

**FEDMA AISBL – BY-LAWS Adopted 16 June 2016**

In Addition to the Statutes the following by-laws have been drawn up between the members. This document refers to the relevant articles in the statutes. These guidelines for the operation of FEDMA may be amended by a simple majority of the General Assembly.

Article 2 – Registered Office, Registrations & Publication in Moniteur Belge.

The association is registered in the Commercial Court and the Crossroads Bank of Undertakings. All the required statutory information is published in the annexes to the Belgian Official Gazette, Le Moniteur Belge.

Article 3 – Working Language

The working language of FEDMA is English. The only exception is, when the recipient does not speak English, in which case all material information must be documented in English.

Article 6 – Membership Admission

A Membership request should use the appropriate form sheet to the registered office to the attention of the board. The form sheet will be made available by the staff.

Membership benefits shall be granted upon full payment of the subscription fee and after the staff received the explicit written acceptance of the statutes, rules of procedure of the board and committees, provisions of the Membership contract, and the self-regulatory frameworks, codes and rules on certifications adopted or to be adopted in the future by the Members of the association. The membership contract must be signed.

Each admitted Member receives paper versions of written Membership contracts, the terms and conditions, and the latest version of the statutes. A duplicate of the Membership contract is filed in paper at the FEDMA offices.

Each new Member also receives immediately a fact pack on the association comprising of digital copies of the minutes of the two last general assemblies, including the full batches of the supplementary documents of these meetings. Each new member receives a digital copy of the last audit report and digital copy of the latest report of the board and a general secretary on the execution of the decisions of the General Assembly.

Each admitted member immediately provides FEDMA with the information required, the full legal name, address, VAT number & its bank details.

Subsequently the official representatives of the new member immediately receive their logins to the Membership section of the FEDMA website.

Article 8 – Membership: Representation of Legal Entities

Legal entities that join the association have to name in writing a specific natural persons that non-ambiguously represents the legal entity throughout the Membership as their official representative:

1. In administration issues (including the fee payments, etc.),
2. In institutional issues (including the participation of institutional meetings, the exercise of voting rights, the potential availability for a seat on the board, etc.), and
3. In operative activities (including the work of committees, such as the Members' revocation committee, etc.).

The written authorizations of these (so called: "official representatives") has to specify the area of representation or has to be explicitly a comprehensive official representation. The written authorization on institutional issues has to be signed by someone who has the full power of attorney of the Member's legal entity. Any change to this representation has to be immediately notified to the association in writing.

The official representative of the legal entity is free to authorize and send additional natural persons for the participation (so called "participants") in each of these issues. However, there can be only one official and authorized representative for each subcategory.

Article 11 – Subscription Fees, Extraordinary payments and Late Payment Fees

FEDMA may increase its membership fee following an

annual adjustment to CPI by decision of the General Assembly.

Members must also pay any extraordinary payment for specific project as approved by the General Assembly.

In exceptional circumstances, the General Assembly will decide upon request of the Members to temporarily reduce their Membership fee. The decision has to be justified on a yearly basis. The board has to require and receive the last set of financial statements of the petitioner before making such a decision. The justification and statements have to be documented in writing and filed at the registered offices.

Any member which has defaulted to pay its full annual Membership fee or other payments due to the association loses all benefits related to Membership if it has not paid it within 14 calendar days following a notice to pay sent by registered mail. Moreover, the Member, who received such a notification, will be held liable for default interest by applying mutatis mutandis the latest EU Late Payments Directive or in case the EU norm has already been transposed, the applicable Belgian law.

It is the obligation of the staff to formally notify Members of this loss of suffrage and other benefits.

Article 12 – Logos, Certificates & "Corporate Identity"

Any Member may only make use of the association's certificates or communicate about itself with a reference to the association's self-regulatory standards or guidelines after authorization from the board. The board may devise binding technical rules on the use, layout, colors and other details of the association's branding, certificates and "corporate identity".

Article 15 - General Assembly: Convening, Required information, Structure of the Meeting**1. Convening**

Every second General Assembly has to be at the registered office of the association, unless there are extraordinary

reasons that justify a different decision. The date of the remittance of the invitation determines whether the convocation deadline has been met (e.g. post stamp).

2. Required information

The annual General Assembly must receive at least a proper set of the following financial statements:

2.1 The latest flow statements:

- Profit and loss statement
- Cash flow statement

2.2 The latest and penultimate statement of financial position

- (i.e. balance sheet).

2.3 To enhance transparency it is recommended to provide vertical common size-financial statements, if possible comparing up to five years.

2.4 The board which does not provide the information set out in 2.2 and 2.3 upon justification to the General Assembly and include the reasoning for this exception into the minutes of the Meeting.

