

Luxembourg Finance Labelling Agency,

Non profit association (LuxFLAG)

Registered office: 12, rue Erasme, L-1468 Luxembourg

(the “Association”)

ARTICLES OF ASSOCIATION

A. Name and Legal Form– Registered Office – Duration – Resources

Article 1. Name and Legal Form

- a) The name of the Association is “Luxembourg Finance Labelling Agency”, abbreviated to “LuxFLAG”.
- b) The Association may use either its full name or its abbreviated name.
- c) The Association is governed by the Law of 7 August 2023 on Non-Profit Associations and Foundations (*Loi du 7 août 2023 relative aux associations sans but lucratif et aux fondations*) (the “**Law**”).

Article 2. Registered Office

- a) The registered office of the Association is located in the City of Luxembourg, within the Grand Duchy of Luxembourg, situated at 12, rue Erasme, L-1468 Luxembourg.
- b) The Association may establish offices at any other location within the Grand Duchy of Luxembourg.

Article 3. Purpose

- a) The purpose of the Association is to grant labels to, and/or conduct verification of, financial products globally, based on robust, pre-defined, and advanced criteria and/or standards, with an emphasis on impact finance, sustainable finance and similar concepts.
- b) For the purpose of granting labels, the Association will establish, and may amend from time to time, a list of the labels it may grant based on a set of eligibility criteria it will define for each of these labels.
- c) In addition, the Association may engage in knowledge-sharing, education, research, and the dissemination of best practices and other activities to promote the use of, and the trust in, impact finance, sustainable finance and similar concepts.
- d) More generally the Association has the power to engage in any legally permissible activity and to take any legally permissible action it deems required or useful to promote, encourage and advance the purpose of the Association.

Article 4. Duration

The Association is established for an indefinite period.

Article 5. Resources

- a) The resources of the Association shall derive from its activities, which mainly include:
 - i. fees paid by applicants for labelling and other related services,
 - ii. subscription fees paid by the members of the Association;
 - iii. contributions, donations, legacies, subsidies, and any other funds resulting directly or indirectly from the Association's activities, subject to the approval of the board of directors of the Association (the **"Board of Directors"** and each, a **"Director"**).
- b) Each year, the General Meeting shall approve the Association's budget in accordance with Article 29.

B. Membership

Article 6 Members Categories and Obligations

- a) The Association shall have two categories of members (together the **"Members"**):
 - i. Charter Members; and
 - ii. Associate Members.
- b) For the avoidance of doubt, the associate members ("Associate Members") are considered as 'associate members' (*membres adhérents*) for the purpose of the Law.
- c) The number of Members is unlimited but cannot be fewer than three Charter Members.
- d) The Members must:
 - i. respect these articles of association (the **"Articles"**) and the rules of conduct established in the Association's Members Code of Conduct;
 - ii. act in good faith and in the best interests of the Association.
- e) A register of the Members is kept by the Board of Directors at the registered office of the Association. The Board of Directors may decide to hold the register of the Members electronically.

Article 7. Charter Members

- a) The founding members of the Association are the Charter Members.
- b) Subject to paragraph (c), any natural or legal person, public authority, firm, corporation, national agency, or other non-profit association or organization that is involved in financial sector activities and/or has an interest in the Association's mission and activities may be invited by the Board of Directors to become a Charter Member.
- c) The admission of a new Charter Member shall be decided by a resolution of the Charter Members passed in accordance with Article 17, subject to a positive recommendation of the Board of Directors.

Article 8. Associate Members

- a) Any natural or legal person, public authority, firm, corporation, national agency, or other non-profit association or organization that is involved in financial sector activities and/or with an interest in the Association's mission and activities is eligible to apply to become an Associate Member.
- b) The admission of new Associate Members shall be decided by the Board of Directors according to internal rules set by the Association that will determine the conditions under which new Associate Members are accepted and their rights and obligations.
- c) The Associate Members may be invited to attend General Meetings and may be heard at such General Meetings. The Associate Members shall not be eligible to vote or to hold office in the Association.

Article 9. Membership Fees*Charter Members*

- a) The Charter Members shall, at the time of becoming a Charter Member, pay a one-time admission fee which shall not exceed one hundred thousand (100.000) euros. The amount of this fee shall be determined by simple majority of the Charter Members present or represented at the General Meeting, upon proposal by the Board of Directors.
- b) In addition to the admission fee, the Charter Member shall pay an annual subscription fee per each representative nominated by the Charter Member and appointed to the Board of Directors ("Appointed Representative"). The amount of this fee shall be determined by the Board of Directors and shall not exceed ten thousand (10.000) euros per Appointed Representative.
- c) Subject to paragraph (e) below, the Charter Member admission and annual subscription fees shall periodically be reviewed by the Board of Directors, which may propose adjustments where appropriate (e.g. to reflect inflation or other relevant factors).
- d) The Board of Directors may, by simple majority, allow exemptions or reductions to the annual subscription fees for Charter Members, provided the final amount does not exceed the limits set out in this Article 9.
- e) Any change to the admission or annual subscription fees for the Charter Members above the limits set out in this Article 9, shall be approved by the two-third (2/3) majority of the Charter Members present or represented at the General Meeting.

