



## **EUROPEAN BUSINESS ANGEL NETWORK**

### **Articles of Association**

During its Extraordinary AGM held on 3rd October 2013, EBAN members have unanimously agreed to adopt the following amended and consolidated Articles of Association which replace the Articles of Association published in Le Moniteur Belge from 19/04/01, with the reference N6894.

#### **Article 1      *Name - Form***

A not for profit association constituted under Belgian law for an unlimited duration named "European Business Angel Network", abbreviated as "EBAN", is hereby constituted and shall be regulated by the law of 27 June 1921 as well as by the provisions of the present articles of association.

#### **Article 2      *Registered office***

The registered office of EBAN shall be established in Belgium, and located in the judicial district of Brussels in 1040 Brussels (Rue Vautier 54). It may be transferred to any other location within the European Community on a decision by the Board.

#### **Article 3      *Purpose of the grouping and means***

##### **3.1 Objective**

EBAN has the purpose of:

- a) Creating and leading the European network of regional, national and international business angel networks as well as individual business angels;
- b) Supporting the European early stage investment market including the growth of early stage investors (eg. business angel networks, business angel federations, early stage venture capital funds, business accelerators, e-funding platforms...), in support of young innovative companies
- c) Encouraging the exchange of experience among early stage investors as well as encouraging "best practice";
- d) Promoting recognition of early stage investors' contribution to an entrepreneurial culture;
- e) Contributing to working out and carrying out local, regional, national and European programmes of assistance for the creation and the development of a positive environment for business angels and other early stage funding activities;
- f) Establishing the business angel finance market place as a normal way for new and high growth potential businesses to fund their risk capital requirements;
- g) Working with local, regional, national and European agencies to promote business angel networks, business angel practice and to help create a positive environment for their

activities;

- h) To recruit, train and monitor the competence of early stage investors. EBAN will develop a quality mark for business angel networks and other early stage investors to aspire to;
- i) To lobby for a pan-European friendly administrative environment encouraging the growth of business angel and early stage finance including adoption of fiscal measures that encourage risk taking by both entrepreneurs and business angels.

and in general any action that may contribute to achieving the present purpose.

Pursuing these objectives will be facilitated by the conclusion of cooperation agreements with other European organisations and the development of contacts with non-European organisations.

### **3.2 Means**

In order to pursue its objective, EBAN may set up common structures for information and technical or administrative assistance and carry out common missions. At the discretion of the Board it may particularly:

- constitute committees and working parties for specific purposes;
- establish and update documentation and publish materials concerning areas of interest to business angels and BAN activities;
- participate in any initiative, action or grouping with an analogous or similar objective;
- and in general, take any initiative which can enable the realisation of the purpose.

English shall be the Association's official language.

## **Article 4      *Membership of the Association***

The association is made of full members, affiliate members and associate members. Only the full members will benefit from full rights.

### **4.1 Full members**

Full members are organisations that fall in one of the two categories:

- A) Business angel networks, federations of networks set up to promote the angel market, business angel groups, angel funds or angel syndicates,
- B) Other early stage equity investors comprising but not exclusive to Venture Capital Seed Funds, Co-Investment Funds, Business Accelerators, E-Funding Platforms.

Business Angel Networks (BANs) are regional, national, international, commercial or industry sector organisations (eg. associations) set up to promote means of introduction between small and medium sized enterprises (SMEs) and private investors with entrepreneurial experience (business angels).

Business Angel Federations are national or regional organisations which represent the interests of BANs operating in the regions they cover.

Angel Syndicates are formal structures aggregating at least three angel investors and meant to last for more than one deal. Syndicates can operate a business angel fund and contain no institutional or public money.

Early stage venture capital and seed funds are those who invest in early stage innovative SMEs across Europe.

Co-investment funds are private, public or semi-private structures set up to invest side by side with angel investors, angel lead investment vehicles, venture capital funds or other public investment vehicles into SMEs.

Business accelerators represented by EBAN are incubation organisations and/or acceleration programmes which invest amounts typically up to 100.000€ into idea or concept stage SMEs in exchange for equity.

Electronic funding platforms accepted by EBAN are organisations which, through a technological platform they own and manage, represent a group of individuals (eg. crowd, angels) who invest together and obbey to a certain code of conduct.

#### **4.2 Affiliate members**

- Affiliate members are business angels/private individuals who have invested or intend to invest in small and medium sized businesses. They provide finance and expertise or business skills to the enterprise.

#### **4.3 Associate members**

Associate members are organisations which do not meet the afore mentioned criteria for full membership, but who have evident interest in the business angel industry.

Members constitute the association. In some cases, members will be able to act on behalf and on account of the association, especially for economies of scale and the mobilisation of resources upon specific mandate given by the Executive Committee, the Board or the person in charge of the daily management of the association.

