

STATUTES

"2 degrees Investing Initiative"

This document is a translation of the original 'statutes' and does not constitute an official statement of our statutes. In case of any contradictions between this document and the original 'statutes,' the original document shall be considered correct.

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The original statutes were adopted by Constituent General Assembly on 25 October 2012 in Paris and modified February 11, 2013.

I. Purpose and composition of the Association

Article 1: NAME

The Association 2° Investing Initiative (2° ii) was founded in Paris on 25 October 2012, according to the French law of 1 July 1901.

Article 2: PURPOSE

The Association aims to promote the integration of climate and environmental constraints (and more broadly the long-term financing needs of the economy), by the financial sector and the associated regulatory framework.

The Association constitutes, for the financial sector, governments, policy makers, and interested stakeholders, a structure of reflection and action for this promotion, at the French, European or international level.

The Association will work to link portfolio assessment approaches, asset allocation strategies, and incentives, whether internal to financial institutions or to regulation.

[...]

Article 5: COMPOSITION

The Association consists of four (4) categories of membership: **Founding Members, Active Members, Benefactors** and **Honorary Members**.

The four categories of membership are defined as follows:

1. Founding Members are:

1.1. Individuals who signed the statutes on the date of the founding of the Association, on 25 October 2012.

1.2. Individuals who contributed to the creation and development of the Association during the first 6 months after the filing of these Articles. Founding Member as defined here is assigned by unanimous decision of the Founding Members referred to in article 5.1.1.

Founding Members are exempt from dues and can be part of the Board of Directors. Founding Members retain that status indefinitely unless they renounce it by informing the President and the other members.

2. **Active members** are natural or legal persons interested in the goals of the association. They actively participate in the functioning of the association and pay their dues. They are eligible for participation in the Board of Directors. Active members are placed within the six (6) following categories in accordance with the Board of Directors, according to the definitions set out in the Rules of Procedure:

2.1. **Investors** [*Investisseurs*]

2.2. **Issuers** [*Emetteurs*]

2.3. **Associations of general interest** [*Associations d'intérêt général*]

2.4. **Public and government organizations** [*Organismes publics et gouvernementaux*]

2.5. **Research and Expertise Organizations** [*Organismes de recherche et d'expertise*]

2.6. **Individuals** [*Personnes physiques*]

3. **Benefactor Members** are Active Members who participate in the financing of the association up to a minimum annual amount defined in the Rules of Procedure, through their membership dues and a donation or subsidy. The Benefactor Members are eligible for the Board of Directors, a certain number of seats being reserved for them (see Article 8). Benefactor Members may waive this right on request from the President, in which case they vote and are eligible in their category as any Active Member.

4. The title of **Honorary Member** is awarded by the Board of Directors to any person who has rendered service to the Association, or worked in the direction of the goals. Individuals who have earned this title have the right to be part of the Association without being required to pay a fee.

Article 6: CONDITIONS OF MEMBERSHIP

Any candidates for Benefactor Member or Active Member must make a written request to the attention of the President, stating the category to which they wish to belong. Candidates must first be aware of statutes and Rules of Procedure of the Association and agree to comply.

The Board of Directors decides on requests for admission and validates the category to which the member will be involved as appropriate. The accepted candidate becomes a member after payment of dues, the amount of which is determined by the Board of Directors. Refusal of admission must be motivated.

Corporations that are members of the association are represented by their legal representative or any other person duly authorized for this purpose, whose name is forwarded to the President.

Article 7: RESIGNATION

Membership is lost by:

- The resignation notified by letter addressed to the President of the Association,
- Death
- The dissolution of legal persons for any reason whatsoever, or put into receivership or liquidation proceedings,
- Expulsion by the Board for non- payment of dues (for members required to perform this duty)
- Expulsion by the Board for other reasons

In the latter case, the member concerned can be heard by the Board of Directors and make an appeal to the General Assembly, which must then confirm the removal during the next ordinary General Assembly. Different remedies do not suspend removal.

