



STATUTES of the European Liberal, Democrat and Reform Party, aisbl

Adopted on the 30th April 2004 by the ELDR Party Congress

AGREEMENT

BETWEEN: 1. Freie Demokratische Partei (FDP), incorporated as 'declared association' under German Law, (eingetragener Verein), whose registered office is located in Berlin, represented by Werner Hoyer, holder of a written power-of-attorney,

AND : 2. Volkspartij voor Vrijheid en Democratie (VVD), incorporated as 'association with full legal personality', (Vereeniging met volledige rechtsbevoegheid), under Dutch Law, whose registered office is located in The Hague, represented by Bas Eenhoorn, holder of a written power-of-attorney,

hereinafter collectively referred to as "the Parties".

WHEREAS:

The Parties, national political parties located in Europe and defending liberal, democratic and reformist ideals, wish to incorporate an international non-profit association governed by Belgian law, named "European Liberal Democrat and Reform Party".

IT IS HEREBY AGREED AS FOLLOWS:

Article unique

By this agreement, the Parties decide to incorporate an international non-profit association governed by Belgian law, with the following Articles of Association:

"CHAPTER I - NAME, REGISTERED OFFICE, PURPOSE AND TERM OF THE ASSOCIATION

Article 1 – Name

An international non-profit association is hereby incorporated under the laws of Belgium. Its name is "**European Liberal Democrat and Reform Party**", abbreviated as "**ELDR Party**" hereinafter referred to as the "Association". Both the full and the abbreviated names may be used indistinguishably.

All acts, invoices, announcements, publicity, letters, orders and other documents issued by the Association, shall indicate the full name or the abbreviated name of the Association preceded or followed by the words "*internationale vereniging zonder winstoogmerk*" or "*association internationale sans but lucratif*" or the abbreviation "*IVZW*" or "*AISBL*", as well as the indication of the registered office of the Association.

The Association is governed by the Belgian Act of 27 June 1921, as amended by the Act of 2 May 2002, (the "Act").

Article 2 - Registered office

The registered office of the Association is located at B-1000 Brussels, "Résidence Montoyer", rue Montoyer, 31. The registered office may be transferred to any other

location in the Region of “Bruxelles-capitale” by a decision of the Bureau. The decision to move the registered office must be published in the Annexes to the Belgian Official Gazette.

Article 3 – Purpose and objectives

The Association has as non-profit purpose to bring together political parties in Europe who, within the framework of liberal, democratic and reformist ideals, wish to contribute to the European Union.

To achieve this purpose, the Association will :

- strengthen the liberal, democrat and reform movement in the European Union and throughout Europe;
- seek a common position on all important matters affecting the European Union;
- inform the public and involve it in the construction of a united European democracy;
- support and co-ordinate its members in the elections to the European Parliament;
- promote the constitution of a Liberal, Democrat and Reform parliamentary group in all international parliamentary assemblies;
- develop close working relationships with and among its members, their national parliamentary groups, the parliamentary Group of the ELDR Party of the European Parliament, the Liberal, Democrat and Reform Group in other international fora and Liberal International .

The Association may carry out all operations and conduct all activities, both in Belgium and abroad, which directly or indirectly increase or promote its purpose and objectives.

Article 4 – Term

The Association is incorporated for an unlimited period of time.

CHAPTER II - MEMBERS

Article 5 – Criteria for membership, categories of members and rights and obligations of members

Membership of the Association is open to all political parties in Europe and individual citizens that accept these Articles of Association, the Internal Regulations of the Association, the policy programmes of the Association and the Stuttgart Declaration. As an exception to the foregoing, full membership is automatically granted to the Belgian non- profit association (*a.s.b.l./v.z.w.*) European Liberal Youth, abbreviated as LYMEC.

The Association shall consist of full, affiliate and individual members, natural persons or legal entities lawfully established in accordance with the laws and customs of their country of origin. The Association shall be composed of at least two full members.

If a candidate member does not dispose of a legal status in accordance with the laws and the customs of its country of origin, it shall, in its written application for membership, appoint a natural person, who will act on behalf and for the account of all

the members of such candidate member, in his/her capacity of common attorney-in-fact.

Full members shall pay a membership fee, with the exception of the Belgian non-profit association LYMEC. They have the right to take part in the meetings of the Council and the Congress, to voice their opinion and to vote.

