



ACI - The Financial Markets Association

MISSION Statement, CHARTER and STATUTES

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ACI – The Financial Markets Association

MISSION Statement

To be a leading, global association of wholesales financial market professionals, contributing to the market development through education, market practices, technical advice and networking events.

CHARTER of ACI – The Financial Markets Association

Article I

ACI – The Financial Markets Association is a non-commercial organisation, established under the French Law of 1901, based on mutual recognition of markets professionals, with the objective of the development of the profession, without discrimination of any sort.

Article II

Members undertake to maintain the professional level of competence and the ethical standards of loyalty that are indispensable in the development of international relations, and render mutual assistance so far as possible.

Article III

Members commit to maintain, at all times, the highest possible standards in their profession by constantly setting an example of propriety and best ethical behaviour in business under all circumstances, in strict accordance with the content and spirit of 'The Model Code'.

Article IV

The National Associations that the members have formed in various countries are groups linked by affiliation to ACI – The Financial Markets Associations.

Article V

The affiliated Associations are united by the moral ties of their common membership of the profession and by the common desire to give the best possible service within it, particularly by the establishment of personal and friendly relations between all those who are so engaged.

Article VI

Each National Association will be fully autonomous in designing and managing its national scope of business, but commits itself and its members to behave, at all times and under all circumstances in line with 'The Model Code' and the current Charter and the Statutes of ACI – The Financial Markets Association.

Article VII

Education is a key objective of ACI – The Financial Markets Association. It will seek to ensure that educational programmes and examinations in line with the constantly changing nature of the industry are made available to both new entrants to the profession and seasoned professionals.

STATUTES of ACI - The Financial Markets Association

Article I - Name and Location

- I.1 The name of this association shall be ACI - The Financial Markets Association (hereinafter "ACI").
- I.2 The registered office of ACI shall be in France, and presently at 8, rue du Mail, 75002 Paris.

Article II - Purpose and Principles

- II.1 ACI is a non-commercial organisation, established under the French Law of 1901, based on mutual recognition of professionalism by financial markets professionals, whose purpose is to be a leading, global association of wholesale financial market professionals, contributing to the market development through education, market practices, technical advice and networking events and with the objective of the development of the profession, without discrimination of any sort.

Article III - Duration and Fiscal Year of the Association

- III.1 ACI is established for an indefinite period unless and until it is dissolved pursuant to the provisions of these Statutes or applicable laws.
- III.2 The fiscal year of ACI shall be one calendar year commencing on the 1st of January and ending 31st December of each year.

Article IV - Raise of funds/financing

- IV.1 The Members of ACI pay an annual membership fee to ACI – The Financial Markets Association.
- IV.2 The annual membership fee for the fiscal year commencing on the following 1st January shall be fixed and notified to the Members by the Council.

Article V - Membership

- V.1 Members must
 - V.1.1 undertake to observe the principles set out in the Charter and Statutes of ACI;
 - V.1.2 work within a country where financial institutions have the right to conduct international business and the conditions exist to facilitate this.
- V.2 Members of ACI must also fulfil the following:
 - V.2.1 to be directly engaged in dealing/trading in financial instruments or in various activities conducted within their institution's dealing/trading business or in a directly related area;
 - V.2.2 to carry on their activities within a financial institution or a financial services provider supervised and regulated by a relevant official financial regulatory authority.
- V.3 In case an ACI Member ceases to fulfil the membership criteria membership is extended for a period of six months.

V.4 Applicants

- V.4.1** in a country where there is a National Association, formed for the purpose as described below will forward their application via such Association.
- V.4.2** operating in a country that has no National Association or working for supranational financial organisations will apply directly to ACI head office.