2.5 The annual General Assembly must also receive the external auditor's report.

3. The Structure of the Meeting

Members have the right to raise questions and make brief and factual comments on each item at the agenda.

Article 16 - General Assembly: Attendance and Voting Rights

Proxies must be verified by the board before such a delegated voting right can be exercised. The proxies have to be given to the Chair of the meeting before a vote is counted as valid.

Article 19. – General Assembly and Meeting of the Board: Publicity of the decisions

The minutes must be made available within 30 calendar days after the meeting was held. For this deadline the fax version of the signed minutes is sufficient. The minutes should follow an outline and a check-list previously devised by the staff. The adoption of a new official legal position by FEDMA should be confirmed by the board. Such a confirmation procedure can take place at the Board meeting or by the usage of electronic approval procedures.

Article 20 – Board: Composition, Eligibility, Term, & Election Process

Applications to the three individually selected directors must announce for which position she or he wants to be elected, President, vice-president or treasurer. This information is disseminated by the staff to all Members as soon as the FEDMA offices receive this information. The information is also posted in the Membership section of the association's web site.

The president must have relevant industry experience, at the helm of a large business of the industry.

The vice-president should ideally have equivalent experience. However, in her or his case a long tenure in a prominent line function of a business suffices.

The treasurer should have certified financial acumen and at least two years practical experience in a financial reporting or financial planning function (including management).

The board must establish written rules of procedure that defines dossiers, the cooperation with the staff and possibly the general secretary and committees, Members and third party service providers.

Article 22 – Board - Powers

The reports are due at the end of each quarter the latest and independent of the annual general meeting and have to report briefly and concisely on the execution of the decisions of the General Assembly every quarter of the year in writing. A new operational committee or working group within FEDMA can be created by the Board. The chair of those committees or working groups can be nominated by the Board. Such a decision can take place at the Board meeting or by the usage of electronic approval procedures.

Article 24 – Board: Roles of the President and the Treasurer

The treasurer, as a representative of the board also presents and explains the finances to the General Assembly.

One of the roles of the President is to closely supervise the fostering and retention of the association's staff. He has to regularly interview and analyse the staff (in person, at least twice a year), propose educational practical assignments, schedule trainings or propose other retention measures. She or he fulfills this important role in close coordination with the president and possibly a general secretary.

Article 25- Board: Meetings, Voting Rights, Quorum, and Minutes

Meetings take place upon prior notice given by the president by ordinary mail, fax or electronic means at least 3 weeks before the meeting. Again the meeting of the deadline depends on the remittance.

The venue of the board meeting has to be every second meeting at the FEDMA offices to enable the directors to directly and hands-on review the operations, filings, data bases and talk to the staff.

A director may hold two proxies for voting rights maximum. The vote is only valid if the proxy has been provided to the Chair of the meeting in writing and properly signed by the constituent before it is exercised.

The minutes are available to the Members at the Association's registered office and on the associations web site in analogy to the minutes on decisions of the General Assembly.

The board can exempt issues from being covered by the minutes if they potentially could prejudice the association, a director or a member if they were made public. The minutes have to be made available within 30 calendar days after the meeting of the board. For this deadline the fax version or digital image of the personally signed minutes is sufficient.

The minutes may follow an outline and a check-list previously devised by the staff and aimed at facilitating the scribe's work.

Article 26 – Board of Directors: Emergency Provisions

In even more exceptional circumstances that are extremely urgent and do not allow for any further delays, the board can convene on the phone on short and informal notice given by the president, the vice-president or the treasurer.

The justification for such a meeting has to be of a nature that threatens the survival of the association.

This justification has to be documented in writing in the minutes of such a call. In such extreme circumstances decisions of the board can be taken if at least four directors agree to take action, including at least two of the individually elected directors. Apart from this requirement there is no other quorum.

Such an urgent decision becomes valid when a written confirmation of the decision has been disseminated to all directors. Such an extraordinary board decision should only be made under the leadership of the president or if he is unavailable under the leadership of the vice-president.

Article 29: General secretary & Special Mandates

The board may delegate the daily management together with the association's representation relating to this daily management in regular administrative issues (e.g. pay roll, landlords, and contracts with regular service providers, leading the staff) to a general secretary. Under such a scenario, the general secretary would also be responsible for the smooth running of all

regular Membership affairs. He would organize and lead the association's staff and registered office. He would implement the decisions of the board and General Assembly hands on. He would make proposals to the board concerning the annual action plan and related budget. He would take care of external service providers of the association. He would also support the accountant, treasurer and president in their controlling and reporting functions.

