IAFEI By-Laws

Article 1 – Denomination

The International Association of Financial Executives Institutes - IAFEI - (hereinafter referred to as "the Association") is a private non-profit and non-political association which will be governed by the present By-Laws and by the decisions of its Board of Directors. The Association is organized under the provisions of Article 60-79 of the Swiss Civil Code and, accordingly, has its own legal personality.

Article 2 - Founders

The founders of the Association are the Financial Executives Institutes of Argentina, Australia, Belgium, France, Germany, Italy, Mexico, Peru, Philippines, Spain, United Kingdom of Great Britain and the combined Institutes of the United States of America and Canada.

Article 3 - Purposes

The purposes of the Association is to promote networking opportunities for Member Institutes, to build a wider understanding of financial practices throughout the world and the furtherance of their international compatibility and evolution, and the promotion of ethical and best practices of financial management throughout the world. As such, the association will carry out all activities considered necessary and appropriate to fulfill this purpose.

Article 4 - Domicile

The Association is domiciled in Zurich, Switzerland; the Executive Committee will decide on the location of the domicile within the City of Zurich, which decision may be delegated to the Executive Director. The Board of Directors may change the domicile of the Association inside or outside the Swiss territory if warranted by subsequent circumstances, and may open representative offices and delegations where it seems convenient.

Article 5 - Duration

The Association will have indefinite duration and will only be dissolved by the decision of its Board of Directors or by operation of applicable law.

Article 6 - Estate

The estate of the Association will be formed by:

a) The fees paid by its Member Institutes in accordance with Article 10 of these By-Laws.

b) The contribution, subsidies and loans that the Association may receive from its Member Institutes or from third parties.

c) The properties or goods acquired by it by any of the means admitted by law. In general, the estate of the Association may consist of any kind of property anywhere in the world.

Article 7 - Income

All income and funds obtained by the Association by any lawful means will be applied toward the achievement of its purposes.

Article 8 - Annual Budget

The Treasurer, on the direction of the Chairman, will prepare an annual budget for approval by the Board of Directors. The annual budget shall detail all the expenses of the Association with appropriate details as to routine Association expenses and those pertaining to the meetings of the Executive Committee and the Board of Directors. Any projected material deviation from the budget requiring supplemental appropriation shall be covered by a corresponding budget to be approved by the Board of Directors.

The Executive Director will be responsible to ensure that the annual budget is observed and the Treasurer shall furnish quarterly financial report with comparative analysis against budget to the Executive Committee and the Board of Directors.

Article 9 - Members and Affiliates

Membership in the Association is open to Financial Executives Institutes of all countries of the world, but only one Member Institute or Affiliate per country will be admitted. However, the Board of Directors can decide to admit the membership of more than one Institute or organization, subject to a vote of majority, in case the new membership brings to the Association a better representation in the country involved.

Membership in any of IAFEI´s bodies (Advisory Council, Nominating Committee, Executive Committee) is predicated on a continuing IAFEI membership of the originating national institute.

a) The requirements to become a Member Institute of the Association are the following: To be eligible for membership in the Association, a national institute should be largely composed of financial and control executives of leading business concerns who have a common interest in the techniques of financial management and financial accounting and reporting and in maintaining business enterprises on a healthy basis in the face of changing business conditions. Membership in such national institutes should be principally open to executives performing the policy setting functions of a financial executive in a

company of sufficient size to qualify. Membership in such institutes should be held on an individual basis rather than as a company or industry representative.

b) In a country where there is not a national Member Institute, groups of executives who would qualify under a) except that they are not independent bodies, may apply for affiliation with the Association. If the application is accepted and approved by the Board of Directors, the affiliated group will be entitled to participate in the Association's activities. It may then nominate its President to be invited by the Board of Directors to become a voting participant in the activities of the Association's Board of Directors or Committees, in accordance with Article 12 of these By-Laws. Communications will go to and from the affiliates in the same manner as to and from the Association's Member Institutes. The Affiliate will pay membership fees as set out in Article 10 and will be expected to participate in the affairs of the Association and contribute to the achievement of its objectives. Article 25 applies mutatis mutandis.

