

3. Committee restructuring

Background

In December 2019, the Berne Union (BU) Management Committee (MC) held a strategy meeting in Segovia, Spain, to discuss how to better respond and cater to members' needs in the current market environment, recognizing the changes that have taken place over the last 20 years. Among other things, the BU's current Committee structure and how it could be changed to better reflect and meet today's requirements, was discussed at length. The idea was further developed during the MC meetings in the first half of 2020. Several scenarios for restructuring were discussed in order to find a structure that best facilitates exchange between Members on matters of common interest.

Particularly, the fact that there is currently no official forum where ECAs, private insurers and multilaterals can discuss the whole range of medium/long-term business together was identified as a weakness. Correcting this became the driving force behind the proposed reorganisation, recognizing both (i) the increased cooperation among different types of members (ECA, multilaterals and private insurers), and (ii) the evolution of the business models of multilateral and private members, whose business now includes substantial amounts of business of similar type of coverage that is offered by ECAs.

In order to facilitate a smooth transition to set up this joint forum for medium/long term business, it is proposed to keep the current committee structure in place, while only making some changes to the mandate and the membership of in particular the Investment Insurance (INV) Committee. We would hereby adapt to practices grown, where both investment insurance and credit insurance matters are discussed.

Subsequent to these discussions, the Secretariat has prepared detailed proposals for the committee restructuring, including related topics such as membership eligibility and MC composition.

At the Management Committee Meeting in July, the MC approved the following proposal for Plenary vote at the 2020 AGM, with the changes to take effect from January 2021.

Purpose of committee restructuring

The **purpose of this proposal** on restructuring and changes to related matters, is to **create a forum where ECAs, multilateral and private insurers can discuss together both medium and long term export credit insurance (MLT) business and investment insurance (INV).**

Structure of this document

- This document addresses the three areas that are affected by the proposed change:

- (1) *Committee structure*
- (2) *Membership Eligibility of the committees, and*
- (3) *Management Committee composition.*

- In section 4 (“For information”), we have identified some of the Berne Union activities that are not affected by the restructuring but which are important to highlight for clarity.
- Each of the proposed changes are presented as follows – (i) *Description and reason of the proposed changes* and (ii) *Decision* for Plenary vote.
- This document also has two Annexes:

*Annex 1: Membership distribution by the committees after the restructuring, and;
Annex 2: Statutes with proposed changes.*

1. Committee structure

Description and reason of proposed changes

The primary goal of the restructuring is to create a forum where ECAs, multilaterals and private insurers can discuss medium and long-term export credit and investment insurance business and investment insurance. This will be achieved by transforming the current INV Committee into a broader new MLT Committee, open to all public, private and multilateral members meeting the eligibility criteria for business volume or premium income. This committee will discuss all medium and long-term matters arising from and through the provision of export credit insurance and investment insurance. This mixture of topics was already the practice in the INV Committee. Over the last years, the agenda of this Committee has already reflected this trend with a good number of discussions related to MLT credit business. The joint MLT/INV claims discussions that have been in place over the last couple of years also combined members and discussions from these two committees.

However, there is already a Committee in the Berne Union of that name and the BU will continue to have a forum in which matters important to ECAs can be discussed separately among ECAs. Therefore, the proposal for restructuring also includes a renaming of the current MLT Committee into "ECA Committee". In line with the recent practice in the current MLT Committee, the ECA Committee will focus on matters that relate to ECAs' mandates and their operations, ranging from traditional export credit support to domestic activities. Any potential revision / fine-tuning of the ECA Committee's scope of work and membership eligibility will be determined by the ECA Committee itself once the restructuring has been implemented, should the Committee Members deem it appropriate.

All members of the current MLT Committee will automatically remain members of the ECA Committee. Likewise, all members of the current INV Committee will automatically become members of the new MLT Committee. In addition, the members of the current MLT Committee who are not a member of the INV Committee will automatically qualify for membership of the new MLT Committee (see *Annex 1*). After the restructuring has been completed, members will be able to resign or apply for any committee membership based on the applicable criteria.