Article VI - National Associations/Regions

- VI.1** Members organise themselves in national associations and propose them for affiliation to ACI, for the purpose to represent their members and to facilitate their participation in ACI acts and initiatives, including the organisation and development of the Region's activities. National Associations must have their internal organizational document consistent with the Charter and the Statutes of ACI but they will be fully independent, both financially and for the designing and managing of their national scope business.
- VI.2** The Council has the power to approve by simple weighted majority at the duly convened Council meeting (as provided below) whether a national association (if approved, such approved association hereinafter, the "National Association") satisfies the criteria set forth in Article (VI.1) above. A national association wishing become affiliated to ACI shall apply to the Executive Board, submitting its request, with a copy to the registered offices of ACI. The application should include a list of the institutions from which its members are drawn and full details of the regulatory authorities supervising those institutions. The Executive Board may take into consideration the number of members of such national association applying for affiliation and such other factors as it may deem fit and may request any further information or material as it may deem necessary. ACI, the Council, the Executive Board, any member of the foregoing or any of the officers or staff shall not be under any obligation to account to the application for the reasons for their respective decisions.
- VI.3** The Council shall group the National Associations into such number of regions (hereinafter, the "Regions") as it may deem fit for the purpose of regional co-operation. Such groupings may be changed from time to time as the Council may deem necessary and proper under the circumstances. Each Region has an autonomy in managing its affairs, including organization of sub-regional units within its Region.

Article VII - Voting Rights

- VII.1** The total number of voting rights at ACI Council meetings will correspond to the fully paid up Members, who will be represented through their National Association's Councillors.
- VII.2** Members operating in a country that has no National Association or working for Supranational financial organisations shall be represented in Council by proxy.

Article VIII - Honorary Members

- VIII.1** On the recommendation of the Executive Board, the Council of ACI may confer the title "Honorary President" or "Honorary Member".
- VIII.2** The Honorary Presidents and Honorary Members may be invited at the discretion of the President to attend the Council meetings.

Article IX - Associate Members

- IX.1 ACI Council may consider applications for associate membership from organisations that have close relations with the financial markets.
- IX.2 Associate members have no voting rights.

Article X - Suspension of Membership or Exclusion of Member

- X.1 ACI Council has the authority to suspend, exclude or to take any other appropriate action against a Member if,
 - X.1.1 its conduct is no longer compatible with 'The Model Code', the Charter and the Statutes of ACI;
 - X.1.2 it is in default in payment of membership fees, past the end of the current financial year.

The same apply to the National Associations, Honorary Members and Associate Members.

Article XI - Council

- XI.1 The Council, being the representative body of all Members, holds full power for the definition and the conduct of affairs of the Association.
- XI.2 *Composition -*
 - XI.2.1 the representatives (hereinafter, the "Councillors") of the Members, designated by a National Association;
 - XI.2.2 the members of ACI Executive Board;
 - XI.2.3 the chairpersons of committees.At the discretion of the President may attend the meetings:
 - XI.2.4 Honorary President(s);
 - XI.2.5 Honorary Members(s);
 - XI.2.6 Members of ACI staff; or
 - XI.2.7 Invited guests.
- XI.3 Each Member of ACI shall be represented on ACI Council by a Councillor designated by their National Association.
- XI.4 Members operating in a country that has no National Association or working for Supranational financial organisations shall be represented in Council by proxy.
- XI.5 *Proxies –*
 - XI.5.1 A National Association may delegate its power to vote by duly executing and delivering a proxy to a Councillor representing another National Association at such Council meeting.
 - XI.5.2 Proxies of a National Association must be appointed to registered offices of ACI in due time.
 - XI.5.3 A Member operating in a country that has no National Association or working for Supranational financial organisations shall delegate the power to vote by duly executing and delivering a proxy to any Councillor who will represent him/her at such Council meeting.
 - XI.5.4 The Councillors must be Members.

XI.6 Powers –

XI.6.1 The Council shall have the power of vote and approve by the *Super-Majority* vote (defined below):

- XI.6.1.1 to approve the amendments to, adoption, repeal or invalidating of the Charter, in whole or in part;
- XI.6.1.2 to elect the President, the Treasurer or any other member of the Executive Board (provided that in case no candidate receives a Super-Majority vote in the first round of election, then XI.6.2.1 below applies);
- XI.6.1.3 to remove the President, the Treasurer or any other member of the Executive Board;
- XI.6.1.4 to approve any formation of a joint venture or partnership with, acquisition of, transfer of any business to or from another entity or any similar acts; and to
- XI.6.1.5 approve any disposition of material assets or any borrowings or incurrence of other financial obligation in excess of 50% of the assets or budget, whichever is the lower.