Article 30: Controlling: Operative Plan, Budget, Financial Reporting

All activities must be subject to managerial accounting and transparent controlling.

Although this should not be the rule, special activities may be provided to Members and third parties at a price determined by the board. The board has to propose a detailed action plan and the related budget plan for the upcoming accounting year and forecast the two years that follow the current annual budget, in-line with the association's strategic objectives. The board may delegate these tasks to a general secretary or external accountant. Both, external accounts and the budget and action plan must be duly reviewed by all directors. After they have been approved by the board they are submitted to the General Assembly for approval at its next meeting.

It is highly recommended that the association either outsources its accounting and pay roll to an external certified public accountant or hires such an accountant. The external accounting has to follow applicable legal provisions.

For transparency and comparability reasons, the association should in any case follow at least the accrual accounting requirements for large associations, thus a

balance sheet, income statement and cash flow statement have to be devised.

The budget plan must include a budget item for hiring external consultants in the interest of the Members. This item must be to the complete discretion of the board. Neither the General Assembly nor the FEDMA staff has any say in the investment of these funds, the only exception being the pointing out of a possible conflict of interest. The money allocated annually to the external advisory services accrues during the full term of the board. This item has to be 1/5, but at least 18.000 EUR of the association's annual budget.

The association must pay back all its debt until 2015. Thereafter the association has to have a balanced budget and must accrue and eventually maintain a reserve. By 2020 this reserve must allow the association to operate for at least 4 months without any incoming cash flow. By 2030 the reserve has to cover a period of 9 months. By 2050 the reserve has to cover a period of 15 months. Funds not used under 9 are used to build up this reserve.

Power of Attorney and Authorization of Expenditures

1. Directors and staff Members receive a written power of attorney that enables them to act on behalf of the association. This power of attorney has to be specific and has to be up for renewal (including the exact extent of the power of attorney) every year at General Assembly or at the board meeting preceding the General Assembly.
2. Any authorization related to expenditures potentially larger than 1,500 EUR in total or making payments of amounts larger than 1,500 EUR, except monthly staff salaries and office rent payments, require the signature of the treasurer and at least one other director. If the board has appointed and hired a general secretary this requirement is met if

explicit authorization is given by signature of the general secretary and by at least one individually elected director. As a rule the authorizing director should be the treasurer.

3. Any new investment decision involving costs that are potentially larger than 1,500 EUR in total have to be based on a comparative “make or buy” approach. The association has to justify buy-decisions based on quotes of at least two external service providers which receive the same specifications and briefings. At least one of the quotes must come from an obvious market player or supplier and not a Member of the association or of any national DMA. The quotes have to be filed and the decision has to be reported. Expenditures have to be made taking into account the economical interest of all Members, the quality of the outcome and the long-term view.

4. A stricter control of the budget by the Board shall be installed whenever a deviation from the adopted budget of 10% or more is noticed.

Article 31: Annual Audit

The Members must annually receive a complete digital copy of the audit report and the auditor’s opinion. The hard copies of these documents are to be stored at the seat of the association mutatis mutandis to the minutes of the General Assembly. All soft copies should also be made available in the Members’ section of the association’s web site.

The copies of the audit report must be available to Members four weeks before the General Assembly votes on a new board and four weeks before the regular annual budget is voted on. [Available with the convening notice]

When communicating the performance of the association, of the directors, of the association’s staff, and of any committee of the association, the reporting person must make reasonable efforts to ensure that it is fair, accurate, transparent, and complete. The presentation has to include all relevant financial and managerial accounting information that can be reasonably expected.

Article 33 – Record Retention

1. These carefully filed records have to include notably, their recommendations, proposed investments, and all material association-related communication with Members and prospective Members.
2. It is the duty of the staff to maintain a well sorted and daily updated Membership data base and filing system of membership affairs. The Membership is the most valuable asset of the association. The president has to spot test the data base and filings twice a year. He has to document his tests in writing and report them to the Board.
3. It is the duty of the staff to maintain a transparent, well documented, and well sorted financial and managerial accounting regime. The treasurer has to spot test the accounting filings and systems twice a year. He has to document his tests in writing and report them to the Board.
4. If the spot test and possibly any further analysis of points 2. and 3.

prove unsatisfactory and are not resolved within 3 months through special measures, possibly including special projects, trainings and advice, the responsible staff or external support has to receive a notice and let go.

Article 36 - Governance, Operating Handbook, Code of Ethics

1. The board and committees must establish rules of procedure. However, these rules of procedure must not be general by-laws of the association.
2. Once a year, the board shall review the statutes, rules of procedure, code of ethics and operating handbook, especially in the areas of good governance and submit, if necessary, modification proposals to the General Assembly.
3. The latest version of the statutes, a code of ethics, rules of procedure of the board and committees, the Membership contracts, terms and conditions, and operating handbook should be filed in the association’s offices in a single “operations binder”. This binder must be constantly accessible to the staff. Superseded versions of the related documents should be filed in a reference binder. There should be digital copy of the operations binder on one of the association’s shared hard drives.