Chart below depicts the proposed changes from the current Berne Union committee structure to the proposed structure after the restructuring.

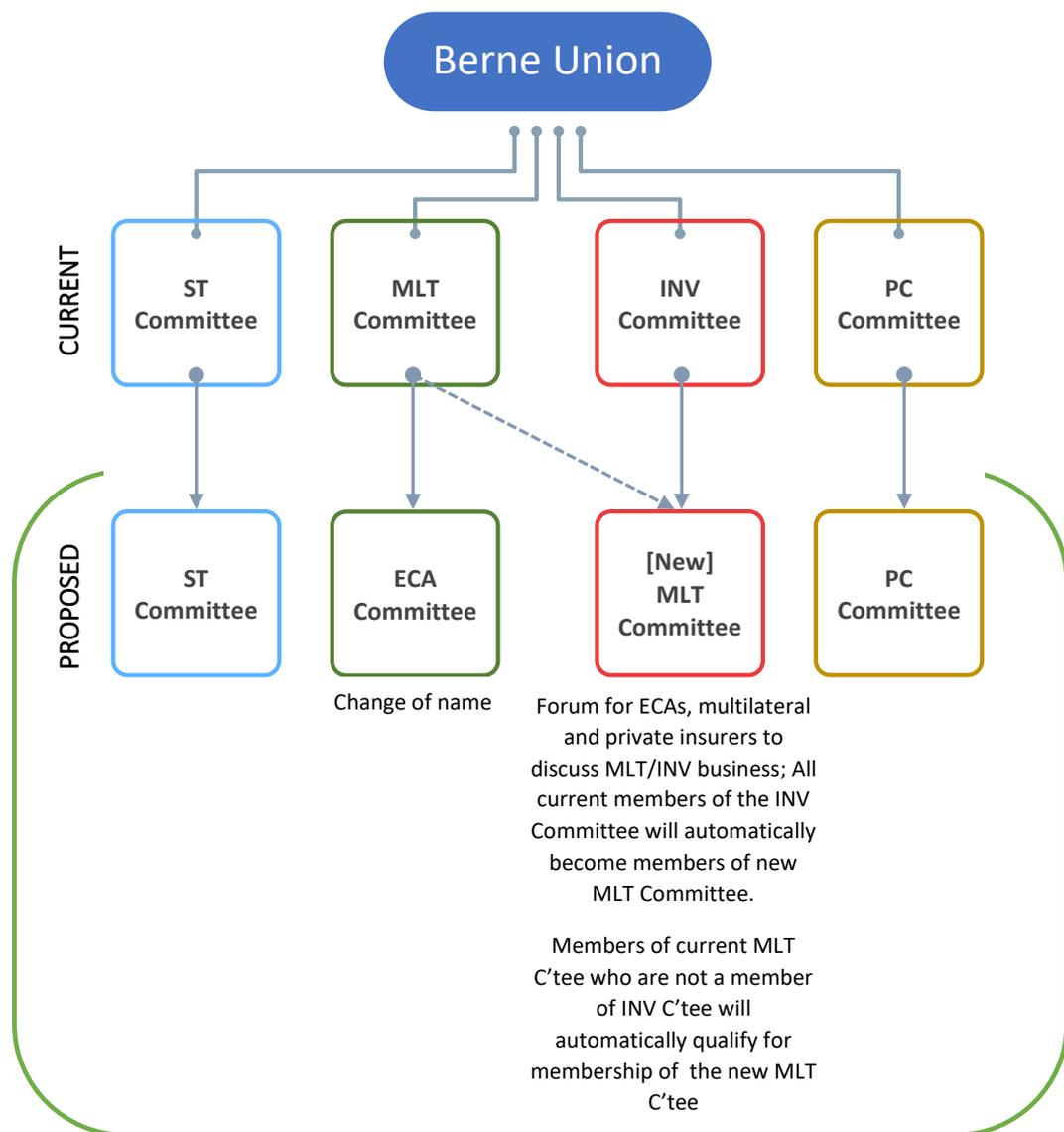


Chart – Proposed changes in Committee structure

Decision

The following changes are proposed:

- Create a **new MLT Committee** composed of current MLT Members and current Investment Insurance Committee (INV Committee) Members.
- Change the name of the **current MLT Committee** to **ECA Committee**, leaving its current membership and area of competencies unchanged.

