



The voice of corporate governance
in Luxembourg



ILA INTERNAL ORGANISATIONAL RULES

Approved by the Board of Directors on 10 May 2023

PREAMBLE BY THE CHAIR

After 18 years of existence and growth, our Association deserves a fresh and modernized governance. Historically, the Association was managed on a daily basis by a Secretariat and a Management Committee composed of Board members and occasionally non-Directors contributing to the functioning of ILA. Today our organisation is very different: we have recruited a skilled CEO who can rely on several specialized Executives and their teams. The Board of Directors has decided to empower them and give them the responsibility of implementing the strategy set by the Board. They endeavour to accommodate the needs of our ever increasing and very diverse corporate and individual members.

ILA is the voice of corporate governance in Luxembourg. As such, it is fundamental that our own governance is based on robust processes and procedures. These Internal Organizational Rules aim at defining the way the Association operates, to ensure the integrity of all our processes and interactions. They replace our so-called «Règlement d'ordre intérieur», the initial organizational rules of ILA which we have now turned into an English document and adapted to support the new proposed organisation for our Association. They should not be static, and I encourage the Board to continue to adapt them where the development of ILA requires.

In the interest of transparency, these Internal Organizational Rules shall be published on the ILA website. They are binding for all ILA members.



Carine Feipel

Former Chair of ILA



DEFINITIONS

“**Affiliate**” means a natural person representing a corporate Member as determined in Article 7.3 of the Articles of Association

“**Articles of Association**” means the articles of association of the Association, as amended from time to time

“**Association**” means the Institut des Administrateurs Luxembourgeois, a not-for-profit association existing under Luxembourg law and registered with the Luxembourg Registre de Commerce et des Sociétés under number F1070, with registered address at 1, rue Hildegard von Bingen, L-1282 Luxembourg

“**Board Committee**” means a committee of the Board of Directors as determined in Section 3.3 of these Internal Organization Rules

“**Board of Directors**” means the board of directors of the Association as determined in Title V of the Articles of Association

“**CEO**” means the Chief Executive Officer of the Association

“**Chair**” means the chairperson of the Board of Directors

“**Corporate Member**” means any legal person who is a Member of the Association as determined in Article 7.3 of the Articles of Association

“**Corporate Sponsor**” means any Corporate Member who provides specific support to a Working Committee as determined in Section 5 of these Internal Organizational Rules

“**Declaration of Honour**” means a declaration to be signed by each Member in order to confirm the various items listed in the declaration as drafted by the Association and relating to the good standing of the Member

“**Director**” means any member of the Board of Directors of the Association

“**Executive**” means any employee of the Association who has an executive position (“cadre supérieur”) and identified as such within the ILA Staff, with the exception of the CEO. At the time of writing of these Internal Organizational Rules, the Executives are the Education and Events Executive, the Membership and Certification Executive, the Communication Executive and the Legal Executive

“**Executive Committee**” means the committee composed of the CEO and the Executives

“**General Meeting**” shall mean the assembly of all Members as determined in Title IV of the Articles of Association

“**ILA Staff**” means all employees of the Association as in place from time to time



“**Individual Member**” means any natural person who is a Member of the Association as determined in Article 7.1 of the Articles of Association

“**Internal Organizational Rules**” means these rules as approved and amended by the Board of Directors from time to time

“**Member**” means any natural or legal person as determined in Title III of the Articles of Association

“**Membership Acceptance Committee**” means a committee set up by the Executive Committee and tasked with reviewing membership applications and deciding whether such applications are accepted or not

“**Vice-Chair**” means the vice-chairperson of the Board of Directors

“**Working Committee**” means any working committee set up within the Association and comprising several members who are experts in the subject matter entrusted to the Working Committee.



1 MEMBERS

1.1 Admission of new Members

The term “Member” in these Internal Rules refers to both Individual and Corporate Members.

Any natural or legal person wishing to become a Member must file an application for admission using the ILA application form. The application form must be accompanied by all documents as may be considered necessary by the Membership Acceptance Committee or the Board of Directors. The application must be sent to ILA electronically or by mail to the address of its registered office.