Article 36: Creation of committee

The Board of Directors decides on the establishment or disbandment of a committee, as specified in article 28 of the Statutes of the organisation. The committee is under direct supervision of the Board of Directors and is accountable to it. A committee is governed by a chairperson and a vice-chairperson.

Article 37: Nomination of committee Chairperson and Vice-Chairperson

1. Members of the committee will be invited to nominate a candidate for chairperson. The Board of Directors appoints the chairperson.

2. Members of the committee nominate a candidate for Vice-Chairperson. The appointed Chairperson can suggest a Vice-Chairperson to the members of the committee.

3. Both Chairperson and Vice-Chairperson shall preferably be experts in the relevant fields of activities related to the purpose of the committee. The Chair of a committee should preferably not be a Director of the Board.

4. The Chairperson and Vice-Chairperson are appointed for a term of three years, renewable. It is recommended to alternate Chairpersons after two terms of Chairmanship. Both the Chairperson and Vice-Chairperson have the same duties for the management of the committee. The Vice-Chairperson can take over the chairperson responsibilities in case of need. In case of permanent default by a Chairperson, the Vice-Chairperson assumes the role of Chairperson until a new Chairperson has been appointed.

Article 38: Management of Committee

1. Composition and Powers of a committee are determined by the Board of Directors of the organisation, as specified in article 28 of the Statutes of the organisation.

2. The committee may develop terms of references defining its purpose, objective and internal procedures. Such terms of references shall be approved by the Board of Directors.

3. The committee may develop opinions aimed at representing the organisation's position. Opinions shall become official positions once approved by two thirds of the members participating to the committee. Opinions are subject to approval by the Board of Directors.

In situation where a committee cannot reach approval on an opinion, the Chairperson of the committee may decide to refer the issue to the Board of Directors for decision.

4. In case of a vote of the committee, the voting procedures of the General Assembly of the organisation, articles 16 and 17 of the Statutes of the organisation, are applicable. In case of a tied vote of the members present or represented, the Chairperson shall have the casting vote.

5. The committee shall respect and follow the organisation's codes of ethics, as laid down in article 36 of the Statutes of the organisation.

Article 39: Legal Affairs Committee

1. The FEDMA Legal Affairs and ethics Committee (LAC) is responsible for the development and adoption of FEDMA advocacy positions and governmental outreach strategies, based on the policy strategy set out by the Board. Members of the LAC physically meet four times a year, generally in Brussels. The LAC is open to all FEDMA members.

2. Members of the LAC adopt decisions by a majority of 60% the members present or represented at the physical meeting, following a consultation period, and/or a debate during the meeting. Adopted decisions are recorded in the minutes of the meeting. In the case where a decision is submitted to members of the LAC by email, it is considered adopted on the condition that it hasn't received any objection from 29% of the FEDMA members, following a reasonable consultation period, taking into consideration external time constraints the Secretariat may have to respect. The rules for adoption should be specified in the content of the email. Voting rights are restricted to one vote per member

3. In case where members of the LAC fail to reach an agreement supported by a simple majority on a specific issue, the FEDMA Board will decide. In this case, the

FEDMA Secretariat will draft an overview of the issue and present it to the FEDMA Board. The FEDMA Secretariat will communicate the Board decision/opinion to members of the LAC in an appropriate way.

4. Members of the LAC may decide to constitute specific working groups, and delegate powers of decision on a specific issue to such a working group. Members of the LAC define the purpose and structure of such a working group. Members of working groups are convened by the FEDMA Secretariat.

5. Members of the working group adopt decisions by simple majority, following a reasonable consultation period, taking into consideration external time constraints the secretariat may have to respect, and unless otherwise specified. The Chair and vice-chair of the LAC will always be informed before a decision is taken by the working group.

6. When time constraint requires it, or if deemed necessary by the FEDMA Secretariat, a decision may be adopted on the condition that it hasn't received any objection. In such case, the rules for adoption should be mentioned to the member of the working group when the decision is circulated. In case where the working group fails to reach agreement supported by the votes of simple majority, members of the working group will present the issue to members of the LAC or members of the Board. In this case, the FEDMA Secretariat communicates the relevant information to the LAC or the Board.

6. Members of the working group shall provide a reporting of their activities to members of the LAC at each physical committee meeting, and if necessary, more frequently, using newsletters sent by the Secretariat.