2. Membership Eligibility

Description and reason of proposed changes

The basis for the membership eligibility will remain unchanged - only organisations actively engaged in insuring export credit transactions and underwriting political risks and/or the insurance of cross-border investment can apply for the membership.

For the ST, ECA, and new MLT Committees, applicants need to be in business for a period of at least three years from the date of their first issued export credit or investment insurance policy (for ECAs meeting the business requirements, the requirement of being at least three years in business may be waived as per the current Statutes). Annual premium income or combined balance sheet exposure thresholds will apply as before. Any further membership eligibility and or changes to membership of new ECA Committee will also be determined by the ECA Committee itself once the restructuring has been implemented.

As is the case already now, there is no premium or exposure requirement for Berne Union members who have only joined the PC Committee.

	Current criteria	Proposed change
Berne Union membership <i>(not applicable for institution applying for the Prague Club Committee)</i>	Institution should have annual premium income of at least USD 5 million, or a combined balance sheet of at least USD 450 million resulting from export credit insurance and/or cross-border investment insurance business	Remain unchanged
ST Committee	Annual premium income derived from short-term export credit insurance of at least USD 2 million, or should be covering export credit business of at least USD 225 million	Remain unchanged
ECA Committee	As for current MLT Committee: Annual premium income derived from medium and long-term export credit insurance of at least USD 3 million or should be covering medium and long-term export credit insurance business of at least USD 225million.	Remain unchanged
MLT Committee	As for current INV Committee: Annual premium income derived from cross-border investment business of at least USD 0.5 million or an outstanding amount of cross- border investment insurance of USD 4 million	Annual premium income derived from medium and long-term export credit insurance of at least USD 3 million or should be covering export credit business of at least USD 225 million (unchanged from current MLT Committee) OR annual premium income derived from cross-border investment business of at least USD 0.5 million or an outstanding

amount of cross- border investment insurance of USD 4 million **(unchanged from INV Committee)**

PC Committee

No premium or exposure requirements applicable

Remain unchanged

Decision

The following changes are proposed:

- The eligibility criteria of the new MLT Committee refer to either export credit insurance business or investment insurance business, i.e. the business criteria for only one of the two business lines need to be met.

3. Changes in the Management Committee composition

Description and reason of proposed changes

Currently the Management Committee (the “MC”) is composed of **19 members**: 6 Elected officials (President, Vice President and Chairs of all four Committees), 7 Rotating members (2 from each – ST Committee, MLT Committee and INV Committee and 1 from PC Committee) and 6 High-volume members (2 from each – ST Committee, MLT Committee and INV Committee).

As noted above, the MC includes two high-volume members from each of the ST, MLT and INV Committees and their eligibility for MC is based on the size of their business. It is proposed to keep the same structure for representation of high-volume members in the Management Committee after the committee restructuring, i.e., two high-volume members from each of the ST, new MLT and ECA Committees. However, after analysing the members’ business data, it appeared that the business volume data for the ECA Committee and for the new MLT Committee (for medium-long term export business and investment insurance business combined) would result in exactly the same ranking for high-volume members, i.e., ECAs with a high volume in export credit business. In order to avoid duplication, a slight change in Management Committee eligibility criteria for high-volume members from the new MLT committee is proposed. Taking into account the aim for the new MLT Committee to serve as a forum for both export credit and investment insurers, the idea is to ensure balanced representation in the Management Committee for both export credit and investment insurance business.