The Membership Acceptance Committee decides on the applications for admission. In case an application is rejected by the Membership Acceptance Committee, such decision shall be notified to the applicant by registered mail to the address indicated on the application form, mentioning the reasons for the refusal of the application.

The decision of the Membership Acceptance Committee is final and not subject to any further appeal.

All Members are required to sign a Declaration of Honour as provided by the Association.

1.2 Membership fees

Each Member shall pay an annual membership fee. According to Article 9 of the Articles of Association, the General Meeting shall annually set the amount of the membership fees for the following year. The amount of the membership fees for the different categories of Members is available on the ILA website as well as upon request at the registered office of the Association.

Dues may be reduced by virtue of reciprocal agreements signed with other directors' institutes outside of Luxembourg.

Invoices for membership fees shall be issued by the Association at the beginning of each calendar year. Members joining during the calendar year will receive their invoice when their application is accepted. Members can be asked to justify compliance with the eligibility requirements for their membership category.

Membership fees shall be payable upon receipt of the invoice by bank transfer to ILA's bank account and in accordance with the terms and conditions indicated on the invoice and which are considered accepted by the Member upon payment of the invoice. In accordance with Article 11.4 of the Articles of Association, failure to pay the membership fee within 3 (three) months of the due date of the invoice may constitute grounds for exclusion from the Association. The Membership Acceptance Committee shall take note of unpaid subscriptions and may decide to exclude Members who have not paid their subscription.

Members may be asked to confirm and justify their continued compliance with any applicable membership criteria.



1.3 Resignation, Suspension, Exclusion

Members wishing to terminate their membership with the Association must inform the Association in writing.

The membership fee for the year in which the resignation occurs shall be retained by ILA. In order to be effective for 1 January of a given year, the resignation must be submitted to the Association at the latest by 31 December of the preceding calendar year.

In accordance with Articles 10 and 11.3 of the Articles of Association, the Board of Directors may decide to initiate the procedure for the exclusion or suspension of any Member in one of the situations envisaged in these provisions of the Articles.

The Board of Directors shall invite the Member concerned to present their written or oral observations. However, in case of urgency or if it deems it necessary, the Board of Directors may decide to proceed without requesting such observations.

Any decision of suspension or exclusion shall be notified by the Association by registered mail to the Member concerned.

2 GENERAL MEETING

The Board of Directors shall set the agenda for the General Meeting. The notice of the General Meeting shall be sent by mail or e-mail at least ten days in advance to Individual Members and Corporate Members. The documents submitted to the General Meeting shall be sent with the notice of meeting or separately by mail or e-mail or shall be made available on the ILA website.


Individual Members and Affiliates who are entitled to vote and who cannot attend may vote by proxy. The proxy must be sent as indicated in the convening notice and must be received by ILA at least 24 (twenty-four) hours before the General Meeting.

3 BOARD OF DIRECTORS

3.1 Composition, Term of Office, Chair

The Board of Directors shall be composed of directors appointed by the General Meeting. The Board of Directors in office shall express a recommendation of candidates to the General Meeting. In accordance with Article 19 of the Articles of Association, the minimum number of Directors is 3 and the maximum number is 20. The term of office of Directors is three years, renewable no more than two times.

However, and as an exception, in the case of a current Chair whose term of mandate as a Director expires under the terms of the first paragraph of this section, this term of mandate as a Director shall be automatically extended until the end of the term of office as Chair of that Director.



For the purpose of counting the number of terms of mandate, a Director co-opted under the circumstances of Article 20 of the Articles of Association shall be considered to have served one term if he/she serves for more than half of the term of office he/she is completing.

The Chair is appointed by the Board of Directors from amongst its members. According to Article 22 of the Articles of Association, the term of office of the Chair is two years. This term is renewable once for a period of two years. On the proposal of the Chair or on its own initiative, the Board of Directors may appoint a Vice-Chair to assist the Chair during his/her term of office. This appointment may be renewed once for a period of two years.

3.2 Meetings

The Board of Directors aims to meet at least four times a year. The Directors are convened by e-mail at least seven days in advance. In case of urgency, the Chair may decide to convene the Board of Directors within twenty-four hours by any means. The minutes of this meeting shall mention the reasons for the urgency.

