

Statutes of  
**Responsible Investors Alliance International Association**

Adopted at the inaugural general meeting of the members held on 20170630

## 1 Name

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The name of the association is Responsible Investors Alliance International (referred to as “RIA Intl.”).

## 2 Domicile

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RIA Intl. is domiciled in Stockholm, Sweden.

## 3 Purpose and objects

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RIA Intl. is a non-profit association with the purpose of promoting and developing responsible investments and integration of ESG (environmental, social and governance) aspects in professional asset management. RIA Intl. is founded by asset owners, but serves the interests of all affiliated asset owners, asset managers and other members. RIA Intl. shall serve the members to the best of its ability. RIA Intl. shall:

- Own the ESG4Real trademark, the ESG4Real standard and the Certification methodology and be responsible for spreading the ESG4Real standard.
- Endorse continuous development and progress of the ESG4Real standard and the Certification methodology.
- Directly and indirectly, provide information, training, advisory, marketing and sales related to ESG4Real by establishing forums, working groups, etc.
- Give RIA national companies (as defined under section 12) exclusive right to act on behalf of RIA Intl. in the respective country via assignment and licensing agreements.
- Give certification organisations right to perform audits and make certification decisions regarding ESG4Real via assignment and licensing agreements.
- Drive potential future initiatives within responsible investments, similar to ESG4Real, if decided by the general meeting.

## 4 Independence

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RIA Intl. is independent from any political party or religious beliefs.

## 5 Membership

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Membership in RIA Intl. is available for legal entities and organisations that share the values and objectives of RIA Intl. Membership is available to a broad audience of organisations including companies working within or for responsible investments, e.g. asset owners and asset managers, and other organisations, e.g. NGOs, which share the values and objectives of RIA Intl. All members commit to endorsing and promoting the purpose and objects of RIA Intl., to observe and follow the statutes of RIA Intl. and to pay membership fees.

Membership is ultimately granted by the board of directors of RIA Intl. (hereinafter referred to as the “board”). Membership applications shall be submitted in writing using the online application form available at RIA Intl. website or directly to a RIA national company. Applications are processed and administered by an assigned national RIA company. The board has the exclusive right to approve or reject a membership application at its own discretion. Members are required to sign a RIA Intl. membership agreement, which is administered by an assigned national RIA company.

RIA Intl. has two types of memberships depending on organisation type: (1) ordinary membership, which gives voting rights at the general meeting and (2) associated membership, which does not give voting rights at the general meeting.

1. Ordinary membership is available for
  - a. ESG4Real licensed asset owners
  - b. ESG4Real certified asset managers

- c. Other organisations, e.g. NGOs and owners of RIA companies, that do not qualify as member type 1. a. but are regarded as eligible for ordinary membership by the board of RIA Intl.
2. Associated membership is available for entities that do not qualify as ordinary members, e.g. service providers, data companies, etc.

Members are classified as asset owners or asset managers according to the following definitions:

- Asset owners represent holders of long-term assets, retirement savings, insurances, etc. Examples of asset owners include, but are not limited to, pension funds, insurance companies, foundations, endowments and financial institutions that manage deposits.
- Asset managers have the responsibility to manage assets on behalf of a third party, either institutional or retail clients.

To become a member of RIA Intl., asset managers are required to become certified and asset owners are normally required to become licenced under ESG4Real. However, asset owners may need to be certified if it has significant in-house asset management. The board of RIA Intl. will make a qualitative judgement of the asset owner to determine if certification is necessary based on the below requirements. If the asset owner fulfils the below requirements, certification is necessary for a membership in RIA Intl.

- The asset owner has an in-house organisation that works with asset management.
- The asset owner has direct investments made by the in-house asset management organisation amounting to more than twenty five [25] percent of relevant capital within the ESG4Real scope.
- The capital managed through the in-house asset management organisation amounts to at least EUR one hundred million [100 000 000].

A member may terminate its membership at any time by submitting a written notice to the board. Any already paid and/or occurred membership fees, for previous or future periods, will not be refunded upon leaving RIA Intl.

## 6 Membership fee

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There are three types of annual membership fees depending on organisation and membership type: (1) Licensing fee relevant for ESG4Real licenced asset owners, (2) Certification fee relevant for ESG4Real certified asset managers and (3) Member fee relevant for associated members.

Annual membership fees are decided at the annual general meeting. A resolution to change the fees is passed if it is supported by a qualified majority, i.e. more than sixty six [66] percent, of the votes present. If a resolution to change the fee is not passed, the membership fee shall remain unchanged.

The membership fee is paid annually no later than thirty [30] days after the date when a member joined RIA Intl. and received a membership confirmation. If the fee has not been paid after two [2] reminders, the member is regarded as having left RIA Intl.