Affiliate members shall pay a membership fee. They have the right to take part in the meetings of the Council and the Congress, to voice their opinion but they do not have the right to vote. Any affiliate member that has been a member of the Association for at least two full financial years may ask to be granted full membership.

Individual members may be required to pay a membership fee. They have the right to take part in the meetings of the Council and the Congress, under the conditions described in the Internal Regulations. If individual members take part in the meetings of the Council or the Congress, they may voice their opinion but they do not have the right to vote.

Article 6 – Register of members

A register containing an up-to-date list of all full and affiliate members of the Association and a list of individual members will be held at the registered office.

Full, affiliate and individual members may have access to the register and the list of individual members at the registered office of the Association.

Article 7 - Admission of members

Any application for full or affiliate membership shall be sent to the Bureau with all necessary documentation evidencing that the applicant fulfils the membership requirements. The Bureau shall submit the application and its preliminary report and opinion to the Council, which will examine whether or not the application meets the membership requirements. The Council shall take its decision with a majority of two-thirds of the votes cast. The decision of the Council to admit or not the applicant shall be final and the Council shall be under no obligation to justify its decision.

Any application for individual membership shall be sent to the Secretary-General. The application shall be processed under the Internal Regulations and shall be submitted to the Bureau. The Bureau shall take its decision with a simple majority of the votes cast. The decision of the Bureau to admit or not the applicant shall be final and the Bureau shall be under no obligation to justify its decision.

Article 8 – Resignation and expulsion of members

Any full or affiliate member may resign from the Association at any time by giving three months notice by registered letter addressed to the Secretary-General. The resignation shall only come into force at the end of the financial year.

Any individual member may resign at any time by written notice addressed to the Secretary-General. The resignation shall come into force immediately.

A resigning member will remain liable for its financial obligations vis-à-vis the Association until the end of the financial year during which its resignation took place.

If a full member fails to meet its financial obligations after a notice sent by the Secretary-General to settle its debts within a period of three months, the voting right of the full member will be suspended as from the end of the three months period.

If a full, affiliate or individual member fails to meet its financial obligations for two consecutive financial years, it will be considered as having resigned from the first day of the following financial year.

Any member may be expelled for any of the following reasons:

- (i) not abiding by the Articles of Association or the Internal Regulations;
- (ii) not abiding by the decisions of any body of the Association;
- (iii) not fulfilling the conditions for membership anymore;
- (iv) when any of its acts is contrary to the interest and the values of the Association in general.

The Council decides expulsion of full and affiliate members with a majority of two-thirds of the votes cast. The full or affiliate member will be informed by registered mail of the expulsion proposal. The letter sets forth the grounds on which the proposed expulsion is based. The full or affiliate member has the right to notify its remarks in writing to the Secretary-General, within 15 calendar days subsequent to the receipt of the letter. Upon its prior written request, the full or affiliate member involved shall be heard.

The expulsion decision sets forth the grounds on which the expulsion is based but apart from that, the decision does not need to be justified. The Secretary-General sends a copy of the decision to the expelled member by registered letter, within 15 calendar days. The expulsion shall come into force immediately but the expelled member shall remain liable for its financial obligations vis-à-vis the Association until the end of the financial year.

The Bureau according to the Internal Regulations decides the expulsion of an individual member. The decision does not need to be justified. The Secretary-General sends a copy of the decision to the expelled individual member in written, within 15 calendar days. The expulsion shall come into force immediately but the expelled member shall remain liable for its financial obligations vis-à-vis the Association until the end of the financial year.

A member who has resigned or been expelled shall have no claim against the assets of the Association.

CHAPTER III – BODIES OF THE ASSOCIATION

Article 9

The bodies of the Association are:

- (i) The Congress;
- (ii) The Council;
- (iii) The Bureau.

CHAPTER IV - CONGRESS

Article 10 - Composition and powers

The Congress shall consist of all full and affiliate members and the members of the Bureau.

In accordance with the Internal Regulations, individual members and third parties may be granted the right to take part in a meeting of the Congress. They may voice their opinion but do not have the right to vote.

The decisions taken by the Congress shall be binding on all members, including those absent or dissenting.