The proposal is to assign the two high-volume seats from the new MLT Committee as follows:

- one to a high-volume MLT credit insurance member;
- one to a high-volume investment insurance member.

No such reservation by business line would be applied to rotating members of the new MLT (or any other) Committee.

In addition, it is proposed that if a member of the new MLT Committee is eligible both as a high-volume MLT credit insurance member and as a high-volume investment insurance member, then the MLT credit insurance seat prevails. This will ensure that investment insurance members have a reasonable opportunity of being assigned the single high-volume investment insurance seat on the MC.

Management Committee		
Elected Officials	Institutional members	
<ul style="list-style-type: none"> - President - Vice President - ST Chair - ECA Chair - MLT Chair - PCC Chair 	Rotating members <ul style="list-style-type: none"> - 2 from ST Committee - 2 from ECA Committee - 2 from MLT Committee - 1 from PC Committee 	High-volume members <ul style="list-style-type: none"> - 2 from ST Committee - 2 from ECA Committee - 2 from new MLT Committee <i>(one from export credit insurance business and one from investment insurance)</i>

Decision

The proposal is to assign the two high-volume seats from the new MLT Committee as follows:

- one to a high-volume MLT credit insurance member;
- one to a high-volume investment insurance member.

If a member of the new MLT Committee is eligible both as a high-volume MLT credit insurance member and as a high-volume investment insurance member, then the MLT credit insurance seat prevails.

4. For information

Statutes

Changes in statutes will be made reflecting the proposed changes in Committee structure, Membership eligibility and Management Committee composition (see Annex 2)

Sub-Committees and Ad Hoc groups

Each BU committee can also decide to have technical groups to consist of experts in the particular business lines, and which will focus on specialist subjects and produce reports for the Committees¹.

The INV Technical Panel (INV TP). The TP is currently an existing sub-group of the INV Committee. It meets once per year as an expert group where all participants are required to actively contribute. Under the new structure, the INV TP will be assigned to the new MLT Committee. The scope of work for the INV TP (i.e., INV only or INV and MLT business), membership and

¹ For example, there have been discussions on possible *Private Sector Forum* Ad Hoc group for private members of the BU to discuss topics of their relevance.

frequency of meetings will be decided by the new MLT Committee.

Data transparency	<p>The current approach to BU members' business data accessibility stipulates that only members of specific business line related to committees (ST, MLT, and INV) can access data of that specific business line. This document does not propose any changes within this approach.</p> <p>Any proposals in relation to this matter will be evaluated by the Berne Union Data Task Force, and will be presented to members if and when applicable.</p>
Membership fee structure	<p>No immediate change in the fee structure is proposed. Basic fee and fee per committee remain unchanged in 2021, and as specified in the Statutes - with potential annual revision if required depending on total membership fee income.</p> <p>Unrelated to fee structure itself, a membership fee increase of GBP 5,000 will apply to those current MLT Committee members, who are currently not a member of the INV Committee and choose to remain in the ECA Committee and to join the new MLT Committee after the restructuring (see Annex 1).</p>
Secretariat staff	<p>No changes to the total staffing level or to the main skillset required at the Secretariat are expected.</p> <p>The Secretariat's vacancy for an Economic Research Analyst position has been planned and is not related to this proposal.</p>
Meeting day distribution for Spring Meeting and AGM	<p>If the changes in the Committee structure are approved, the allocation of the committee meeting days for in-person general meetings would remain the same as the currently practice, allowing flexibility based on the Agenda:</p> <ul style="list-style-type: none">- Day 1: ECA Committee, PC Workshop- Day 2: ST, MLT and PC Committee- Day 3: Plenary- Day 4: Outreach <p>Joint and open sessions would be allocated around the main Committee meeting days for topics of common interest.</p>