## 7 Expulsion

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Members that are violating the statutes, breaching the membership agreement or in any way opposing the purpose or objects of RIA Intl. and/or ESG4Real may be expelled from RIA Intl. by the board of RIA Intl. The member subject to an expulsion request shall have the right to be heard by the board of RIA Intl. before the expulsion decision.

## 8 Voting rights and procedure

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Only ordinary members of RIA Intl. are eligible to vote at the annual general meeting. Each ordinary member has one [1] vote, but the “weight” of each vote is differentiated based on which membership type status the member has:

- Members of type 1.a. have sixty [60] percent weight.
- Members of type 1.b. and 1.c. have forty [40] percent voting weight, collectively.

This means that a voting procedure shall be conducted with the following principles:

- Group 1.a. votes separately from groups 1.b. and 1.c., which vote together.
- Votes from group 1.a. are summarized and multiplied by 60% as one result (e.g. if 70% of member representatives from group 1.a. present vote “Yes”, the summarized weight towards “Yes” is 42%).
- Votes from groups 1.b. and 1.c. are summarized and multiplied by 40% as one result (e.g. if 50% of member representatives from groups 1.b. and 1.c. present vote “Yes”, the summarized weight towards “Yes” is 20%).
- The two weighted results are then summarized to obtain a combined result (i.e. a total weight towards “Yes” of 62% in the example as described above).

## 9 General meeting

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The general meeting is the highest decision making organ of RIA Intl., except for issues regarding approval and expulsion of members, which are reserved for the board. The annual general meeting shall be held before the last day of June each year at a location that is suitable for as many members as possible. The annual general meeting shall be announced by the board at least four [4] weeks prior to the annual general meeting by mail or e-mail. Summons shall also be accessible on the RIA Intl. website. The board shall make all practical arrangements necessary in connection with the annual general meeting.

All members may submit motions to the annual general meeting. Motions shall be submitted in writing to the board. Motions that have not been submitted to the board at least six [6] calendar weeks before the annual general meeting will not be considered by the annual general meeting.

Ordinary members may appoint one [1] ordinary and one [1] alternate representative to attend the general meeting to represent and vote in its stead. Each associated member may appoint one [1] representative to attend the annual general meeting if the associated member cannot be present.

Resolutions are passed by a simple majority, i.e. more than fifty [50] percent of the votes present, unless otherwise stated in the statutes. Voting shall be conducted through acclamation unless counting of votes is requested by any member. Elections are conducted via closed voting.

The general meeting is quorate if more than fifty [50] percent of the total number of ordinary members and more than fifty [50] percent of the total number of asset owners are present and voting. Voting may be done either physically or via proxy. If the general meeting is not quorate the voting procedure shall be postponed to either next ordinary meeting or scheduled in an extraordinary meeting, whichever option decided by the board. Adoption of the income statement and balance sheet (item 9 below) shall however be excepted from the quorum demand to ensure timely submission of the annual report.

The following matters shall be addressed at the annual general meeting:

1. Opening of the meeting
2. Election of chairman of the meeting
3. Approval of the voting register
4. Election of two persons to verify the minutes of the meeting and to act as tellers

5. Approval of the agenda
6. Determination of whether the meeting has been duly convened
7. Presentation of the annual report and the director's report
8. Presentation of the auditor's report
9. Adoption of the income statement and balance sheet
10. Determination of membership fees
11. Determination of the number of directors of the board of directors
12. Determination of remuneration to the board of directors
13. Appointment of chairman of the board of directors
14. Appointment of directors of the board of directors
15. Appointment of auditor
16. Appointment of five [5] members of the election committee
17. Other matters
18. Closing of the meeting

The board shall convene an extraordinary general meeting if the annual general meeting or the board so resolves. The board shall also convene an extraordinary general meeting to consider a specific matter if at least twenty five [25] percent of the ordinary members so request in writing. The request shall be addressed to the board and must clearly describe the matter which the members wish to be considered by the extraordinary general meeting. The extraordinary general meeting shall be announced by the board at least four [4] weeks prior to the meeting by mail or e-mail.

## 10 Election committee

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RIA Intl. shall have an election committee consisting of five [5] representatives from ordinary member organisations. All members of RIA Intl. are eligible to nominate member representatives to the election committee by sending the nominations in writing to RIA Intl. prior to the annual general meeting.

Appointment of election committee representatives is made through voting at the annual general meeting. Three [3] of the election committee directors shall be appointed by asset owners and two [2] shall be appointed by other members. Asset owners and other members shall have separate voting procedures and appointment is made if the election committee representative is supported by a majority, i.e. more than fifty [50] percent, of the votes present in the respective group.

