



The voice of corporate governance  
in Luxembourg



# ILA ARTICLES OF ASSOCIATION

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Latest update 20 March 2024



## Title I. Name & Registered Office

**Art. 1.** A non-profit association called INSTITUT LUXEMBOURGEOIS DES ADMINISTRATEURS, in abbreviation "ILA", exists between the natural or legal persons who are the Members of ILA and who adhere to these Articles of Association.

ILA shall be governed by the law of 7 August 2023 on non-profit associations and foundations, or by any legislation amending or replacing that law (the "Law").

**Art. 2.** Its registered office shall be established in Luxembourg City.

ILA may establish administrative headquarters, branches, agencies, or offices in any other place in the Grand Duchy of Luxembourg.

## Title II. Purpose

**Art. 3.** The purpose of ILA is:

- (i) to adopt and promote good corporate governance in all entities whether in the Grand Duchy of Luxembourg or outside the Grand Duchy of Luxembourg,
- (ii) to consider all matters that are relevant for all corporate governance professionals, including without limitation directors and corporate governance officers,
- (iii) to advocate with public and other authorities the adoption of legislation and regulation promoting good governance and,
- (iv) to represent the interests of corporate governance professionals, in the largest sense.

To the above effect, ILA shall develop and promote corporate governance professions with a view to enhancing the effectiveness of boards of directors and other management bodies of all entities taking into account good governance best practices, including environmental, social and governance standards.

More specifically, ILA shall build a network and encourage networking between corporate governance professionals, act as a provider of knowledge, know-how and training to corporate governance professionals, research and study corporate governance issues at large relevant for those professionals, provide assistance and advice, share good practices and standards and represent the corporate governance professionals in their dealings with public and private institutions.

ILA may participate in the activities of international, particularly European, associations pursuing the same or similar goals than those pursued by itself.

The Institute may carry out all acts relating directly or indirectly to its purpose. In particular, it may provide assistance and take an interest in any activity similar to or related to its purpose.



## Title III. Members

**Art. 4.** ILA is open to directors and other corporate governance professionals from all kinds of entities, as well as to all natural or legal persons taking an interest in corporate governance and/or who are disposed to support ILA financially, intellectually or otherwise.

ILA shall at all times be composed of at least three natural (the “Individual Members”), or legal persons (the “Corporate Members”). The term “Member” in these Articles of Association refers to both Individual Members and Corporate Members, unless indicated otherwise.

Corporate Members must be represented by natural persons (the “Affiliates”). Each Corporate Member appoints its Affiliates at its sole discretion, subject to the terms of these Articles of Association, and may decide at any time to remove a person from its list of Affiliates. To be valid, any appointment or removal of an Affiliate shall be notified immediately to ILA.

The principles governing the admission, resignation, suspension and exclusion of Members are provided for in these Articles of Association, as are the principles governing the suspension and banning of Affiliates.

### Section I: Admission

**Art. 5.** The membership of ILA is subject to the condition of good standing, probity, honourability, and integrity.

**Art. 6.** Any natural or legal person wishing to become a Member shall send a full application to the ILA secretariat.

The Board of Directors or an internal body or a person or persons to whom such power shall have been delegated by the Board of Directors shall review and assess the application submitted and decide whether or not to admit the applicant. The decision by the Board of Directors to reject an application is final without any means of recourse and does not need to be substantiated.

The decision on the application will be notified to the applicant. In case the decision is favourable, the candidate will be definitively admitted as a Member after the payment of the membership fee.

**Art. 7.** All Members receive a copy of the Articles of Association, of the Internal Organisational Rules and of ILA's Codes of Conduct, all of which they commit to respect by reason of becoming a Member.

Each Member must refrain from any action that could damage the reputation or credibility of ILA or be otherwise detrimental to ILA.

**Art. 8.** The annual membership fee for Individual Members set by the general meeting of members (the “General Meeting”) may not exceed 2,000 EUR and the annual membership fee for Corporate Members may not exceed 20,000 EUR.

## Section II: Resignation – Exclusion - Suspension – Banning

**Art. 9.** Any Member may withdraw from ILA at any time, with immediate effect, by giving written notice by post or electronically.

The resigning Member shall no longer have any of the rights of which Members can avail, including the right to attend a general meeting or to vote at a general meeting.

**Art. 10.** The death or legal incapacity of a Member is deemed to be a resignation. The date on which information of the death or legal incapacity reaches ILA is considered to be the date of notification of the resignation. Heirs or successors shall have no rights in their capacity as heirs or successors against ILA or its Members.

**Art. 11.** Any Member shall be deemed to have resigned if, at the expiry of a three-month period from the due date of payment, the Member failed to pay the membership fees.

**Art. 12.** The Board of Directors may, at any time, initiate proceedings for the General meeting to exclude any Member who no longer fulfils the conditions for admission and membership, as set out in these Articles of Association.