XI.6.2 The Council shall have the power of vote and approve the following matters by a *Simple-Majority* vote (defined below):

- XI.6.2.1 where the proviso under XI.6.1.2 applies, to elect the President, the Treasurer or any other member of the Executive Board, as applicable, from the candidates who receive the highest and the second highest vote at the first round of election;
- XI.6.2.2 change the constituent National Association(s) of any one or more Regions;
- XI.6.2.3 if a national association satisfies the criteria for affiliation to ACI;
- XI.6.2.4 to approve the business or proposals put forward to it by the Executive Board;
- XI.6.2.5 to approve the annual budget;
- XI.6.2.6 to appoint the auditors;
- XI.6.2.7 to approve the audited annual accounts and annual business report;
- XI.6.2.8 to amend, adopt, promulgate, repeal or invalidate any constituent documents of ACI, other than the Charter and the Statutes; and
- XI.6.2.9 to approve any other matters which the Council feels fit to vote or deem necessary.

XI.7 Quorum and Voting

XI.7.1 At meetings of the Council held between January 1st and June 30th in any year, the voting rights of the Members are based upon receipt of the membership fee until December 31st of the preceding year. Between July 1st and December 31st the voting rights of the Members are based on the receipt of the membership fee until June 30th of that year. The Members who have duly paid the membership fees shall hereinafter be referred to as the “Qualifying Members”. This applies to all membership fees in arrears. Non-receipt of membership fees in full by the due date will automatically result in suspension of the voting rights.

- XI.7.2 The Council meeting shall be considered duly convened if, at the time of the relevant voting, the Councillors representing one-half or more of the total number of the Members are present, either in person or by proxy.
- XI.7.3 The term “Simple Majority” means more than one-half of the total number of votes duly represented at the time of voting at the meeting.
- XI.7.4 The term “Super Majority” means more than two-thirds of total number of votes duly represented at the time of voting at the meeting.
- XI.7.5 The manner of voting shall be determined by the Council, from time to time.
- XI.8 *Frequency and Venue –*
 - XI.8.1 The Council meeting shall be held at least once in a calendar year.
 - XI.8.2 The venue and date(s) of such meeting will be determined by the preceding Council meeting, failing which the Executive Board shall determine the same.
- XI.9 *Notices and Other Procedures –*
 - XI.9.1 Any notice of a Council meeting shall be despatched, together with the proposed agenda in due time prior to the scheduled date of the meeting to the last known address of each Member or his/her representative National Association, the Associate Members, and Honorary Presidents/Members by the ACI Secretariat in name of the President. The final agenda for each meeting together with a form of proxy, where relevant, shall be sent in the same manner no later than one month prior to the meeting.
 - XI.9.2 Notwithstanding the above, an extraordinary Council meeting may be held in such a manner and timing as appropriate by the Executive Board for the matter or business to be discussed and voted upon at such extraordinary meeting.

Article XII - Executive Board

- XII.1 The Executive Board is comprised of the President, the Treasurer and three to five Board Members. The Members of the Executive Board should include at least one member of each of the Regions.
- XII.2 Executive Board Members have to be Members at the time of election and at any time during their mandate.
- XII.3 Membership
 - XII.3.1 *Qualification:* Members of the Executive Board shall be elected by the Council. To the extent practicable and to the extent it does not contravene the principles of equality of each Member, the members of the Executive Board should include at least one member from each of the Regions. The Executive Board will serve for a term of three years. No member may hold the office for more than two terms. Any Member may be a candidate.
 - XII.3.2 *Nominating Committee:* The Executive Board shall form a committee (the “Nominating Committee”) if it considers necessary to elect new member(s) to the Executive Board. The Executive Board shall instruct the Nominating Committee about the number of additional member(s) it wishes to add to the Executive Board, subject to the minimum and maximum above, and such other qualifications and conditions as it deems fit under the circumstances. The Nominating Committee shall be chaired by the Vice President unless otherwise determined by the Executive Board. The members of the Nominating Committee, may be, but not necessarily, a member of the Executive Board. The Nominating Committee may request from a candidate any information or material it deems fit

to decide whether or not to second such candidate in accordance with the provisions herein.