Article 10 – Fiscal Year, Membership Fees and Dues

The Fiscal Year of the Association shall be from and including January 1, to and including December 31 of each calendar year.

Each Member Institute will pay the Association annual fees, for each fiscal year. Fees will be effective from the beginning of the fiscal year and will become due 60 days after the issuance of the corresponding invoice. Membership in the Association may be forfeited for nonpayment of dues, subject to approval of the Board of Directors.

The Board of Directors shall also develop appropriate guidelines in relation to such Forfeiture. National Institutes of Financial Executives upon becoming members of IAFEI are subject to the regular fee levels, UNLESS they apply for a fee reduction.

Such reductions may be granted, provided the newly joining institute was not a member before. In this instance, both fee components (base fee and variable fee linked to the new institute's members) will be reduced by 75% for the first two years of membership. The reduced base fee will have to be paid two years in advance. During these first two years, the member paying a reduced fee will enjoy all rights of a regular member except the right to nominate IAFEI officers and the right to be nominated as IAFEI officers. The new institute may request a continuation of the reduced fee level beyond the first two years if such member so desires under the same terms and conditions. In continents where there is no full paying member institute, a reduced fee paying member institute may be considered to be elected Area President to assure proper representation of IAFEI in said continent.

The annual fee for a fiscal year shall be decided by the Board of Directors. Changes in the annual fee, as proposed by the Executive Committee shall become applicable only after approval by vote, of the Board of Directors. Information of changes in annual fee shall

be circulated to all Member Institutes. The Board of Directors will determine the currency in which the Association will keep its accounts and collect its fees.

Article 11 – Governance Structure and Administration

The Association shall be governed, directed and managed by a duly constituted Board of Directors. The Board of Directors shall be assisted in the management and operations of the Association by the elected Officers (Chairman, Vice Chairman, Treasurer and Secretary) who shall constitute the Executive Committee. An Executive director may be appointed by the Board of Directors to act under the directions of the Executive Committee.

The Board of Directors and the Executive Committee may receive recommendations and advice from the duly constituted Advisory Council. A duly constituted Nominating Committee shall assist in the election of the Officers of the Association in the prescribed manner.

The Board of Directors will determine the policies in relation to the administration and representation of the Association. The policies shall be documented in a Policy Manual, which shall be circulated to all Member Institutes. The execution of these policies is the responsibility of the officers elected or appointed by the Board of Directors pursuant to Article 22.

Certain specific duties and responsibilities may be delegated to Committee Chairmen and their Committees as set out from time to time.

The official language in which the Association will conduct its activities is English.

Article 12 - Board of Directors

The Board of Directors of the Association will be composed of the directors designated by the Member Institutes of the Association. Upon admission, each Member Institute will have the right to designate one Director for each hundred of its members and fractions thereof, up to a maximum of three Directors for Member Institutes having no more than 800 members. Member Institutes with more than 800 members but less than 1800 members will be entitled to one additional Director and Member Institutes with more than 1800 members will be entitled to another additional Director. The maximum number of Directors (and voting rights) for a larger institute (more than 1800 members) is five.

The President of a Member Institute automatically becomes its designated Director, and may hold all the votes assigned to that Member Institute, or the Member Institute might designate additional directors in accordance with the provisions of the preceding paragraph. It is the responsibility of the Member Institutes to keep the Association informed of any change in its directorship appointments. If the President of a Member Institute or other appointed Directors is unable to act during the period of their term, the Member Institute may appoint, by written proxy, a substitute to serve in the absence of

the Director at any particular meeting or for any period during which the Director is incapable of acting.

Article 13 - Term of Office

The President of a Member Institute, as a natural director in accordance with Article 12, will serve his/her term until the end of his/her term of office in his/her own Institute and will then automatically be replaced by the new President.

The Directors serve at the pleasure of the Board of Directors and of the Member Institute which nominates them and, as such, they may be dismissed at any time with or without cause. In the event of such a dismissal, the Member Institute in question will immediately nominate another member to fill out the remaining term of the dismissed Director.