II. Administration and operation

Article 8: BOARD OF DIRECTORS

8.1 Composition

The Association is governed by a Board of Directors consisting of two (2) to thirteen (13) members appointed as follows:

Founding Members are entitled as permanent members of the Board, unless they expressly waive temporarily the right to vote or serve on the Board of Directors.

Benefactor Members are allotted a minimum of two (2) seats and a maximum of four (4) seats on the Board of Directors. Benefactor Members vote to elect their representatives from within this category, if they meet the criteria conferring this status.

For both categories, the total number of seats is limited to six (6).

Additionally, Active Members of each category elect one (1) representative from within their category.

Finally, all Active Members shall elect one (1) representative from the active members not already elected.

Thus, Active Members may elect up to seven (7) directors.

Summary table: available Director seats at the Board of Directors

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Active Members (categories)	1- Investors	2- Issuers	3- Associations of general interest	4- Public and government organizations	5- Research and Expertise Organizations	6- Individuals	7
	1	1	1	1	1	1	
	Trans-categories: 1						
Members "de droit"	Founding Members			Benefactor Members			6
	2			2			
	Seats reserved to Founders in priority: 2						
							13

The directors are elected for three (3) years, subject to the payment of their dues.

Every legal person represented on the Board of Directors shall name the individual as its legal or statutory representative and who is mandated to represent it in the meetings. This individual should enjoy his civil rights.

In case of vacancy, the Board of Directors provides temporary replacement of its elected members by nomination. The powers of the members thus elected shall expire at the time the replaced members' mandate expires.

8.2 Meeting of the Board of Directors

The Board meets once (1) per year at minimum, and as often as the interests of the Association requires, convened by its President or at the request of a quarter of its members. The invitations are made by any means, at least eight days before the date fixed for the meeting. The notices contain the agenda of the meeting. Any member of the Board of Directors may be represented by another member of the Board, but such proxy is limited to one (1).

For the Board of Directors to deliberate a decision, it is necessary that at least one third of its members is present or represented, with a minimum of two (2) directors.

Decisions are taken by a majority of the members present or represented. In case of a tie, the President has the casting vote.

The President shall record the sessions. The minutes are signed by the President and another member of the board, or by another director. They are registered without blank spots or erasures on numbered sheets to the proceedings of the Board, and kept at the headquarters of the Association.

8.3 Powers of the Board

The Board of Directors is vested with the broadest powers to manage, direct and administer the Association and make all transactions relating to its purpose. Anything that is not restricted by the statutes to the General Assembly is the responsibility of the Board of Directors.

The board is particularly responsible for:

- Setting policy and general guidelines of the Association
- Deciding on the admission or exclusion of members,
- Preparing proposals for resolutions to be submitted to the General Assembly, including business and draft annual budget programs, and monitoring their implementation
- Approving the financial statements for the previous year,
- Giving the President the powers it deems appropriate for the implementation of its decisions and the direction of the Association,
- Delegating all powers to the Treasurer within the scope of its powers,
- Monitoring the implementation by the officers of their duties,
- Authorizing all purchases, transfers or leases, and loans for the operation of the Association,
- Hiring and firing all employees and fixing their remuneration
- Identifying, where appropriate, the statutory auditor and deputy auditor,
- Preparing the Rules of Procedure
- Providing all mandates that anyone sees fit to one or more specific purposes and for a limited time.

Article 9: BUREAU

The Board of Directors chooses among its members by secret ballot, an elected Bureau for three (3) years and composed of up to six (6) members, a President, a Vice- President and Treasurer. They may be reappointed.

In case of a tie, the President has the casting vote.

Board members may be removed by the Board of Directors by a majority of its members.

The functions of the Board of Directors and member of the Board are not remunerated. Only repayment for fees is possible. Such repayment must be an explicit decision of the Board, acting in the absence of interest; justifications must be subject to audit. Under the conditions laid down in Article 261.7-1° of the General French Tax Code, the Board of Directors may be employed by the association senior executive administration of the association (employment contract duration definite or indefinite) and collect as such, and only as such, wages, within the limits set by the tax regulations.