- XII.3.3 *Application for Candidacy.* The Nominating Committee shall notify the Members (of the Region(s)) from which the candidate(s) is (are) sought. Any such Member who wish to stand for election must apply to the Nominating Committee on or before the 50th day preceding the scheduled date for the Council meeting at which such election is scheduled to be held.
- XII.3.4 *Election:* If the number of the members of the Executive Board falls below the minimum an extraordinary election process shall start immediately.
- XII.3.5 A member of the Executive Board may not delegate his/her powers or duties to another person.
- XII.3.6 Each member shall have one vote. In the event of a deadlock, the President shall cast the deciding vote. The President has the power to veto any decision of the Executive Board.
- XII.3.7 The Executive Board may invite or request the attendance to any of its meetings of any person as it may deem necessary and proper, including a permanent staff of ACI, chairperson or member of any of the committees. For the avoidance of doubt, no such persons shall have any power to vote at the Executive Board.

XII.4 Powers and Duties

XII.4.1 *Powers:*

The powers of Executive Board Members can not be delegated. The Executive Board shall decide and carry out the following businesses:

- XII.4.1.1 to choose the Vice President;
- XII.4.1.2 to appoint the Chairs of the Standing Committees (Board of Education and Committee for Professionalism);
- XII.4.1.3 to request reports from the President, Vice President, Treasurer and chairs of committees;
- XII.4.1.4 to submit to the Council a proposal for the annual budget or any other proposals as it deems fit;
- XII.4.1.5 to execute the approved budget to the global and/or regional activities of ACI in accordance with the directions of, or to carry out the purpose as resolved by the Council;
- XII.4.1.6 to form, nominate or dissolve any committee (including the Nominating Committee, but excluding the Standing Committees), panel or working group, howsoever called, to carry out the tasks delegated to it;
- XII.4.1.7 any business delegated to it by the Council;
- XII.4.1.8 any other business, not specifically requiring the approval or resolution of the Council;
- XII.4.1.9 the establishment of offices; and
- XII.4.1.10 to convene an extraordinary meeting of the Council.

XII.4.2 Duties:

The Executive Board shall:

- XII.4.2.1 submit to the Council the final annual accounts and the business report; and
- XII.4.2.2 account to the Council any of the decisions, actions or inactions taken by or businesses conducted by it.

XII.5 Frequency of Meetings

As and when necessary and at least twice a year.

XII.6 Minutes

Minutes must be kept of all Executive Board meetings and be circulated by the Secretariat to the Executive Board and, as soon as practically possible after the approval of the attendees, to the Council members.

XII.7 Rules and Procedures

The Executive Board shall establish its own rules and procedures, which may be amended, supplemented or repealed, in whole or in part, from time to time. Such rules and procedures must be made available to the Council.

Article XIII - The President

XIII.1 Powers and Duties

XIII.1.1 Powers:

The President shall have the powers to:

- XIII.1.1.1 convene and preside the meetings of the Council and the Executive Board;
- XIII.1.1.2 cast the deciding vote in the case of a deadlock at an Executive Board meeting;
- XIII.1.1.3 veto any decisions by the Executive Board;
- XIII.1.1.4 represent ACI and act on its behalf, subject to the proviso under the "Powers of Executive Board", on any matters and businesses delegated to him/her by the Council or the Executive Board and in relation to any disputes involving ACI in a court of law or other forum; and
- XIII.1.1.5 represent ACI and act on its behalf in relation to any day-to-day operations of ACI, and employ, hire or otherwise contract with (within the approved budget) direct and supervise consultants and staff, whether permanent or temporary, or external service providers (the "President's Staff") for such purpose, or delegate any part of such powers to any of the ACI staff as deemed necessary and proper.

XIII.1.2 Duties:

The President shall:

- XIII.1.2.1 report to the Executive Board on the progress and result of any matters and businesses delegated to him/her by the Executive Board;
- XIII.1.2.2 account to the Council on the businesses and matters delegated to him/her;
- XIII.1.2.3 convene an extraordinary meeting of the Council in case he/she exercises the veto power at the Executive Board; and

- XIII.1.2.4 be responsible for the oversight and management (including performance reviewing and evaluations) of the staff employed by ACI for their operations and administrations of the day-to-day businesses of ACI, provided that he/she may delegate such duties to a senior member of the full-time staff or authorize such staff to sub-delegate such powers, in whole or in part, to the President's Staff, in which case he/she shall be responsible for exercising prudent and due care in the selection of such senior staff and the relevant President's Staff.

XIII.2 Substitution

In the absence of the President for any reason the Vice President shall assume the function temporarily, either until the President resumes office or a new President is elected.