Article 14 - Meetings of the Board of Directors

The Board of Directors, duly convened, shall have full authority to resolve all matters. In the absence of special provisions in the By-Laws, the resolutions of the Board of Directors must be passed by the majority vote of the Directors and proxies present at the meeting and said resolutions will be binding on all Member Institutes, including those whose representatives have dissented, were absent, or, though present at the meeting, did not vote, except that the decision to change the purpose of the Association or to dissolve it shall be valid only with the affirmative vote of 85% of all Directors.

Article 15 - Powers of the Board of Directors

The Board of Directors shall govern, direct and manage all affairs and operations of the Association, with full power and authority to do any and all things which the Association may lawfully do, and specifically (without limiting the generality of the list below) to act on:

1. Admittance of new Member Institutes.
2. Management of the Association property.
3. Amendment of these By-Laws by affirmative vote of two thirds of all votes according to the possible total of Directors as established in Article 12, except decisions related to dissolving or changing the purpose of the Association, which will be governed by the provision of Article 14.
4. Modification of membership fees and quotas.
5. Approval of the annual budget and annual financial report.
6. Election of the Officers of the Association.
7. Authorization to legally commit the Association to open and close bank accounts, transfer funds, sign checks, and otherwise administers the affairs of the Association.

The Board of Directors may delegate any or all of the above-mentioned management of the affairs and operations of the Association to the Executive Director or other designated official as provided for in Article 22, item 2.

Article 16 - Calls of Meetings

The Secretary, on the direction of the Chairman or at the request of at least 25% of the Member Institutes, will call the meetings of the Board of Directors. Said call will be made by registered mail, fax, e-mail or other means as approved by the Board of Directors, sent to all of the Directors at least thirty days before the date fixed to hold the meeting for an ordinary meeting and sixty days for an extraordinary meeting. Said notice will state the place, date and time of the meeting and will contain the agenda. Furthermore, it may state the date and time on which the meeting will meet pursuant to a second call. A period of at least three days must elapse between the dates fixed for the first and second calls. In the absence of Directors, their substitutes, if authorized by proxy in writing, may attend the meeting with all rights and duties of such absent Director.

Article 17 - Universal Meeting

The Board of Directors will be validly constituted to resolve on any matter, without a previous call, when all Directors are present or duly represented and they unanimously resolve to hold the meeting.

Article 18 - Constitution of Meetings

The Board of Directors will be validly constituted pursuant to a first call with the presence of or representations by proxy of 66% of the Directors having the right to attend, and pursuant to a second call with the presence or representations by proxy of 35% of the Directors having the right to attend. Resolutions of the Board of Directors may also be taken by voting by registered mail, fax, e-mail or any other means as approved by the Board of Directors. Such resolutions shall be distributed to the Directors by any of the aforementioned communication means. Adoption of such resolutions shall be by a majority of the Directors responding to the request to vote by the required date, provided the minimum of 35% of the Directors having the right to attend and vote is respected.

Article 19 - Right to Attend

The members of the Executive Committee, the Directors and proxy holders who are qualified to represent Member Institutes whose membership fees are paid up and current will be entitled to attend and vote at Board of Directors Meetings. The members of the Executive Committee will have the right to one vote. Each Director will have the right to one vote unless carrying a proxy for other Directors in accordance with Article 12. The members of the Advisory Council and the Chairmen of the Committees, or the Vice-

Chairmen if the Chairman is not attending, will be entitled to attend without the right to vote.

Article 20 - Procedure

The Board of Directors' Meetings may be held anywhere, inside or outside of Switzerland. The Chairman of the Board of Directors will preside over the meetings and the Secretary of the Board of Directors will act as Secretary. Minutes will be drawn up of the resolutions passed at the meetings and these minutes will be approved at the next meeting. A copy of the minutes containing the resolutions will be distributed among the Member Institutes duly signed by the Secretary with the approval of the Chairman.

Article 21 - Committees

The Executive Committee will consist of all elected Officers as specified in Article 22. The Chairman of the Association will be the Chairman of this Committee and the Vice-Chairman will serve as Vice-Chairman of the Committee. The Executive Committee will make all the necessary decisions between meetings of the Board of Directors, subject to review by the next Board of Directors' Meeting.