Members of the association will commit themselves to provide statistical data on their activities to the association.

The Board or the body competent for selecting the members shall unreservedly rule on the application for admission according to the above-mentioned criteria. The admission of new members may only result from a decision approved by a two thirds majority of the Board, except if a member vetoes the admission. In that case, a new vote will take place with a decision approved by a  $\frac{3}{4}$  majority.

#### **Article 5      *Number of members***

The number of members is unlimited. The minimum number of members is three.

#### **Article 6      *Admission, withdrawal and exclusion of members***

Any member may withdraw from the Association by sending a notice of its decision by email or registered letter to the Association's headquarters, at least three months before the end of the membership period. Any withdrawal shall take effect at the end of the membership period, provided that the member has paid the outstanding membership fees.

The exclusion of members shall take effect under the same conditions that govern their admission.

Are equally considered withdrawn members that:

- have failed to pay their annual membership fee;

- do not any longer fulfil the requirements that had allowed them into the association
- engage in activities that are detrimental to EBAN' s objectives and purposes.

## **Article 7 Administration**

### **7.1 The General Assembly**

The Assembly shall be composed of the full members. The President of the Board, or in the absence of the latter, the Vice-President, shall chair meetings of the Assembly. Each full member shall be entitled to participate in all Assembly meetings. Each full member shall have a single vote. The Assembly shall meet in ordinary session at least once annually before the end of May, when convened by the President at least four weeks in advance.

The AGM can only take a vote on topics foreseen on the agenda.

Other members will be invited with the status of observers, will be encouraged to contribute to the debate but will have no voting rights.

Exceptionally, the Assembly may be convened by the President when instructed by the Executive Committee, on a proposal from the Board or at the request of the majority of the members.

An extraordinary General Assembly cannot be convened at less than four weeks notice unless requested by the President when instructed by the Executive Committee, on a proposal from the Board or at the request of the majority of the members in which case the notice period should of no less than 8 days.

The minutes of the General Assembly will be sent to the members within 2 months as from the date of the meeting. Any third party may consult a copy of those minutes at the registered office of the association.

### **7.2 Responsibilities of the General Assembly**

The following shall be the exclusive responsibility of the ordinary General Assembly:

- election and removal from the office of the members of the Board;
- approval of accounts and budgets;
- approval of the annual report;
- discharge of administrators (Board members);
- allocation of incomes.

All decisions concerning these responsibilities shall require a simple majority.

The following shall be the exclusive responsibility of the extraordinary General Assembly:

- amendment of the purpose and the Articles of Association;
- early dissolution of the Association;
- modification of the admission criteria for full members.

Any decision concerning these responsibilities shall require a two-thirds majority from full members and two-thirds majority from category A).

The Assembly's deliberations shall only be valid where a quorum of more than 50% of full members are present in person or represented, particularly when a two-thirds majority is required. Any member may give to another member a proxy. Each member can have not more than two proxies.

When there is not a quorum, a new General Assembly will be convened on the same day. The proceedings shall be valid, whatever the number of delegate members present or represented.

### **7.3 The Board**

- 7.3.1 The Association shall be governed by a Board composed of at least two members, physical persons representing a full member. The maximum number will be subject to the total number of members and fixed by the AGM following a proposal of the outgoing Board.

A maximum of 25% of the total number of Board members may be elected from a list of representatives provided by category B) Full members. The remaining members shall be elected from a list of representatives provided by Category A) full members.

The person standing for the election must be a representative of a full member.

Particular attention will be paid to the geographic spread of representatives elected to the Board, in an effort to reflect the truly European nature of the organisation.

Representatives of EBN, EVCA or other similar organisation and the European Commission may be invited with the status of observers.

EBAN recognises the historical role played by EURADA to enhance business angel culture in Europe as well as the close and fraternal relationship that exists with EURADA. Accordingly, the President of EURADA, will be invited to become a member of the Board of directors in an advisory capacity

- 7.3.2 The Board members shall be elected by a majority of the votes cast for a two-year period. In the event of a vacancy, a new Board member shall be named by the Board until the next General Assembly.

Outgoing Board members shall be re-eligible.

- 7.3.3 When a member of EBAN informs the Secretariat, by letter or in electronic format, that a Board member no longer represents that member organisation, that person is automatically deemed to have resigned.

The letter should be signed by a person authorised to sign for the member.

- 7.3.4 When a Board member resigns, the organisation he/she represents is entitled to nominate a substitute for the remainder of the term of office.  
. The appointment will be ratified by the Board.

- 7.3.5 Members shall agree to give a mandate to their representatives in the Board in order to allow their valid participation in deliberations.

