

RULES OF PROCEDURE
OF THE STEERING COMMITTEE

Rev 2016

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THE STEERING COMMITTEE of the Long-Term Investors' Club (hereinafter referred to as the "Committee"),

having regard to Charter of the Long-Term Investors' Club (hereinafter referred to as the "Club"), entered into by its Founding Members on 20 April 2009, and revised on....., and in particular to Article 7 thereof,

HAS ADOPTED ITS RULES OF PROCEDURE:

Article 1

Meetings of the Committee

1. The Committee shall meet not less than once per year.
2. The co-Presidents shall convene the Committee, either on their own initiative, or at the request of at least two Members. They shall co-chair the meetings.

Article 2

Agenda

1. The Secretary-General shall draw up the agenda in agreement with the co-Presidents, and submit it to the Committee.
2. The agenda items may be proposed either on the co-Presidents' initiative, or at the written request of any Committee member.
3. The agenda shall make a distinction between:
 - (a) proposed measures about which the Committee is asked to take a decision or to give an opinion;
 - (b) other issues put to the Committee for information or a simple exchange of views.
4. The agenda shall include approval of the minutes of the previous meeting.

Article 3

Documentation to Committee Members

1. The Secretary-General in agreement with the co-Presidents shall serve notice of the meeting, the agenda and proposed measures about which the Committee's opinion or decision is required and any other working documents to the Committee members in accordance with Article 12, as a general rule, no later than fifteen calendar days before the date of the meeting.

Each notice shall specify the date, time and place of the meeting.

2. In urgent cases, and where the measures to be adopted must be applied immediately, the co-Presidents may, at the request of a Committee member or on his or her own initiative, shorten the period laid down in the above paragraph to five calendar days before the date of the meeting.
3. In cases of extreme urgency, the co-Presidents may depart from the periods laid down in paragraphs 1 and 2 above. If that is the case, or if the placing of another point onto the agenda is requested during the course of a meeting, the approval of the Committee members is required.

Article 4

Working methods of the Committee

1. The Committee will take decisions by unanimity, in accordance with Article 7 of the Charter.

The unanimity stipulated in Article 7 of the Charter means the total number of votes of the Members attending the Committee and entitled to vote.

2. If the Committee has not reached unanimity within the timeframe laid down by the co-Presidents, the latter may extend this period, except in cases of urgency, no longer than the end of the next meeting. If necessary, the written procedure provided for in Article 11 of these rules of procedure may be applied.
3. Each meeting of the Committee shall be prepared by a meeting of the *Sherpas* of each Member of the Club, convened at the initiative of the Secretary-General. Meetings of the *Sherpas* will be chaired by the Secretary-General and can take place physically or by telephone or video-conference

Article 5

Representation and quorum

1. Each delegation of a Committee Member shall be considered to be one Member of the Committee. Each Committee Member shall decide on the composition of its delegation and inform the Secretary-General.

2. A Committee Member may, if necessary, represent a maximum of one other Member. The Committee Member that is being represented must inform the Secretary-General of this in writing.

3. The quorum required for the Committee's deliberation about proposed measures, within the meaning of Article 2.3, to be valid is that allowing for presence of at least four Members, of which at least two Members representing the Founding Members.

Article 6

Admission of Members to the Club

1. Application proposals for joining the Club shall be made in writing to the co-Presidents by any long-term financial institution eligible for membership of the Club in accordance with Article 4 of the Charter of the Club.

2. The Committee shall rule on applications submitted to it by the Secretary-General in agreement with the co-Presidents.

The Committee shall examine whether applications submitted to it comply with the provisions of the Charter, the directives laid down by the Committee and the other texts governing the activities of the Club.

3. Any application must be supported by two Members of the Club.

The two supporting Members shall address to the Committee a report on the applicant.

4. In deciding on any application, the Committee shall give consideration to standards applied by the applicant in the following fields: reporting, information and financial transparency; compliance with international accounting standards; corporate governance; social responsibility; environmental responsibility.

In the case of an applicant having its legal seat in the territory of the same State as a Member of the Club, in deciding on its application, the Committee shall also consider the size, quality and notability of the applicant.

5. The Committee may make its favourable opinion subject to such conditions as it considers essential.

6. The admission of a new Member shall be decided by a unanimous vote of the Committee.

Article 7

Election of Committee Members

1. The Committee shall consist of the Founding Members and four other Members of the Club.

2. The four non-Founding Committee Members shall be elected by the non-Founding Members of the Club for a term of two consecutive years.

3. The Secretary-General shall serve a notice to this effect to all Members of the Club, proposing a list of new Members for the Steering Committee. The election shall take place during the first meeting of the Club following the expiry of the two years term.

4. The Committee may compulsorily retire one or more Members if it no longer fulfils the conditions required for the performance of his or her duties.

5. In case of any vacancy, the relevant institution shall appoint its new representative by sole decision for the remainder of the term.

Article 8

Working groups

1. The Committee may create working groups to examine particular issues.

2. The groups must report back to the Committee. To this end, they may appoint a *rapporteur*.

Article 9

Scientific Committee

1. A Scientific Committee shall be established by the Steering Committee in order to support the objectives of the Club. The Scientific Committee is charged to develop themes and guidelines as well as to define and monitor the joint research activities of the Club.
2. The Scientific Committee shall be composed of representatives of the Members of the Club and the Secretary-General. The Scientific Committee shall designate its chairperson and its Vice chairperson among its Members for a period of 2 years.
3. The working programme and the results of the research undertaken by the Scientific Committee shall be submitted to the Steering Committee.

