissolution;
- c) by failure to fulfill the membership requirements as per article 4 or failure to pay the membership fee within 30 days after receipt of a reminder by registered mail by the President and provided the General Assembly has passed a resolution to that effect, by majority of votes present or represented;
- d) by expulsion of a member who acts against the interests of the Association. Expulsion of a member must be decided by a resolution of the General Assembly constituted in accordance with article 15 and passed by a majority vote of 3/4 of the other Regular Members.  
Expulsion may only take place after the member involved has been invited to be heard by the General Assembly. Such hearing shall take place within three months after the

invitation (unless this member has expressed not to use the opportunity to appear at the hearing). The invitation to be heard must expressly contain the notification of expulsion and shall be sent to this member by registered mail.

#### *Article 8*

Members, who have resigned, have been dissolved or have been expelled, shall have no right to the financial assets of the Association and cannot claim any reimbursement of membership fees paid to the Association. A resigning member shall have to pay the annual fee for the year of resignation.

#### *Article 9*

The income of the Association comprises the membership fees, third parties' contributions and subsidies, as well as any surplus generated by the activities of the Association pursuant to its purpose. The Association may accept any legacy or donation within the authorized limits.

### **Chapter V - General Assembly**

#### *Article 10*

The General Assembly is the highest statutory organ of the Association, having the following powers:

1. nomination and revocation of the members of the Executive Board;
2. decision with regard to a remuneration/compensation of the members of the Executive Board; The approval of this point requires a majority vote of 3/4 of the Regular Members present or represented;
3. approval of the annual accounts and the budget; The approval of this point requires a majority vote of 3/4 of the Regular Members present or represented;
4. nomination of an auditor in accordance with article 24;
5. discharge of the members of the Executive Board;
6. discharge of the auditor, if any;
7. modification of the Articles of Association;
8. dissolution of the Association;
9. all other matters expressly set forth in the Articles of Association or of general interest to the Association and its members,
10. in particular setting general policy guidelines for this Association.

#### *Article 11*

The General Assembly comprises one representative of each Regular Member to whom the voting right is granted. In addition, another representative of a member may attend the General Assembly. Observers may also be invited to attend the General Assembly. Therefore, each Regular Member has one Vote.

Associated Members do not have voting rights but the right to attend and to be heard at the General Assembly.

#### *Article 12*

The General Assembly meets at least once a year, the first meeting to be convened within the first six months of each calendar year.

At least one meeting should be held at a physical location permitting personal attendance of Members, but additional meetings may also be held “virtually” by means of electronic communication by video conference or by written communication.

Notices of convening the General Assembly shall be given in writing by the President or the General Manager/Secretary General. They shall be sent by ordinary mail or email to the address of each Member at least 30 days before the date of the Assembly and include the agenda.

#### *Article 13*

An Extraordinary General Assembly will be called if the Executive Board or one third of the Regular Members of the Association so request in writing to the Executive Board, stating the reason for the request. In such case the General Assembly shall be called by the President within fifteen (15) days of the request.

In exceptional or urgent circumstances an Extraordinary General Assembly may be held by conference call, by video conference or by written communication.

#### *Article 14*

The General Assembly shall be chaired by the President or, in his absence, by the longest serving member of the Executive Board present who may nominate a secretary of the meeting to take the minutes.

#### *Article 15*

Except as provided in article 25 and 26 a General Assembly is validly constituted if half of its Regular Members are (physically or virtually) present or represented.

If this quorum is not reached, the Regular Members present may take all decisions provided for in the agenda. Such decisions shall be communicated without delay to all Regular Members not present nor represented (physically or virtually) in that meeting, who will have the right to vote in favor or against such decisions, in writing to the Executive Board, in which case the Member will be considered as being present for the calculation of the quorum. If no vote from such member concerned will have been received within ten (10) days after receipt of the communication, that Member will be considered absent for the calculation of the quorum. All the decisions are suspended until the President of the Executive Committee ascertains that the majority is considered present after taking into account the voting in writing. The president will record this in the minutes of the meeting.

If after the period foreseen for voting in writing the quorum is still not reached, another Assembly shall be called within one month with the same agenda, which shall be validly constituted whatever the number of Members present.

The General Assembly may only consider matters on the agenda, except if all Regular Members are present and decide otherwise by vote of  $\frac{3}{4}$  of all the members present.

Except as provided in article 5, 6, 7 d), 10(2) and (3), 15, 25 and 26, a resolution of the General Assembly shall be taken by a majority vote, without taking into account abstentions.

#### *Article 16*

A representative unable to attend the General Assembly may appoint another member of his national association or a representative of another Member as his proxy to vote at and/or to assist to the General Assembly.

The representative of each Member of the Association or a proxy shall provide the President with a document showing his/her authority.

#### *Article 17*

Minutes of the General Assembly shall be signed by the chairman and the secretary of the meeting. They are filed under the responsibility of the President.

The minutes of the meetings of the General Assembly shall be sent by the Secretary General by email to each Member of the Association within 30 days of the meetings.