The following powers are restrictively reserved to the Congress:

- a) election, dismissal and discharge of the members of the Bureau;
- b) amendments to the Articles of Association;
- c) dissolution and liquidation of the Association;
- d) approval of the common political programme for the European elections.

Article 11 – Notices and meetings

The Council convenes the Congress. Congress shall meet at least once in each calendar year and not more than 18 months must elapse between two meetings of the Congress.

The Bureau or the Council or at least a third of the full members may convene extraordinary meetings of the Congress.

The notice is sent by mail, facsimile, email or any other written means. For the rest, the rules related to the agenda, timetable and conduct of the meetings of the Congress will be laid down in the Internal Regulations.

Article 12 – Representation

Full, delegates, appointed in accordance with the rules laid down in the Internal Regulations will represent affiliate and individual members at the Congress.

Each full member will have as many votes as delegates. A delegate may cast two votes at most.

Article 13 - Proceedings, quorums and votes

The delegates shall sign an attendance list of full and affiliate members prior to the meeting, under the name of the member they represent.

The Congress may validly proceed if at least one third of the full members are present. Where this quorum is not reached, a new meeting of the Congress shall be called no earlier than 15 calendar days after the first meeting. The second meeting of the Congress shall be entitled to validly take decisions, irrespective of the number of full members present.

Decisions of the Congress, including the election and dismissal of the members of the Bureau, shall be taken with a simple majority of the votes cast. Abstentions shall not be taken into account and, in the case of a written vote, blank and invalid votes will not be counted in the votes cast. In the case of a tie vote, the decision will be rejected.

Article 14 - Minutes

The decisions of the Congress are recorded in minutes. The minutes are approved during the next meeting of the Congress and signed by the Chair of the approving Congress.

The minutes are kept in a register, at the members' disposal at the registered office of the Association. A copy of the minutes is also sent out to all full and affiliate members.

The minutes of the Congress may also be published in full or in part.

CHAPTER IV - COUNCIL

Article 15 - Composition and powers

The Council shall consist of all full and affiliate members and the members of the Bureau.

In accordance with the rules laid down in the Internal Regulations, individual members and third parties may be granted the right to take part in a meeting of the Council. They may voice their opinion but do not have a voting right.

The decisions taken by the Council shall be binding on all members, including those absent or dissenting.

The following powers are restrictively reserved to the Council:

- a) approval of the annual accounts, the annual report, the budget, the membership fees and any other form of financing;
- b) admission, suspension and expulsion of full or affiliate members;
- c) approval and amendments to the Internal Regulations;
- d) preparation of the common political programme for the European elections to be approved by the Congress;
- e) interpretation of the Articles of Association and the Internal Regulations;
- f) upon proposal of the Bureau, appointment and dismissal of the Secretary-General;
- g) nomination, dismissal and determination of the basic fee of the auditor(s).

Article 16 – Notices and meetings

The Council is convened by the Bureau each time this is necessary for the interests of the Association or upon written request of 1/4th of the full members.

At least two meetings of the Council must be held every year.

The notice is sent by mail, facsimile, email or any other written means. For the rest, the rules related to the agenda, timetable and conduct of the meetings of the Council will be laid down in the Internal Regulations.

Article 17 – Representation

Full, delegates, appointed in accordance with the rules laid down in the Internal Regulations will represent affiliate and individual members at the Council.

Each full member will have as many votes as delegates.

Article 18 - Proceedings, quorums and votes

The delegates shall sign an attendance list of full and affiliate members prior to the meeting, under the name of the member they represent.

Unless otherwise provided for in the Articles of Association, a Council may validly proceed if at least one third of the full members are present. Where this quorum is not reached, a new meeting of the Council shall be called no earlier than 15 calendar days after the first meeting. The second meeting of the Council shall be entitled to validly take decisions, irrespective of the number of present full members.

Unless otherwise provided for in the Articles of Association, decisions of the Council shall be taken with a simple majority of the votes cast. Abstentions shall not be taken into account and, in the case of a written vote, blank and invalid votes shall not be counted in the votes cast. In the case of a tie vote, the decision will be rejected.

Decisions of the Council may also be taken by circular letter, in accordance with the rules laid down in the Internal Regulations. Decisions taken by circular letter are deemed to be taken at the registered office of the Association and are deemed to come into force on the date mentioned on the circular letter.