A Nominating Committee will be comprised of a maximum of five members, being the two most recent Past Chairmen of the Association, the present Chairman, the Vice-Chairman, and the Chairman of the Advisory Council, provided however, that if any of the members of the Nominating Committee is a nominee, he shall preclude himself from rendering a decision on the nomination.

Amongst the Nominating Committee members, the senior Past Chairman will serve as Chairman of the Nominating Committee and the immediate Past Chairman will serve as its Vice-Chairman. If either of them is unable to exercise their function, the preceding out-going Chairman of the Nominating Committee will substitute for the person unable to fill the position. In fulfilling its responsibilities, the Nominating Committee shall seek the advice and counsel of the Advisory Council and Member Institutes involved in the affairs of the Association as to the acceptability of potential candidates being nominated.

In addition to the Executive and Nominating Committees, the Board of Directors may, from time to time, appoint task force(s) or committee(s) to handle a particular issue or requirement important to the membership of the association. These task forces shall have a specific mandate and will be disbanded after the mandate has been fulfilled.

Article 22 - Officers

1. The Board of Directors will elect annually on the recommendation of the Nominating Committee, the following Officers:
    - Chairman
    - Vice-Chairman

- Secretary
- Treasurer

More than one Vice Chairman may be elected, if so deemed fit by the Board of Directors. In addition, the Board of Directors may elect Area Presidents, based on geographical parameters as set by the Board of Directors. Policies in relation shall be established by the Board of Directors. The terms of Officers will be from January 1 to December 31 or until their successors are elected. All Officers are elected for one year, but their election is renewable. However, the term of any Officer may be renewed only for a maximum aggregate term of four years. After his maximum tenure, the Chairman cannot be elected to any other Officer position.

2. The Board of Directors may recruit an Executive Director to assist in the day to day operations of the Association. An Executive Director, should, preferably, be or have been a member of the Association's Member Institutes and should have preferably acquired experience in the working and organization of the Association. The Executive Director may be appointed for a term, as deemed fit by the Board of Directors. The Executive Director is member of the Executive Committee.

   The Executive Director shall be a hired financial professional and is entitled to receive a compensation, as determined by the Board of Directors. The compensation may be reviewed from time to time by the Board of Directors.

   The Executive Director shall closely co-ordinate his/her activities with those of the Officers of the Association.

Article 23 - Powers of the Officers

1. The Chairman of the Board of Directors is the Chief Executive Officer of the Association. The Chairman represents the Association on all occasions and may delegate functions to the Vice-Chairman and/or to the Executive Director. As Chairman of the Executive Committee, s/he is responsible for the execution of the decisions and resolutions of the Board of Directors. The Executive Director who will, in this respect, report directly to the Chairman will carry out these decisions and resolutions.
2. The Vice-Chairman of the Association acts for the Chairman when absent or when the latter is incapable of acting. The Vice-Chairman will be directly responsible for the supervision of the Area Presidents (should such Area Presidents have been elected based on Article 22) and of the activities of the Committees/Task Forces of the Association, except for the Nominating Committee, and for the co-ordination among the different areas of the Association. The Vice Chairman may receive assistance from the Executive Director in relation to these responsibilities.
3. The Secretary is responsible for keeping the Minutes of the Board of Directors and for obtaining all reports to be presented to the Board of Directors. The Secretary keeps

the records of the Association. The Secretary may receive assistance from the Executive Director in relation to these responsibilities. When the Secretary is absent, the Chairman may appoint a Deputy Secretary for the period of the incapacity of the elected Officer.

4. The Treasurer is responsible for the funds of the Association, for the collecting of fees and the payment of expenses. The Treasurer is responsible also for the preparation of the Annual Budget and the Financial Reports of the Association. The Treasurer will recommend financial policies and procedures and, upon their approval by the Board of Directors. The implementation of such policies and procedures shall be the responsibility of the Executive Director.
5. The Board of Directors may delegate the functions of Secretary to persons who work on a full-time basis on the staff of a Member Institute of the Association, under the responsibility of this Member Institute. The functions of the Secretary may also be carried out by a professional secretariat.