Article 10

Admission of third parties

1. The co-Presidents may invite experts or other third parties to attend and, if required, to talk on particular matters, at the request of a Committee Member or on their own initiative.
2. Experts and other non-Members of the Club may be asked to withdraw when the Committee moves to a vote.

Article 11

Written procedure

1. A Committee's opinion or decision can be obtained by a written or electronic procedure. To this end, the Secretary-General in agreement with the co-Presidents shall send the Committee Members the proposed measures on which their opinion is sought, in accordance with Article 12. Any Committee Member who does not express his or her opposition before the deadline laid down in the letter is considered to have given his or her tacit agreement to the proposal; the response period must not be less than fifteen calendar days.
2. In cases of urgency or extreme urgency, the deadlines stated in Article 3.2 and 3.3 shall apply.

However, if a Committee Member requests that the proposed measures be examined at a Committee meeting, the written procedure shall be terminated without result; the Secretary-General shall then call a Committee meeting as soon as possible.

Article 12

Minutes and summary report of the meeting

1. The Secretary-General shall draw up minutes of each meeting. These minutes shall contain, in particular, the opinions expressed on the proposed measures mentioned in Article 2. 3(a) above and, if necessary, the opinions expressed on issues mentioned in Article 2. 3(b). Draft minutes shall be sent to the members of the Committee within fifteen working days.
2. The Committee members shall send any written comments they may have on the minutes to the Secretary-General. The Committee shall be informed of this – if there are any disagreements, the proposed amendment shall be discussed by the Committee. If the disagreement persists, the proposed amendment shall be annexed to the minutes.
3. Minutes shall be signed by the chairperson(s) of the meeting as well as by the Secretary-General.

Article 13

Attendance list

1. At each meeting, the Secretary-General shall draw up an attendance list.
2. At the beginning of every meeting, any Committee Member whose participation in the work of the Committee would constitute a conflict of interest with regard to a particular agenda point must inform the co-Presidents of this situation.

In the event of such a conflict of interest, the Member concerned must withdraw his or her participation whilst the relevant agenda points are being dealt with, at the request of the co-Presidents.

*Article 14***Correspondence**

1. Correspondence relating to the Committee shall be addressed to the Secretary-General if possible by e-mail.
2. Correspondence for Committee Members shall be addressed by the Secretary-General if possible by e-mail.

*Article 15***Transparency**

1. The general public will have the possibility to receive information's about the activities and documents of the Club. It is for the Committee to take a decision on requests for access to these documents.
2. The Committee's discussions shall be kept confidential.

*Article 16***Co-Presidents**

1. The offices of co-Presidents shall be held in accordance with Article 8 of the Charter.
The Committee shall elect the co-Presidents.
2. The term of office of the co-Presidents shall be for two consecutive years, commencing on the day following the meeting during which they were elected. It shall expire at the end of the meeting immediately following the expiry of two consecutive years.
3. The first term of office shall take effect from the date of the meeting adopting these Rules of Procedure.

*Article 17***Vice-Presidents**

1. The co-Presidents may co-opt among the Members of the Club one or several Vice-Presidents, representing the diversity of the Membership of the Club.
2. The Vice-Presidents will assist the co-Presidents in carrying out their tasks.
3. The term of office of the Vice-Presidents will expire at the end of the appointing co-Presidents' term of office.

*Article 18***Secretary-General**

1. The Committee shall appoint the Secretary-General, upon a proposal by the co-Presidents.
The Secretary-General shall be chosen by the Members holding the offices of co-Presidents, from persons whose qualification, competence and integrity are beyond doubts. The Secretary-General shall be responsible only to the Committee.
2. In accordance with Article 9 of the Charter, the Secretary-General shall provide secretarial services to the co-Presidents and the Vice-Presidents, and be responsible for the current business of the Club, under the supervision of the co-Presidents. He or she shall prepare the decision or the opinions of the Committee and administer the work of the Club; he or she shall ensure that these decisions are implemented.
3. The Secretary-General shall have no right of vote.

*Article 19***Finances / Annual accounts**

1. All Members shall contribute to the running costs of the Club by means of a membership fee.

The Committee shall establish by unanimity the amount of the membership fee on an annual basis upon a proposal by the Secretary-General.

2. The Secretary-General shall draw up the annual accounts of the Club and an annual budget, and shall submit them to the Committee for approval by electronic means to be confirmed at its annual meeting each year.
3. The Committee shall approve each heading of expenditures of the draft annual budget.

Specific expenditures above the equivalent of € 5,000 within each heading of expenditures shall be approved by the *Sherpas* of each Member of the Committee as long as those expenditures remain in the limit of the annual budget approved by the Committee. Expenditures below € 5,000 shall be approved by the Secretary-General who will keep all records and justifications available to all Members at any time.

The Secretary-General shall draw up a detailed proposal for each specific expenditure above € 5,000 and shall send it to the *Sherpas* of each Member of the Committee. If the *Sherpas* do not reply within 15 calendar days, the specific expenditure shall be deemed as approved.

4. Revenue surplus due to expenses not committed by the end of the year will be available to meet expenses of the following year.
5. The Club's financial year shall run from 1 January to 31 December each year.

*Article 20***Travel and subsistence expenses**

1. Members of the Committee or of any working groups shall bear his or her own travel and subsistence expenses when taking part in the meetings of the Committee, of any working party or of any other meeting of the Club.
2. The Committee shall decide on the reimbursement of any third party's travel and subsistence expenses on a case-by-case basis.
3. The Secretary-General, if not a staff member of one of the Members, will be entitled to reimbursement of his/her expenses.

*Article 21***Final provisions**

1. These Rules of procedure shall enter into force on the day of their approval.
2. The provisions of these Rules of procedure shall in no respect derogate from the provisions of the Charter.