Copies and extracts of the minutes shall be signed for authentication by the by the President, the General Manager or the Secretary General or anyone authorized by the Executive Board.

### **Chapter VI – Executive Board**

#### *Article 18*

The Association is governed by the Executive Board comprising of the following Board Members:

- a) the President,
- b) the Vice President
- c) the Secretary General
- d) the Treasurer and
- e) one or more Officer in the rank of Vice Presidents serving for special purposes and/or appointed for special tasks/missions

all nominated by the General Assembly for a renewable term of office of two years; each board member must be a member of a Regular Member or representative of a Regular Member. Until 31.12.2017 the General Assembly might appoint 2 Co – Presidents who shall during that period be member of the Executive Board.

The Executive Board acts as a collegial body.

#### *Article 19*

The Executive Board is vested with the widest powers of management and administration of the Association.



It may do anything that is not expressly reserved for the General Assembly by law or by these Articles of Association.

The Executive Board may decide to engage or dismiss other remunerated persons or legal entities.

The Executive Board may establish internal rules of procedure to be decided upon by the majority of the General Assembly.

The Executive Board shall inform the General Assembly about their activities in the past financial year in writing.

#### *Article 20*

A meeting of the Executive Board may be called by the President or at least one half of its members. The notice shall be sent by ordinary mail or email at least 30 (thirty) days before the date of the meeting. In exceptional cases, which are duly justified by urgency and by the association's interest, the meeting can be called respecting a shorter notice period.

Except in case of force majeure, the Executive Board may only validly discuss and decide if at least half its members are present or represented. If this last condition is not met, a new meeting may be convened which shall validly discuss and decide about the items mentioned in the agenda of the preceding meeting, if at least two Board Members are present or represented.

Each decision of the Executive Board is taken with majority of the votes of the Board Members present or represented, and if one or more of them abstain from voting, with the majority of the other Board Members. In case of a toss, the proposal is rejected.

Any Board Member absent or unable to attend may give power of attorney in writing, by e – mail or by telefax, to another Board Member to represent him at the meeting and to vote validly in his place. In this case the principal is deemed present.

Meetings of the Executive Board can also be held by conference call, by video conference or by written communication. Observers may be invited to the meeting of the Executive Board.

#### *Article 21*

The minutes of the meetings of the Executive Board shall be signed by the Secretary General and one other member of the Executive Board. They are filed under the responsibility of the Secretary General. Copies and extracts of the minutes shall be signed for authentication by the Secretary General or anyone authorized by the Executive Board.

### **Chapter VII General Manager**

#### *Article 22*

The Executive Board may propose to the General Assembly to nominate a General Manager for the handling of the daily affairs of the Association. Such proposal shall specify the suggested remuneration package of the General Manager. After approval, the General Manager shall be appointed by the President. The Executive Board will determine his powers and regulate his function in a Code of Conduct to be signed by the General Manager.

The executive Board has the power to terminate the contract with the General Manager or of another remunerated person or legal entity.

In the absence of a General Manager his duties as set out herein shall be taken care of by the Secretary General.

### **Chapter VIII – Representation**

#### *Article 23*

The Association is validly represented by two members of the Executive Board acting jointly or any such officer together with the General Manager.

The Association may also validly be represented by special representatives nominated by the Executive Board and acting within the limits of their proxy.

### **Chapter IX – Annual Accounts and Budget**

#### *Article 24*

The financial year of the Association starts on January 1st and ends on December 31st.

The Executive Board, by the intermediary of the Treasurer, shall establish yearly the annual accounts of the past year and the written report of the activities of the Executive Board in that financial year.

The annual account shall be sent to each member of the Association at least 7 days before the General Assembly.

Approval of the annual accounts by the General Assembly shall release the members of the Executive Board from their responsibilities.

The General Assembly may appoint an auditor to audit the annual accounts and shall do so if required by law.

Before the start of each year a budget (including the operational plans for this financial year) will be prepared by the Executive Board to be approved by the General Assembly at its next meeting.

### **Chapter X – Amendment of Articles of Association and Dissolution**

#### *Article 25*

Amendments to these Articles of Association may be made by the General Assembly if at least 3/4 of the Regular Members are present or represented and if the resolution is passed by a majority of 3/4 of the Regular Members present or represented.

If this quorum is not reached at the first Assembly, another Assembly shall be called within one month, expressly stating that amendments to the Articles of Association may be passed without further quorum requirements by a majority of 3/4 of the Regular Members present or represented.

*Article 26*

The Association may be dissolved by resolution of the General Assembly in accordance with the terms of article 25.

The method of liquidation is governed by the General Assembly which designates the liquidator(s) and establishes his/her powers and possible remuneration.

The General Assembly has exclusive authority to decide on the allocation of the net liquidation balance. Such allocation shall be made in a manner consistent with the purpose of the Association.

**Chapter XI – Interpretation**

*Article 27*

Anything not regulated by these Articles of Association as well as all disputes or claims in Connection with performance or interpretation of these Articles of Association or with a violation of these Articles of Association shall be subject to the provisions of the Law.