The Bureau is not a collegial body and has no powers of its own. However, its members individually exercise the powers defined below.

The members of the Bureau of the Association shall be in full possession of their civil rights.

9.1 The President

The Office of the President represents the association in all acts of civil life. It authorizes expenditure. It may delegate authority or signature under conditions that may be set out in the Rules referred to in Article 21, and may at any time terminate the said delegations.

The President has the authority to represent the Association in court as plaintiff or defendant. In case of legal representation, the President cannot be replaced by an agent acting under a special power of attorney.

It executes the decisions taken by the Board of Directors and the General Assembly; it has a moral relationship, management and activities to the Annual General Meeting.

9.2 The Vice-President

The Office of the Vice-President shall ensure the proper material, administrative and legal functioning of the association. It establishes, or causes to be drawn under its control, the minutes of meetings of the Board and the General Assembly.

It holds the records of the Association as well as the statements in the prefecture, and publication in the *Journal Officiel*, in accordance with laws and regulations.

It may be delegated by the President.

9.3 The Treasurer

The Office of the Treasurer ensures the proper accounting for the Association. it conducts an annual appeal of contributions. It establishes a financial report that presents the annual accounts with the annual general meeting.

It may, under the control of the President, make payment of expenses and revenue collection. It can be empowered by delegation of the President and under its control, to open and operate in all credit and financial institutions, all accounts and all savings accounts.

Article 10: PRESIDENT OF HONOR

The Board of Directors may confer the title of the President of Honor for a former president of the association, founding member or honorary member. This title can only be withdrawn by a decision of the Board.

At General Assembly Meetings, the President of Honor presents, when necessary, the views and suggestions made to him by the Members of Honour.

He/She does not head the Board of Directors but may be invited to participate in an advisory capacity.

Article 11: SCIENTIFIC COMMITTEE

The Association adopts a Scientific Committee, whose members are appointed for three (3) years by the Board of Directors. The Board of Directors determines the number of members of the Scientific Committee, who are not necessarily members of the Association.

The role and procedures of the Scientific Committee are defined in the Rules of Procedure. The Scientific Committee is consulted on the research and the results of work and ideas by the Association, and may be required to give an opinion on some elements produced within its framework (research project, working hypothesis, etc.).

Article 12: EMPLOYEES

The association may employ one or more employees, part-time or full-time. The staff member is recruited by the President and takes its orders from the Board of Directors, represented by the President to whom he directly reports, in order to assist the President and the officers in the performance of their respective tasks and the daily management of the association.

Paid agents may be invited to participate in bodies of the Association, without the right to vote, including General Assembly Meetings and meetings of the Board and the Bureau.

Workers paid by the association may be members of the Association.

Article 13: GENERAL ASSEMBLY

13.1 Meetings

The General Assembly is open to all members, as defined in Article 5.

It meets at least once a year, within six months of the end of the financial year. It may also be assembled whenever the Board or at least a quarter of the members request to do so.

Meetings are called by the President at least fifteen days in advance by posting on the website of the Association or by any other means, indicating the agenda and communication of all relevant documents and the draft texts of the resolutions.

The agenda is set by the Board of Directors.

A member can be represented by another member of the Association. A member may not hold more than two terms.

Paid agents, if not members, do not have access to the General Assembly unless in application of the Article 12.

The Bureau of the General Assembly is composed of the Bureau officers of the Board of Directors.

Except as provided in Articles 18 and 19, the decisions of the General Assembly shall be valid regardless of the number of members present or represented.

The decisions of the General Assembly are taken by hand vote, decided by a simple majority of members present or represented. In case of a tie, the vote of the President of the Board shall prevail.

A secret ballot may be requested either by the Board or by the quarter of the members present or represented. It is mandatory regarding the votes of a personal nature.

The President presides over the General Assembly, outlines the issues of the agenda and leads the discussion.