Associate Members

- f) Associate Members shall pay an annual subscription fee. The amount of this fee shall be determined by the Board of Directors.

The Board of Directors shall periodically review the Associate Member fees and shall decide by simple majority adjustments where appropriate (e.g. to reflect inflation or other relevant factors).

Article 10. Service Fees

- g) The fees payable for services provided by the Association, including but not limited to, the review of an application for a label and any other related services ("the **Service Fees**"), shall be determined by the Board of Directors.
- h) The Board of Directors shall periodically review the Service Fees and may propose adjustments where appropriate (e.g. to reflect inflation or other relevant factors).

Article 11. Resignation of a Member*Charter Members*

- a) The Charter Member may resign from the Association by providing at least twelve (12) months' written notice to the Board of Directors. The resignation must be submitted in signed form by registered letter.
- b) The resigning Charter Member forfeits any claim to Fees due or paid for the year in which the resignation takes effect.

Associate Members

- c) The Associate Member may resign from the Association by providing at least three (3) months' written notice to the Board of Directors. The resignation must be submitted in signed form by registered letter or electronically with equivalent evidentiary value.
- d) The resigning Associate Member forfeits any claim to Fees due or paid for the year in which the resignation takes effect.

Article 12. Exclusion of a Member

- a) A Member may be excluded or suspended from the Association:
 - i. For Charter Members, the exclusion or the suspension must be decided by the General Meeting by two thirds (2/3) of the Charter Members present or represented at the General Meeting, after the concerned Member has been given the opportunity to present its case or to submit written observations.
 - ii. For Associate Members, the exclusion or the suspension shall be decided by the General Meeting by simple majority of the Charter Members present or represented at the General Meeting.

In both cases, the Member will be granted, an opportunity to present its case or submit written observations prior to the decision being made.

- b) Grounds for exclusion or suspension include, but are not limited to:
 - i. failure to observe the requirements of the present Articles or of the internal rules of the Association, including failure to pay membership fees;
 - ii. serious or repeated breach of the rules established in the Association's Members Code of Conduct or generally accepted professional standards;
 - iii. conduct detrimental to the interests, reputation, or operations of the Association or its members; and
 - iv. any procedure or sanction against the Member due to a violation of any regulation applicable to it.

- c) A suspended or an excluded Member loses all rights attached to its membership but remains liable for payment of all due membership fees.
- d) The suspension may be temporary or permanent and shall be decided in accordance with the procedure outlined in the Internal Rules of the Association.

C. Charter Members

Article 13. Powers of General Meeting

- a) The General Meeting constitutes the supreme authority of the Association and is composed only of the Charter Members.
- b) The General Meeting is empowered to take any decision and measure exceeding the authority of the Board of Directors in line with these Articles and the Law, including but not limited to:
 - i. amending the Articles,
 - ii. appointing or dismissing the members of the Board of Directors and granting discharge to them,
 - iii. approving the annual budget and accounts,
 - iv. excluding Members pursuant to Article 12,
 - v. appointing or dismissing the auditor and granting discharge to the auditor,
 - vi. dissolving the Association (subject to Article 30), appointing one or more liquidators, determining their powers, and supervising the liquidation process;
 - vii. establishing a new label, subject to the eligibility criteria proposed by the Board of Directors.

Article 14. Annual General Meeting and other meetings

- a) An annual General Meeting of the Charter Members (the “Annual General Meeting”) shall be held at least once a year during the first semester of the calendar year.
- b) Other General Meetings may be convened in the interest of the Association (i) by the Board of Directors; or (ii) at the request of one fifth (1/5) of the Charter Members.
- c) The Chairperson of the Board of Directors shall be the Chairperson at the General Meeting.
- d) All General Meetings shall take place at the Association's registered office or at any other place, on the day and at the time indicated in the convening notice.
- e) The Board of Directors may decide to invite Associate Members to General Meetings, such Associate Members will not have a right to vote.
- f) The Charter Members may also take decisions in writing at General meetings, subject to being compliant with the Law.

Article 15. Notice of General Meeting

- a) The convening notice to the General Meetings shall be sent to each Charter Member by post or electronically at least fifteen (15) days prior to the date of the General Meeting.

However, if all Charter Members are present or represented at a General Meeting and consider themselves as being duly convened and informed of the agenda of such General Meeting, the General Meeting may be held without prior notice.