**Art. 13.** If and when the Board of Directors deems it necessary in order to protect the interests of ILA, it may suspend a Member or an Affiliate.

In the event of a suspension of a Member, the Board of Directors may, at any time, either decide:

- (i) to withdraw the suspension, such withdrawal remaining subject to the Member's compliance with the terms and conditions of admission and membership foreseen in these Articles of Association, or
- (ii) to initiate proceedings for the General Meeting to exclude the suspended Member.

In the event of a suspension of an Affiliate, the Board of Directors may, at any time, either decide:

- (i) to withdraw the suspension, such withdrawal remaining subject to the Affiliate's compliance with the terms of these Articles of Association, or
- (ii) to ban the suspended Affiliate.

If a Member or an Affiliate is suspended, the Member or Affiliate shall lose all rights for the duration of such suspension. In the case of the suspension of a Corporate Member, its Affiliate(s) correspondingly lose all rights for the duration of the suspension of the Corporate Member.

In the event of the exclusion of a Member, the Member loses indefinitely all its membership rights. In the event of the banning of an Affiliate, the Affiliate loses indefinitely all rights, if any, in respect of ILA.

**Art. 14.** No Member shall at any time have a right to ILA's assets. For the avoidance of doubt, a Member who resigned or is excluded shall have no right to ILA's assets, nor may the Member have any seals affixed, any inventory drawn-up or request any seizure and may not claim the reimbursement of membership fees that have been paid.



## Title IV. General Meeting

**Art. 15.** The General Meeting shall have all the powers granted to it by the Law and the Articles of Association.

Any general meeting shall be composed of all Members who have paid their membership fees and whose membership is not subject to resignation, suspension or exclusion on the day of the general meeting.

Each Individual Member shall have one vote and each Corporate Member shall have a maximum of twenty votes exercised through one or more designated Affiliates. The number of votes allocated to each Corporate Member is determined by the ILA membership grid as approved by the General Meeting and published on the ILA website.

**Art. 16.** The Board of Directors shall convene the Members to the general meetings by post or electronically with a convening notice period of at least fifteen calendar days.

The general meetings can be held virtually, in person or in hybrid form, at the time and, where applicable, the place specified in the convening notice. Members are deemed to be present when they attend the general meetings in person or, in the case of a virtual or hybrid general meetings, by videoconference or by means of telecommunication that enable the organiser of the general meeting to identify them.

**Art. 17.** The general meetings shall be chaired by the Chair of the Board of Directors or, in the absence of the Chair, by the Vice-Chair, or, in the absence of the Vice-Chair, by the eldest director present who accepts to chair the general meeting.

The chair of the general meetings shall appoint the secretary of the meeting and the General Meeting shall choose a scrutineer from among the Individual Members and the Affiliates present at the general meeting.

The chair, the secretary and the scrutineer of the general meeting constitute the bureau of the general meeting.

Unless otherwise provided in these Articles of Association, the quorum and majority requirements provided for by the Law are applicable.

**Art. 18.** Each year, no later than six months after the end of the financial year, the Board of Directors shall convene an annual general meeting to submit, for approval, the annual accounts relating to the past financial year as well as the proposed budget for the running financial year.

The annual general meeting appoints Directors and transacts any other business put on the agenda by the Board of Directors or at the request of at least one-twentieth of Members, provided, in the latter case, that the request was made in writing to the Board of Directors at least fifteen calendar days prior to the general meeting.

**Art. 19.** The decisions of the General Meeting are recorded in minutes and signed by the chair and the secretary of the meeting. Copies or extracts of these minutes are validly signed by the Chair or the Vice-Chair of the Board of Directors, by the CEO or by the secretary of the meeting.



## Title V. Administration & Daily Management

**Art. 20.** ILA is managed by a Board of Directors consisting of a minimum of three and a maximum of 20 natural persons (the “Directors”), all of whom are either an Individual Member or an Affiliate of a Corporate Member.

Each Director is appointed by the General Meeting for a term specified by the General Meeting, which may not exceed three years, and which shall be renewable twice. No person may serve as a Director for more than ten (10) years in total even if the terms of office are not consecutive.

To be eligible, candidates must have been either an Individual Member or an Affiliate of a Corporate Member of ILA for at least twelve months at the moment the convening notice for the general meeting is sent to the Members. Such candidates shall be up to date with their membership fees and not be subject to a suspension or exclusion and, in the case of an Affiliate of a Corporate Member, not be subject to a suspension or banning.

Of the candidates standing for election, those who receive the most votes shall be elected, up to the number of seats to be filled on the Board of Directors. In addition, only those candidates who obtain at least 25% of the votes cast by the Members present or represented at the general meeting shall be elected. Further, no Corporate Member may be represented by more than one Affiliate on the Board of Directors and no more than one Affiliate per Corporate Member may stand for election.