13.2 Powers

Each year, the General Assembly approves the President's report on the legal situation and the activities of the Association, the financial report of the Treasurer and, if applicable, the report of the auditor and Honorary President.

Once a year, the General Assembly shall consider, discuss and approve the accounts for the previous year's discharges, as well as consider and approve the budget of the following year.

The General Assembly can only decide on the issues included on the agenda that are not within the exclusive jurisdiction of another body of the Association, and vote resolutions. It hears appeals that have been made pursuant to Article 8 hereof.

It provides for the renewal of the Board of Directors in the manner specified in Article 8 and if necessary replacement of vacancies.

Article 14: MINUTES OF GENERAL ASSEMBLY MEETINGS

Sessions should be transcribed.

The minutes are signed by the President and another member of the Bureau.

They are established without white spaces or erasures on numbered sheets and kept at the head of the association. They are transcribed in chronological order on the record of the proceedings of the Association.

The President or Vice-President may issue certified copies of the minutes vis-à-vis third parties, whether meetings of the General Assembly or of the Boards of Directors.

Article 15

The deliberations of the Board of Directors regarding the acceptance of donations and bequests are valid only after administrative approval given under the conditions provided for by Decree No. 2007-807 of 11 May 2007.

III. Resources

Article 16: RESOURCES AND HOLDINGS

A. The resources of the Association consist of:

- 1) Income from property;
- 2) Contributions and donations of its members;
- 3) Grants from the State, regions, departments, municipalities and public institutions;
- 4) Donations from natural or legal persons;
- 5) Products of studies;

And other non-prohibited by the laws and regulations resource;

B. The assets of the Association consists including:

- Studies it has conducted or commissioned,
- Contributions that have been made by its members,
- Tangible or intangible property that was acquired.

The assets of the Association shall be solely responsible in respect of third parties, the commitments of the Association.

Article 17: FINANCIAL - ACCOUNTING

The fiscal year runs from 1 January to 31 December of each year, except for the first year which shall be fixed from the date of publication of the association in the Official Journal until 31 December 2013.

An accounting is maintained under association accounting standards, showing on an annual basis a balance sheet, an income statement and, if applicable, one or more annexes.

The financial statements are made available to all members, with the moral report, management, business, financial report, and, if applicable, the report of the auditor, during the fifteen days preceding the date of the General Assembly meeting called to approve the accounts for the financial year.

IV. Changing the constitution and dissolution

Article 18: AMENDMENT OF ARTICLES

The Constitution may be amended by the General Assembly on the proposal of the Board of Directors or on the proposal of one tenth of the members that make up the General Assembly.

In both cases, the proposed amendments are listed on the agenda of the next General Assembly, which shall be sent to all members of the Assembly at least 15 days in advance. To deliberate, at least one quarter of the current members must be present or represented. If this proportion is not reached, the meeting is reconvened, but at least two weeks apart, and this time, it can validly deliberate regardless of the number of members present or represented. In all cases, the statutes may be amended by a majority of two thirds of the members present or represented.

Article 19: Dissolution

The General Assembly called upon to decide on the dissolution of the Association convened for this purpose, as provided in the preceding article, shall include at least half plus one of the members.

If this proportion is not reached, the meeting is reconvened, but at least two weeks apart, and this time, it can validly deliberate regardless of the number of members present or represented. In all cases, the dissolution can be passed by a majority of two thirds of the members present or represented.

[...]

V. Rules of Procedure

Article 21: RULES

Rules of procedure are prepared and approved by the Board of Directors.

These Rules are intended to fix the various points not covered by these statutes, including those relating to the internal administration of the Association.

Adherence to statutes implies full adherence to the Rules. These Rules shall be communicated to all members of the Association. Any amendment approved by the Board of Directors is subject to immediate release.

[...]

The original document was adopted on 25 October 2012 in Paris and amended on February 11, 2013.

The original document was signed on February 11, 2013, by
Jean -Pierre Sicard, President
and
Hervé Guez, Treasurer