- b) The convening notice sets out the agenda of the General Meeting.
- c) The General Meeting may only discuss matters other than the items listed on the agenda if such agenda item (i) is approved unanimously by the Charter Members and (ii) approved by the Chairperson.
- d) Any proposal signed by one twentieth (1/20) of the Charter Members and submitted no later than 8 days prior to the Meeting shall however be included as an item on the agenda of such General Meeting.

Article 16. Attendance and voting rights

- a) Each Charter Member has equal voting rights of one vote per Charter Member at the General Meetings.
- b) Any Charter Member may act at any General Meeting by appointing a proxy in writing. The proxy cannot be a person or entity other than another Charter Member or its representative.
- c) The Charter Members that have not paid the annual fee within 30 days of the due date shall lose their voting rights until payment has been made.

Article 17. Decisions*Quorum*

- a) The General Meeting shall be validly constituted if a majority of the Charter Members are present or represented.

Simple Majority Decisions

- b) Unless otherwise provided for by the Articles or the Law, decisions shall be taken by a simple majority of the Charter Members present or represented at a General Meeting.

Special Majority Decisions

- c) Unless otherwise provided by the Law, the following decisions require the approval of three quarters (3/4) of the Charter Members present or represented at a General Meeting:
- i. amendment to the purpose of the Association; or
 - ii. creation of a new label or amendment to the list of labels granted by the Association.
- d) Unless otherwise provided by the Law, the following decisions require the approval of two third (2/3) of the Charter Members present or represented at the General Meeting:
- i. any amendment to these Articles;
 - ii. changes to the Charter Member fees in accordance with Article 9; or

- iii. admission or the exclusion of a Charter Member.
- e) Notwithstanding the above paragraphs, decisions involving amendments to these Articles, the exclusion of Members or the dissolution of the Association shall be subject to the special quorum and majority requirements of the Law, and where required, to judicial approval.
- f) General Meetings may be held in person, by video conference, or by using any secure communication means that allow identification of participants, unless restricted by the Law.

General Meetings held by such means of remote communication shall be deemed to take place at the Association's registered office.
- g) All decisions will be recorded in minutes. The minutes shall be signed by the Chairperson and the secretariat of the General Meeting and shall be available on demand by any Charter Member or Director from the Board of Directors.
- h) Any decision which is not an item of the agenda of the General Meeting may be adopted by unanimous consent of the Charter Members present or represented.

D. Board of Directors

Article 18. Members of the Board of Directors

- a) Each Charter Member shall nominate at least one person as a candidate to be elected to the Board of Directors. The minimum number of directors corresponds to the number of Charter Members but shall in all cases be three (3) or more.
- b) The members of the Board of Directors are appointed for a period of three (3) years by simple majority of the Charter Members present or represented at the Annual General Meeting. The directors may be reappointed for further terms of three (3) years each. The term of office expires automatically unless renewed at the General Meeting.

Article 19. Replacement of members of the Board of Directors

In the event of a vacancy of a member of the Board of Directors, the Board of Directors will co-opt a new member who will terminate the mandate of the member whom he/she replaces, subject to confirmation by the Charter Members by simple majority of the Charter Members present or represented at the next General Meeting.

Article 20. Liability of members of the Board of Directors

The members of the Board of Directors do not have any personal obligation with regard to the Association's commitments. Their liability is limited to the performance of their duties as members of the Board of Directors.

Article 21. Officers

- a) The Board of Directors may elect a Chairperson, a Vice Chairperson and a Treasurer.
- b) The mandate of the Chairperson cannot exceed two (2) mandates of three (3) years each. Based on exceptional circumstances, and with the unanimous approval of the Charter members, the mandate of the Chairperson may be extended by one year.

- c) The Board of Directors may appoint a Secretary who does not need to be a member of the Board of Directors, and fixes his/her powers.

Article 22. Meetings of the Board of Directors

- a) The notice shall be given at least eight (8) calendar days in advance, by post or electronically, except in cases of duly justified urgency. If all the members of the Board of Directors are present or represented and consider themselves as being duly convened and informed of the agenda of the meeting, the meeting may be held without prior notice.
- b) The convening notice sets out the agenda of the meeting of the Board of Directors. Any Director may request the inclusion of a new item on the agenda, provided the request is submitted in writing to the Chairperson at least two (2) calendar days prior to the meeting.
- c) The Board of Directors meetings may be held in person, by video conference, or by using any secure communication means that allow identification of participants, unless restricted by the Law. The meetings held by such means of remote communication shall be deemed to take place at the Association's registered office.
- d) The Board of Directors may deliberate validly only if a majority of the members are present or represented at the meeting. All decisions are taken by simple majority, unless stated otherwise in these Articles or the Law.
- e) Any member of the Board of Directors may act at any meeting by appointing only one other member, in writing as his/her proxy.
- f) The decisions shall be recorded in minutes and circulated for comments prior to being approved by the Board of Directors at the next meeting. The minutes shall be signed by the Chairperson, the CEO, if attends the meeting, and the Secretary of the meeting, if one has been appointed.
- g) In urgent cases, decisions of the Board of Directors may be taken by written resolution, provided that all directors give their written consent and that the urgency is justified in the resolution or equivalent document.