Article 19 - Minutes

The decisions of the Council are recorded in minutes. The minutes are approved during the next meeting of the Council and signed by the chair of the approving Council.

The minutes are kept in a register, at the members' disposal at the registered office of the Association. A copy of the minutes is also sent to all full and affiliate members.

CHAPTER VI – BUREAU

Article 20 - Composition and powers

The Bureau shall consist of at least nine members, elected by the Congress, amongst whom a President, seven Vice-Presidents and a Treasurer. No member of the Bureau will serve consecutively for more than six years.

The Congress can grant the title of Honorary President of the Association.

In accordance with the rules laid down in the Internal Regulations, third parties may be invited to take part in a meeting of the Bureau, as observers. Observers may voice their opinion but do not have the right to vote.

Unless specifically decided otherwise by the Congress, the term of office will take effect immediately and expire at the end of the second meeting of the Congress taking place after the election.

The function of member of the Bureau is not remunerated. Reasonable expenses supported by appropriate documentary evidence will be reimbursed.

The Bureau shall be vested with the power to undertake any act necessary or useful to achieve the purpose and objectives of the Association, except for those powers that the Act or these Articles of Association reserve to the Council or the Congress.

The Bureau may delegate, under its responsibility, part of its powers for particular or specific purposes to an attorney-in-fact.

The Bureau may set up advisory and working groups for any purpose it thinks fit. The composition, terms of reference and the rules of procedure of such advisory and working groups will be laid down in the Internal Regulations.

Article 21– Vacancy before term

In the event that a vacancy occurs, a new member of the Bureau can be appointed by the Bureau, in accordance with the provisions laid down in Article 20.

The term of office of the replacing member of the Bureau shall expire at the same time as the term of the replaced member of the Bureau. The appointment shall be ratified at the next meeting of the Congress.

Article 22 – Notices and meetings

The Bureau shall meet at least three times a year.

Meetings of the Bureau shall be called by the President or by three members of the Bureau.

The meetings of the Bureau shall be chaired by the President or, in his absence, by another member of the Bureau, appointed by his peers.

The notice calling the meeting shall contain the place, date, time, agenda and, as the case may be, working documents. It must be sent to all members of the Bureau by letter, facsimile or e-mail or any other written means, at least eight calendar days prior to the date of the meeting.

Article 23 – Proceedings, quorums and votes

Decisions shall be valid when at least half of the members of the Bureau are present. Where this quorum is not reached, a new meeting of the Bureau shall be called no earlier than eight calendar days after the first meeting. The second meeting of the Bureau shall be entitled to take valid decisions irrespective of the number of members of the Bureau present.

The Bureau may only deliberate on the matters set out in the agenda, unless all members of the Bureau are present and decide unanimously to discuss other matters.

Each member of the Bureau will have one vote. A member of the Bureau may not grant a power-of-attorney to another member of the Bureau.

The decisions of the Bureau shall be taken with a simple majority of the votes cast. Abstentions shall not be taken into account and, in the case of a written vote, blank and invalid votes shall not be counted in the votes cast. In the case of a tie vote, the chairman of the meeting shall have a casting vote.

Decisions may also be taken by conference call or videoconference. Decisions taken by conference call or videoconference are deemed to take place at the registered office of the Association and are deemed to come into force on the date of the meeting.

Article 24 - Minutes

Decisions taken by the Bureau shall be recorded in minutes. The minutes are approved during the next meeting of the Bureau and signed by the Chair of the next approving meeting.

The minutes are kept in a register, at the disposal of the members of the Bureau at the registered office of the Association. A copy of the minutes is also sent out to all members of the Bureau.

CHAPTER VII – MANAGEMENT OF THE ASSOCIATION

Article 25 - The Secretary-General

The Council shall delegate the daily management of the Association to the Secretary-General upon proposal of the Bureau. The Bureau defines the scope and financial limitations of the daily management powers of the Secretary-General. The Treasurer

will take a particular role with the Secretary-General in administration and personnel management of the Association.

The term of office of the Secretary-General shall be for a maximum period of two years, renewable.

The Secretary-General shall be remunerated, according to decision of the Bureau. Reasonable expenses supported by appropriate documentary evidence will also be reimbursed.