- 7.3.6 The Board shall choose from among its members a President and a Vice-President by a majority vote. The term of office of the President is a two year-period. A person cannot be appointed as President for more than two consecutive terms.

- 7.3.7 The board is convened by the President with a four week prior notice and in connection with the sending of the agenda.

- 7.3.8 The terms of office shall be unremunerated.

7.3.9 A meeting of the Board shall be validly held if at least half of its members are present or represented. Members of the board which are not physically present at the meeting may be deemed present if participating at the meeting by electronic means i.e. videoconference or telephone conference. Members who are not physically present may be represented by a proxy. Any Board member can give a proxy to any other Board member. A Board member is entitled to represent only one other Board member. Decisions by the Board shall be valid if representing the simple majority of votes cast or represented.

7.3.10 The board has all the powers necessary for the management of the association which are not expressly entrusted to the general assembly based on article 7.2 of the statutes. The board may appoint proxy holders for any specific tasks of representing the association – such proxies will clearly indicate the scope of their representation powers.

#### **7.4 The Executive Committee**

7.4.1 The Board can nominate from its members an Executive Committee to implement the work programme. The Executive Committee comprises the President, the Vice-President and up to three other Board members. Amongst the members of the Executive Committee, the Board can choose a secretary responsible for the minutes of the Association and one or several treasurers.

7.4.2 A minimum of 2 members of the Executive Committee must be elected from the members of the Board which were appointed from the list provided by membership category A).

7.4.3 The Executive Committee shall be responsible for day-to-day activities. It may receive all payments, receipts and discharges and delegate any power it determines to the Director of Secretariat, to one of its members or to a third party, establish committees, working parties or advisory councils.

7.4.4 The Executive Committee will be chaired by the President.

#### **7.5 The Secretariat**

The Board will commission a Secretariat to:

- Conduct day to day operations of EBAN.
- Implement the decisions of the Board and Executive Committee.

When appointed, the Director of the Secretariat of the Association shall attend the meetings of the Board and of the Executive Committee, in an advisory capacity.

#### **Article 8 Use of proxies and postal votes**

8.1 Proxies may be made in writing to the Secretariat, by letter or in electronic form before the meeting at which the vote will be taken.

8.2 The Director of the Secretariat of the Association will serve as the President of the elections. He or she will ensure that voting rules and rights are respected according to the Statutes.

8.3 Electronic voting in the case of a General Assembly or Extraordinary General Assembly is accepted when a meeting in person is not feasible and/or to accelerate decision-making.

**Article 9      *Membership fees***

The functioning of EBAN shall be financed by the fees paid by the members within three months, the subsidies and the resources derived from its activities. The amount of membership fees shall be set annually by a majority decision of the Board..

Members shall agree only to the payment of the annual membership fees. Each member has the right to resign from membership at the end of the current fee year, if they are unwilling to pay fees that have been increased. Members may not be held liable for obligations contracted by the Association. Memberships will lapse at the end of the financial year should membership fees not be paid by then.

The maximum membership fee that may be received from a member is 5.000 euros.

**Article 10      *Accounts***

10.1      The annual accounts shall be subject to approval by the General Assembly within six months from the date of the closing of the accounting year.

The accounting system will make a clear distinction between the income and expenditure generated by membership fees and income and expenditure generated by other sources.

10.2      The supervision of finances has to be entrusted to an audit committee. It shall be elected by the Board from its members for a two-year period. The terms of office shall be unremunerated.

The auditors will supervise and verify the Association's financial operations. They may have access to all Association documents relative to their mission, but they may not remove such documents. The Board may decide to have external auditors instead of an internal audit committee,

10.3      All contracts and commitments entered into by EBAN should be authorised by the President and/or the Vice-President and signed by the Director of the Secretariat of the Association.

**Article 11      *Business year and earnings***

The financial year runs from January 1<sup>st</sup> until December 31<sup>st</sup>.

**Article 12      *Amendment of the purpose and the articles of association***

Modifications are decided upon by an Extraordinary General Assembly with a 2/3 majority. The modified article in its new form is to be circulated to the members after the vote.

**Article 13      *Dissolution***

The Assembly acting in accordance with the provisions of Article 7 shall pronounce the dissolution of EBAN and shall name its liquidator(s), delegating to the latter any powers it deems necessary. The procedures for dividing the result of the liquidation shall be determined by decision of the General Assembly acting in accordance with the procedure laid down for an amendment of the articles of association.

In case of dissolution of the association, the General Assembly will appoint one or two

liquidators, will determine their powers and will decide the allocation of the net assets. Such net assets may be allocated only to not-for-profit associations having similar objectives or purposes.

**Article 14    *Competent courts***

The courts of Brussels shall have jurisdiction in any dispute which may arise as regards the present articles of association and their annexes.