Article 23. Powers of the Board of Directors

- a) The Board of Directors shall have the widest powers to perform all acts of administration relating to the Association. It shall have within its competence the powers to perform all acts, not expressly reserved for the General Meeting under the Law or under the present Articles. In particular, it has powers that include but are not limited to:
 - i. For each new label decided by the General Meeting in accordance with Article 13, the Board of Directors shall establish the eligibility criteria and exclusions to comply with in order to be granted such label from the Association;
 - ii. For the avoidance of doubt, approval of any label eligibility criteria and exclusions and any amendments to those shall be approved by simple majority of the Board of Directors;

- iii. It shall set the Fees and Service Fees in accordance with Articles 9 and 10 of these Articles; and
- iv. It may create committees and appoint members to these committees. The members of these committees may include Charter Members and Associate Members representatives but are not limited to them.
- v. The Board of Directors shall also appoint or dismiss the CEO, as defined below, and shall fix the CEO job description, compensation and other related contractual matters.

Article 24. Conflicts of Interest

Any member of the Board of Directors who has a personal conflict of interest in a matter submitted for consideration or approval to the Board of Directors or has any relationship to a label applicant, should disclose this fact and should abstain from any discussion and/or decision on that matter.

Article 25. Day-to-day Management - Delegation of Powers

- a) The Board of Directors may delegate the day-to-day management and the running of the Association's affairs to the Chief Executive Officer (CEO), or if considered necessary to one or more of its members, whose powers shall be defined in the delegation resolution.
- b) The Board of Directors may also confer special powers to any other authorised representative of its choice for specific transactions or projects, with clearly defined scope and duration in the delegation resolution.

Article 26. Internal Rules

- a) The Board of Directors may adopt internal rules governing, *inter alia*, governance of the Association which are not explicitly covered by these Articles (the “**Internal Rules**”).
- b) Such Internal Rules shall be ratified by the General Assembly and kept at the registered office of the Association or electronically and provided to Members upon request.

E. General Provisions

Article 27. Legal Actions

Legal actions, whether as claimant or defendant, shall be followed on behalf of the Association by the Board of Directors.

Article 28. Representation of the Association

All acts binding the Association and all powers and proxies of the Association shall, in the absence of a delegation conferred by the Board of Directors, be signed by two members of the Board of Directors.

Article 29. Annual Accounts and Budget

- a) The financial accounts of the preceding year and the budget for the forthcoming year must be submitted by the Board of Directors to the Annual General Meeting for approval by simple majority of the Charter Members present or represented at that meeting.

- b) The approved annual accounts shall be filed with the Luxembourg Business Register in accordance with the Law.
- c) The financial year is the calendar year.
- d) Unless otherwise decided by the Board of Directors and within the limits provided for by Law, the Association's accounts shall be audited by an auditor or, on the recommendation of the Board of Directors and in any case when required by Law, by an approved statutory auditor (*réviseur d'entreprise agréé*). The General Meeting by simple majority shall appoint the auditor or approved statutory auditor and determine the term of their office, where each term may not exceed three years but may be renewed.

Article 30. Dissolution

- a) The Association may be dissolved at any time by the General Meeting where at least two thirds (2/3) of the Charter Members are present or represented. If that quorum is not reached, the General Meeting may be re-convened. Such resolutions may be adopted at re-convened General Meeting irrespective of the number of Charter Members present or represented.
- b) The resolution to dissolve the Association must be approved by a majority of two thirds (2/3) of the votes of the Charter Members present or represented at the General Meeting.
- c) In the event of the dissolution of the Association, the General Meeting convened for that purpose shall, if necessary, appoint liquidators, determine their powers and decide on the destination of the assets of the dissolved Association, following discharge of its liabilities.
- d) It shall allocate such assets to another institution or entity the object and purpose of which is, as closely in line as possible, with the purpose for which the dissolved Association was set up and in accordance with the provisions of the Law.

Article 31. Language of the Association

The present Articles are available in English and French. In case of divergence between the English and the French versions, the French version shall prevail.

Article 32. Miscellaneous

All other matters not provided for under the present Articles shall be settled in accordance with the requirements of the Law.

Luxembourg, on 18 September 2025.