Depending on the agenda, the Chair may invite any person whose presence is deemed useful to attend all or part of the Board meeting.

3.3 Board Committees, Delegations


The Board of Directors may delegate any special or general power to any ad hoc committee, whose members it shall appoint. It may also delegate any special or general power to any person, whether or not bound by an employment contract with the Association.

The following permanent Board Committees assist the Board of Directors in the performance of its responsibilities:

- a. Nomination and Remuneration Committee
- b. Education and Certification Committee
- c. Disciplinary Committee
- d. Risks and Finance Committee

The Board of Directors appoints the chair and the members of the Board Committees from amongst the Directors, upon recommendation from the Nomination and Remuneration Committee. Other Members can be invited to join such Committees by the Board of Directors. Depending on the agenda, the chair of a Board Committee may invite any person whose presence is deemed useful to attend all or part of the Board Committee's meeting.

The Board decides the term of office of all members of the Board Committees as well as the scope of authority of each Board Committee.



The Chair of the Board of Directors shall not be appointed as chair of any Board Committee.

Each Board Committee shall have terms of reference which are approved by the Board of Directors. Such terms of reference detail the role of the Board Committee, its composition and functioning.

3.3.1 The Nomination and Remuneration Committee

The purpose of the Nomination and Remuneration Committee is to assist the Board of Directors in ensuring that the composition of the Board of Directors and of the Board Committees reflects the skills, experience, and diversity required for effective decision-making, and that remuneration policies and practices for ILA's management are aligned with the Association's objectives, values, and strategies.


3.3.1.1 Before each annual General Meeting, and as soon as the collection of candidacies for the Board of Directors begins, the chair of the Nomination and Remuneration Committee shall contact the Directors whose term of mandate is about to expire in order to ascertain whether or not they wish to present their candidacy for renewal of their mandate. Upon receipt of the applications, the members of the Nomination and Remuneration Committee may request from the candidates any document or information that they consider relevant to their analysis and decide on a possible recommendation of the candidate. They may also invite one or several candidates to an interview.

Before the annual General Meeting, the Nomination and Remuneration Committee presents to the Board of Directors its report on the applications received and those it recommends. The recommendations of the Nomination and Remuneration Committee shall be advisory, and it shall be the sole responsibility of the Board of Directors to make its proposal of candidates to the General Meeting. Any candidate whose application is not recommended by the Board of Directors to the General Meeting may still stand for election.

The above steps shall be detailed annually in a calendar made available to the Members in due course.

3.3.1.2 All members of the Board of Directors can be considered for the position as Chair. When the mandate of the sitting Chair is due to expire in a given calendar year, the Board of Directors determines by the end of the previous calendar year the date until when and the process under which Directors interested in the position of Chair must submit their interest to the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall review the applications received and discuss their motivations with the candidates it determines. It shall thereupon submit a recommendation to the Board for approval. The Chair is appointed by the Board of Directors after the General Meeting. Notwithstanding the above process for the selection of the Chair, newly elected Directors are free to putting forward their name for the Chair position if they wish to do so.

The Vice-Chair is appointed by the Board of Directors upon recommendation from the Chair or upon the Board of Directors' own initiative.



The Board of Directors can terminate the mandate of the Chair and/or the Vice-Chair at any time and appoint a new Chair/Vice-Chair whenever the Board of Directors deems appropriate.

3.3.2 The Education and Certification Committee

The purpose of the Education and Certification Committee is to assist the Board of Directors in the oversight of the development and delivery of ILA's training and certification programmes.

3.3.3 The Disciplinary Committee

The purpose of the Disciplinary Committee is to assist the Board of Directors in ensuring that the Members comply with these Internal Organization Rules and the Articles of Association.

The Disciplinary Committee may be asked to examine a disciplinary case either by the Board of Directors or by the Executive Committee. Once a matter has been referred to it, the Disciplinary Committee shall meet whenever its chair or two of its members consider it necessary, at the invitation of its chair.