The Secretary-General may delegate a part of his/her powers for particular or specific purposes to a third party, under his/her responsibility.

CHAPTER VIII - REPRESENTATION OF THE ASSOCIATION

Article 26

The Association shall be validly represented with respect to all acts, including court proceedings, by either the President or any two members of the Bureau acting jointly, who shall not be obliged to offer proof to third parties of a prior decision of the Bureau.

The Secretary-General shall individually represent the Association with respect to all acts of daily management, including court proceedings, and shall not be obliged to offer proof to third parties of a prior decision of the Bureau.

The Association is also validly represented by an attorney-in-fact, within the limits of his power-of-attorney.

CHAPTER IX – AUDIT

Article 27

The audit of the financial situation, the annual accounts and the verification that the transactions set out in the annual accounts comply with the Act and the Articles of Association as well as the financial rules of the European Parliament, shall be entrusted to one or several auditors appointed by the Council chosen among the members of the Institute of Auditors (*Institut des Réviseurs d'Entreprises/ Instituut der bedrijfsrevisoren*).

CHAPTER X – INTERNAL REGULATIONS

Article 28

The Council shall adopt and may amend the Internal Regulations of the Association. The Internal Regulations regulate the functioning of the Association and its bodies in general and may not conflict with the Articles of Association.

CHAPTER XI – FINANCIAL YEAR, BUDGET AND ACCOUNTS

Article 29

The financial year shall coincide with the calendar year.

Article 30

The Bureau shall prepare the annual accounts at the end of each financial year. The Treasurer, on behalf of the Bureau, shall also issue an annual report justifying the management of the Association. This annual report shall include comments on the annual accounts for the purpose of presenting the evolution of the Association and the Association's activities.

The annual report and the auditor's report shall be presented to the Council for approval, together with the draft annual accounts.

CHAPTER XII – FINANCING

Article 31

The Association shall secure its financing by:

- (i) the payment of membership fees, as provided in Article 5;
- (ii) resources granted by any authority and more in particular the European authorities;
- (iii) the remuneration of any service rendered by the Association to its members or third parties;
- (iv) the payment of royalties for the use of intellectual property rights owned by the Association;
- (v) any other form of authorised financial resource.

The membership fees must be paid before the 1st April of each year.

CHAPTER XIII – LIMITED LIABILITY

Article 32

The members of the Association, the members of the Bureau and the persons entrusted with the daily management of the Association will not be personally liable for the obligations of the Association.

The liability of members of the Bureau or persons entrusted with daily management is limited to the proper performance of their mandate.

CHAPTER XIV- AMENDMENTS TO THE ARTICLES OF ASSOCIATION, DISSOLUTION AND LIQUIDATION OF THE ASSOCIATION

Article 33

Any proposal to amend these Articles of Association or to dissolve the Association shall only be valid if proposed by the Bureau or one third of the full members.

The proposed amendments to the Articles of Association must be attached to the notice calling the meeting of the Congress.

An attendance quorum of at least two-thirds of the full members is required for decisions regarding amendments to the Articles of Association or the dissolution of the Association. Where this quorum is not reached, a new meeting of the Congress shall be called no earlier than 15 calendar days after the first meeting. The second meeting of the Congress shall be entitled to take valid decisions irrespective of the number of full members present.

Decisions regarding amendments to the Articles of Association shall be taken with a majority of two-thirds of the votes cast. Decisions regarding the dissolution of the Association shall be taken with a majority of four-fifth of the votes cast. Any decision relating to the amendments to the Articles of Association shall be submitted to the Ministry of Justice and published in the Annexes to the Belgian Official Gazette.

In the event that the Association is dissolved, the Congress shall decide by a simple majority of the votes cast on (i) the appointment, powers and remuneration of the liquidators, (ii) the methods and procedures for the liquidation of the Association and (iii) the destination to be given to the net assets of the Association. The net assets of the Association will have to be allocated to a non-profit purpose.

CHAPTER XV – FINAL PROVISIONS

Article 34

These Articles of Association shall be written in French and English. The French version is the official version of the Articles of Association and shall take precedence.

English and French shall be the two working languages of the Association.

Article 35

Anything not provided for in these Articles of Association will be regulated by the Act.