Article XIV - The Vice President

XIV.1 The Vice President shall be chosen by the Executive Board from their members (other than the Treasurer) to:

- XIV.1.1 be an acting President during any period of vacancy;
- XIV.1.2 act as the deputy of the President in his/her absence for urgent matters; and
- XIV.1.3 perform any other businesses as delegated to him/her by the Executive Board.

Article XV - The Treasurer

XV.1 The Treasurer is responsible for:

- XV.1.1 the preparation, execution, implementation and, where deemed necessary, updating of budgets and financial and budgetary guidelines;
- XV.1.2 the conduct of all financial affairs of the association within the budget and financial guidelines and the budgets approved by Council;
- XV.1.3 the forecasting and planning of financial and budgetary conditions of ACI and ensuring the proper allocation and utilization of financial resources of ACI;
- XV.1.4 ensuring the approved budget is being spent in accordance with the manner, amount and times prescribed, conditioned or contemplated by the relevant approval, the Statutes and/or the applicable organizational documents of ACI;
- XV.1.5 the proper accounting of the affairs of ACI in accordance with the generally accepted accounting principles applicable to ACI;
- XV.1.6 reporting to the Executive Board and in case the Executive Board does not or would not act in a timely fashion, to the President any irregularities in the expenditure, payment or other disposition of asset(s) of ACI by any individual or body acting, or purporting to act, on the account of ACI;
- XV.1.7 reporting to the Council the final, interim or current accounts, as appropriate, and any matters related to the above which he/she may deem material;
- XV.1.8 the financial supervision or management of internal or external human resources to ensure the proper and timely production of any and all of the financial materials referred to herein; and
- XV.1.9 to prepare and present any documentation required and requested for the financial audit.

XV.2 In the absence of the Treasurer for any reason, an Executive Board member shall be appointed by the Executive Board to assume the function temporarily.

Article XVI - Committees, Working Groups and Advisors

- XVI.1** In addition to the Nominating Committee and the Standing Committees, below, the Executive Board may establish committees, working groups, panels or other organization (hereinafter, together with the Nominating Committee and the Standing Committees, collectively, the “ACI Committees”) to carry out the mission or in furtherance of the businesses of ACI.
- XVI.2** The Chair and the majority of Standing Committee members have to be Members of ACI.
- XVI.3** Standing Committees
- XVI.3.1. *Committee for Professionalism:*** The Committee for Professionalism (“CFP”) is responsible for matters relating to the good practices in the wholesale financial markets, including but not limited to the publication and updating of the voluntary code (the “Model Code”) which the Members, Associate Members, Honorary Presidents and Honorary Members and all staff of ACI are expected to adhere to.
- XVI.3.2 *Board of Education:*** The Board of Education is responsible for the education programmes offered (but not exclusively) to the participants in the wholesale financial markets, through examination, accreditation and continuing education.
- XVI.4** Advisers
The Executive Board may appoint advisers to the Executive Board temporarily and for specific duties, as it sees fit. Subject to any necessary budgeting, any other committee may appoint an advisor, contract with an outside professional or other third party deemed necessary and proper to fulfil its mandate.
- XVI.5** Rules and Procedures
Each committee (other than the Executive Board) shall establish its own rules and procedures, which may be amended, supplemented or repealed, in whole or in part, from time to time. Such rules and procedures must be approved by the Executive Board.

Article XVII - Auditing

- XVII.1** The Council will appoint annually two current members of ACI to act as internal auditors and if considered as necessary to call for specific external auditing.

Article XVIII - Amendment of the Statutes

- XVIII.1** Any amendment of these Statutes requires a majority of 2/3 of the total number of Qualified members.

Article XIX - Dissolution - Liquidation

- XIX.1** A voluntary liquidation of the Association requires a majority of $\frac{3}{4}$ of the total number of Qualified Members.
- XIX.2** To the extent permitted by the applicable laws, the Council shall appoint a liquidator who shall conduct the proceedings in accordance with the applicable laws.

Article XX - Governing Laws and Jurisdiction

xx.1 These Articles of Association shall be governed by, and construed in accordance with the Laws of FRANCE and the parties irrevocably submit to the non-exclusive jurisdiction of the Courts of Paris.

Paris, June 1st 2008