In the event that a Director elected as an Affiliate is removed as an Affiliate by the Corporate Member for whatever reason, the Director shall, within one month of the notification of this removal, either resign from the Board of Directors or become an Individual Member or become an Affiliate of another Corporate Member (who is not already represented on the Board of Directors), in which case the Director will remain in office until the end of his or her term of office.


If an Individual Member is suspended, who is also a Director, or if an Affiliate of a Corporate Member is suspended, who is also a Director, the Director shall lose all the rights attached to the directorship for the duration of such suspension.

If an Individual Member is excluded, who is also a Director, or if an Affiliate of a Corporate Member is banned, who is also a Director, the exclusion or banning entails the cessation of the Individual Member’s or, as the case may be, the Affiliate’s acting as a Director with immediate effect.

**Art. 21.** The Board of Directors appoints its chair (the “Chair”) and, if deemed appropriate, its vice-chair (the “Vice-Chair”) from amongst the Directors, who hold this office for a term of two years. The Chair’s and the Vice-Chair’s term of office may be renewed only once.

**Art. 22.** The meetings of the Board of Directors shall be convened by its Chair or Vice-Chair, whenever the interests of ILA so require or at the request of 25% of all the Directors.

Meetings of the Board of Directors shall be chaired by its Chair or, in the absence of the Chair, by the Vice-Chair and in their absence by a chair elected ad hoc by the Directors present at such meeting.



Unless otherwise provided in these Articles of Association, the quorum and majority requirements provided for by the Law are applicable. In the event of a tie vote, the Chair, or in the absence of the Chair, the Vice-Chair and in their absence the chair of the meeting, shall not have the authority to cast the deciding vote.

No decision may be taken on matters other than those on the agenda of the meeting, except in respect of matters where all the Directors present or represented find unanimously that they shall be transacted.

Decisions of the Board of Directors may be taken by unanimous written consent of the Directors in duly justified exceptional cases.

Minutes shall be taken of each meeting and shall be signed by the person chairing the meeting and, if any, by the secretary of the meeting. The secretary does not need to be a member of the Board of Directors.

**Art. 23.** The Board of Directors or the Chair and the Vice-Chair acting jointly, may grant the authorisation to represent ILA in all legal transactions or in legal proceedings, whether actively or passively, to any Director or any third party. Documents which bind ILA, other than those relating to the day-to-day management, shall be signed, unless under a special delegation from the Board of Directors, by, on the one hand, either the Chair or the Vice-Chair and, on the other hand, another Director.

**Art. 24.** The Board of Directors may delegate any general or special powers to any standing or ad hoc committee whose members it shall appoint. The terms of such delegations and the composition, powers and operating procedures of such standing or ad hoc committees shall be set out in terms of reference approved by the Board of Directors.

The Board of Directors may also delegate any general or special powers to any person, whether or not employed by ILA.

**Art. 25.** The day-to-day management of ILA is delegated to the Executive Committee, headed by the CEO. The CEO shall be a natural person appointed by the Board of Directors. The delegates for the day-to-day management are expected to meet the condition of good standing, probity, honourability and integrity.

The day-to-day management of ILA consists of all tasks destined to help ILA accomplish its mission and objectives as defined by the Board of Directors, in accordance with these Articles of Association insofar as these tasks are not reserved by the Law or these Articles of Association to the General Meeting, the Board of Directors, or any other body of ILA.

The Board of Directors shall report annually to the General Meeting information on the salaries, emoluments and benefits allocated to the CEO and the members of the Executive Committee.

The liability of the Executive Committee (including the CEO) shall be determined in accordance with the general rules of mandates. The delegates for the day-to-day management do not contract any personal obligations in respect of the commitments of ILA entered by them. Without prejudice to any liability resulting from their employment contract or similar agreement, their liability is limited to the mismanagement and faults for acts or omission or negligence, committed in the performance of the day-to-day management.



## **Title VI. Miscellaneous Provisions**

**Art. 26.** ILA's financial year shall commence on the first day of January and end on the thirty-first day of December.

**Art. 27.** The General Meeting shall appoint an external auditor to audit ILA's financial accounts and to submit an annual report to the General Meeting. The auditor shall be appointed for one year and may be re-elected.

**Art. 28.** ILA is established for an unlimited duration. However, in the event of the dissolution of ILA, once ILA's liabilities have been settled, ILA's residual assets, shall be allocated to another charitable organisation whose purpose shall be as close as possible to the purpose of ILA and which shall have its registered office either in Luxembourg or in the European Union.

*ILA Articles of Association, latest update 20 March 2024*



The logo for ILA is written in a white, elegant cursive script. The letters 'I', 'L', and 'A' are connected, with a decorative flourish extending from the end of the 'A'. The logo is positioned on a large, dark blue triangular background that points towards the bottom right of the page. To the left of this blue triangle, there are two smaller triangles: a yellow one pointing right and a grey one pointing left.