Article 24 – Role of Executive Director

The Executive Director is member of the Executive Committee. The Executive Director has among his/her obligations the following:

a) To see that all decisions of the Board of Directors and Executive Committee are duly carried out and put into effect.

b) To promote, in a broad sense, the purposes of the Association and co-ordinate its activities, as well as to assist its members and officers on a worldwide basis, according to general as well as specific directions of the Board of Directors.

c) To assist, as required, the Chairman, Vice-Chairman, Treasurer and Secretary in administrative and operational tasks.

d) To attend all meetings of the Board of Directors and Executive Committee

e) To assist the Committees/Task Forces set up by the Board of Directors in the supervision of the organization of such events and to attend them as frequently as possible.

f) To be responsible for the content of the association's website and insure that its content is current and up to date, for the publications of the Association, the dissemination of information and the communications with and among Institutes.

Article 25 - Advisory Council

1. Past Chairmen of the Board of Directors of the Association constitute the Advisory Council, the purpose of which is to provide the Association with the benefit of their knowledge and experience. Each Chairman of the Association, upon termination of his/her office, becomes a member of the Advisory Council. His/her membership in the

Advisory Council ends after s/he has become the first in seniority upon the admission of a new member to the Advisory Council, the total number of which is limited to ten.

2. The Advisory Council may elect, at the proposal of one of its members and as additional members of the Council, those individuals who have rendered meritorious services to the Association. These persons can be elected by the unanimous vote of those members who respond to the proposal for a renewable period of additional ten years.
3. The Advisory Council should meet at least once a year in connection with the World Congress, but also on call if requested by any two members or by the active Chairman of the Board of Directors. The Council can invite officers, past officers, Board of Directors members or special guests to participate in its meetings. The Advisory Council shall elect a Secretary for each meeting, from its members, who shall be responsible for the minutes of the meeting.
4. The resolutions of the Advisory Council will take the form of recommendations to the active Chairman, the active Vice-Chairman or the Board of Directors of the Association. There will be no voting by proxy, but recommendations of the Advisory Council can be arrived at without an actual meeting through signed communications, including faxes or e- mail.
5. The Advisory Council will elect a Chairman and a Vice-Chairman from its members for a renewable period of one year. If no election takes place in one given year, then the active Chairman will be considered automatically re-elected. If the elected Chairman and Vice-Chairman are unable to act, then the most recent Past Chairman of the Association will preside as Chairman of the Advisory Council until a new Chairman is elected.
6. The Advisory Council will fulfill its responsibilities by:
    a) Undertaking a constant evaluation of the performance of the Association in view of its objectives.
    b) Developing recommendations for changes in objectives, policies, procedures and/or structure.
    c) Giving advice to the active Officers of the Association on request.
    d) Providing advice and counsel to the Nominating Committee.
7. Members of the Advisory Council are invited to the meetings of the Executive Committee and of the Board of Directors of the Association, without the right to vote.

Article 26 - Review of Membership Status

Any Member Institute or Affiliate may resign from the Association by giving thirty days written notice addressed to the Chairman of the Board of Directors, but will remain liable for all fees due at the date of the notice.

The Board of Directors may, by a majority vote of the eligible representatives, discontinue the membership of a Member Institute or Affiliate, which will be motivated by any of the following causes:

1. Default by the Member Institute or Affiliate on the payment of membership fees in accordance with Article 10 of these By-Laws.
2. Inactivity on the part of the Member Institute or Affiliate to participate in the affairs and activities of the Association, particularly in keeping the Association informed about changes in its Presidency and Directorship appointments.
3. Any act or omission of the Member Institute or Affiliate that the Board of Directors considers sufficiently grave to merit discontinuing its membership from the Association.

Another organization fulfilling the condition for membership in the country of the Institute resigned or discontinued could then be accepted for membership

Article 27 - Dissolution

The Association will be dissolved if the Board of Directors should so resolve by the affirmative vote of 85% of the Directors having the right to attend the meeting at which the resolution is passed. It shall also be dissolved by operation of applicable law.