For each referred case, the Disciplinary Committee investigates the case and gathers all the information required for the decision. In principle, before any recommendation is made, the Disciplinary Committee shall invite the Member concerned by the case under investigation to present his/her written or oral observations.

At the end of its investigation and deliberation, the Disciplinary Committee shall present its report and make recommendations to the Board of Directors on the action to be taken. The Disciplinary Committee's recommendations shall be reasoned, and the reasons shall be recorded in the minutes of the meeting of the Disciplinary Committee.

The recommendations of the Disciplinary Committee shall be advisory, and it shall be for the Board of Directors to decide whether a sanction should be imposed on the Member concerned and, if so, what sanction should be imposed.

3.3.4 The Risks and Finance Committee

The purpose of the Risks and Finance Committee is to assist the Board of Directors in its oversight of ILA's financial reporting, risk management, internal control, and compliance processes.



4 CEO, EXECUTIVE COMMITTEE

The Board of Directors delegates the daily management of the Association to a CEO appointed by the Board of Directors. The CEO chairs the Executive Committee which is composed of himself/herself and the Executives. The terms of reference of the Executive Committee are approved by the Board of Directors.

Under the leadership of the CEO and in conjunction with the Board, the Executive Committee develops the strategy to be assessed and approved by the Board of Directors and implements the decisions taken by the Board of Directors. It ensures the proper functioning of the Association.

The CEO has authority to recruit and dismiss employees of the Association in the best interest of the Association and within the budgetary limits of the Association.

The CEO, together with the Chair, manages any contact with authorities, professional organisations and other bodies as required or useful for the Association.

The CEO has the authority to engage the Association for all matters related to the daily management of the Association. The Board of Directors may limit such authority as it deems fit. The CEO is entitled to delegate signing authorities to the Executives and the ILA Staff.

5 WORKING COMMITTEES


The Executive Committee may decide to set-up Working Committees and may appoint one or more Corporate Members as Corporate Sponsor to these Working Committees. The Executive Committee shall determine the terms of reference of these Committees and appoint the chair(s), where appropriate after taking into account the proposal of the Corporate Sponsor of the relevant Working Committee, for a renewable term of 3 years. At the end of each mandate, the Executive Committee, on the proposal of the Corporate Sponsor, shall decide whether to renew the mandate of the outgoing chair or to appoint a new chair for the Working Committee.

In case of repeated dysfunction within a Working Committee, the Executive Committee may decide to change the chair of that Working Committee. In the event that the Corporate Sponsor cannot propose a replacement chair acceptable to the Executive Committee, the Executive Committee shall take the decision to appoint a new chair for such Working Committee.

The Board of Directors, the CEO and the Executive Committee may entrust Working Committees with the study of specific matters.

Each Working Committee chair chooses the members for the committee from the list of Members of the Association on the basis of their expertise and/or the interest they have expressed to the Association.

If necessary, the Working Committee may call upon other Members or external advisers for specific questions.



When it deems it desirable, the Executive Committee may also decide to set-up joint working groups between all or some of the Working Committees on a specific theme or issue. The modalities of operation of these joint working groups are identical to those of the Working Committees.

The chair of a Working Committee shall have the freedom to no longer invite a member of such Working Committee to participate in the meetings if they consider that such person's presence or contribution to that Working Committee is not sufficient or detrimental to the activities of the Working Committee.

The frequency, place, duration and agenda of the meetings of each Working Committee shall be set by the Working Committee's chair. In its work, each Working Committee shall ensure that it follows the most recent version of the ILA Working Committees Guidelines.

Any communication on behalf of the Association, the organisation of events, the writing of articles or any other material action taken by a Working Committee must first be submitted to the Executive Committee for approval.

The chair(s) of each Working Committee must submit a review of the work and results of the previous year as well as the current and planned projects to the Executive Committee by 31 March each year.

A Working Committee or a joint working group as referred to in this Section 5 may be dissolved at any time by decision of the Executive Committee.

6 MISCELLANEOUS

The accounts of the Association shall be audited by an external auditor ("Réviseur d'entreprises") every year before they are submitted to the General Meeting for its approval.



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