Election committee directors are appointed for one year at a time.

The election committee nominates board members through voting where each member has one [1] vote. Nomination of a board member requires a majority, i.e. more than fifty [50] percent, of votes. The election committee shall strive towards a board composition with diversity regarding e.g., type of organisation, competencies, location, age and gender.

## 11 Board of directors

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Second to the general meeting, the board is the highest decision making organ of RIA Intl. Issues regarding approval and expulsion of members are however reserved for the board, for which the board is the highest decision making organ.

RIA Intl. shall have a board consisting of minimum five [5] and maximum ten [10] members, incl. alternates. Representatives from all types of organisations with appropriate knowledge and experience are able to be board members, not only representatives from members of RIA Intl.

The directors and the chairman of the board are appointed by the annual general meeting for one year at a time. If the annual general meeting cannot resolve which director shall act as chairman, the board shall appoint one of its members to act as chairman.

Board meetings shall be convened by the chairman when required. Board meetings shall be held at least four [4] times a year and at a location suitable for as many directors as possible. Board meetings may also be held via e.g. video conference to enable participation from as many directors as possible.

Each board member has one vote and resolutions of the board are passed by a simple majority of the directors present. In the event of a tied vote, the chairman has one [1] additional casting vote. The board is quorate if more than fifty [50] per cent of the board members are present.

The board is responsible for RIA Intl. and management of the affairs and shall, among other things:

- Work to fulfil the purpose and objects of RIA Intl.
- Execute resolutions passed by the general meeting.
- Execute the strategy of RIA Intl.
- Make decisions regarding approval and expulsion of members of RIA Intl.
- Oversee the work of assigned and licensed certification organisations, etc.
- Oversee the work of RIA national companies.
- Manage the finances and book keeping of RIA Intl.
- Establish operating statements and annual reports.
- Other operational tasks.

The board may delegate tasks to the secretariat and/or working groups. The board shall collect input from the market via working groups with representatives from members.

Remuneration to the board shall be determined at the annual general meeting, but should be symbolic and/or in line with remuneration in other similar non-profit associations, unless otherwise resolved by the general meeting. The board is entitled to remuneration for reasonable expenses for e.g. travels to and from board meetings.

## 12 RIA national companies

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RIA Intl. may start and appoint national companies to conduct different tasks in relation to the organisation, e.g. to administer membership issues, act as RIA Intl.'s local point of contact and collect membership fees. These national entities shall jointly be referred to as "RIA national companies". RIA national companies are required to sign an assignment and licensing agreement with RIA Intl.

## 13 Financial year

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RIA Intl.'s financial year shall be calendar year.

## 14 Financial management

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RIA Intl.'s assets shall be managed in a transparent way and the general meeting shall approve a procedure for financial management developed by the board.

Amounts up to EUR five thousand [5 000] shall be verified by the chairman of the board. Amounts above EUR five thousand [5 000] shall be verified by the chairman of the board together with one [1] director of the board.

Distribution of surplus from RIA Intl. shall be decided by the members at the annual general meeting.

## 15 Auditors

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The annual accounts and activities of RIA Intl. shall be audited annually by one authorised public accountant appointed by the general meeting.

## 16 Working groups

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The board may appoint working groups to manage and be responsible for certain topics, projects, seminars, etc. The function and authority of each working group shall be set out in the rules of procedure adopted by the board. Each work group shall be chaired by a director of the board of directors. The board of directors is responsible for budgets of all working groups.

## 17 Secretariat

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The board may appoint a secretariat to support the board in day-to-day management of RIA Intl. The function and authority of the secretariat shall be set out in the rules of procedure adopted by the board. The secretariat is accountable to the board of directors and shall adhere to its instructions.

## 18 Statutory change

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A resolution to amend the statutes is passed if supported by a qualified majority, i.e. more than sixty six [66] percent, of the votes present. Furthermore, the resolution must be supported by a majority, i.e. more than fifty [50] percent, of the number of asset owners. The resolution shall be passed at two [2] consecutive general meetings, out of which at least one [1] must be an annual general meeting.

## 19 Dissolution

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RIA Intl. can only be dissolved by the annual general meeting. A resolution to dissolve RIA Intl. is passed if it is supported by a ninety [90] percent majority of the votes present and together representing a qualified majority, i.e. more than sixty six [66] percent, of all ordinary members' votes.

If RIA Intl. is dissolved, the annual general meeting shall resolve on how to distribute the assets, either by (1) donating the assets to a cause that is compatible with the purpose, object and beliefs of RIA Intl. or (2) distributing the assets equally among the members.