Annex 1 - Membership distribution by the committees after the restructuring

	ST	MLT	ECA	PC				
AIG	✓	✓			FINNVERA	✓	✓	✓
AOFI				✓	GEXIM			✓
ASEI	✓				GIEK	✓	✓	✓
ASHRA		✓	✓		HBOR			✓
ATI		✓		✓	HKEC	✓		
ATRADIUS	✓	✓	✓		ICIEC	✓	✓	✓
AXA XL		✓			INDONESIA EXIMBANK			✓
BAEZ				✓	JLGC			✓
BANCOMEXT		+	✓		KAZAKHEXPORT			✓
BANDEX				✓	KREDEX			✓
BECI				✓	KSURE	✓	✓	✓
BPIFrance		+	✓		KUKE	✓	+	✓
CESCE	✓	✓	✓		LCI			✓
CHUBB	✓	✓			LIBERTY	✓	✓	
COFACE	✓	✓			MBDP			✓
COSEC	✓	✓	✓		MEXIM	✓	✓	✓
CREDENDO	✓	✓	✓		MIGA		✓	
CREDITOMAN				✓	NEXI	✓	✓	✓
DHAMAN				✓	NZECO			✓
ECGC	✓	✓	✓		ODL	✓	+	✓
ECGC Z				✓	OeKB	✓	✓	✓
EGE				✓	PICC	✓		
ECI				✓	PWC		✓	
ECIC SA		✓	✓	✓	QDB			✓
ECIO				✓	SACE	✓	✓	✓
EDC	✓	+	✓		SEP			✓
EFA		✓	✓		SERV	✓	+	✓
EGAP		✓	✓	✓	SID Banka	✓	✓	✓
EGFI				✓	SINOSURE	✓	✓	✓
EH	✓	✓	✓		SLECIC	✓		
EIAA				✓	SONAC			✓
EKF	✓	✓	✓		SOVEREIGN		✓	
EKN	✓	✓	✓		SWISS RE		✓	
ENTERPRISE SING				✓	TEBC	✓	✓	✓
EXIAR	✓	+	✓	✓	THAI EXIMBANK	✓		✓
EXIM HU	✓	✓	✓	✓	TURK EXIMBANK	✓	+	✓
EXIM J	✓				UKEF		✓	✓
EXIM R				✓	UKREXIMBANK			✓
EXIMBANKA SR		✓	✓	✓	USDFC		✓	
EXIMGARANT				✓	US EXIMBANK	✓	+	✓
FCIA	✓	✓			UZBEKINVEST			✓
					ZURICH	✓	✓	

✓ - Member based on current committee membership distribution

+

- Members of the current MLT Committee that choose to also become members of the new MLT committee following the restructuring will be charged an additional GBP 5,000 in membership fee unless they are already a current Member of the INV Committee

ANNEX 2 TO THE PAPER ON COMMITTEE RESTRUCTURING
CHANGES TO THE STATUTES IF THE PROPOSALS ARE ADOPTED

S T A T U T E S

O F T H E

I N T E R N A T I O N A L U N I O N

O F

C R E D I T A N D I N V E S T M E N T

I N S U R E R S

(T H E B E R N E U N I O N)

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PREAMBLE

International Union of Credit and Investment Insurers (hereinafter referred to as “the Union”), is the leading international organisation of public and private sector providers of export credit and investment insurance. The Union is an international organisation dedicated to facilitate world-wide cross border trade and investments by fostering international acceptance of sound principles in export credits and investment insurance, and by providing a forum for professional exchange among its members.

The Union is open to engage with trade and investment stakeholders, with exporters, importers, investors, financial institutions and their respective professional trade associations, with regulatory bodies.

The Union is a professional, not-for-profit industry association.

Therefore, it is governed by the following Statutes.

I. GENERAL PROVISIONS

Article 1 – Constitution

- 1.01 An association is constituted and governed by the provisions of Articles 60 et seq. of the Swiss Civil Code. This association is an independent legal entity with legal capacity.
- 1.02 It is governed by Swiss Law.
- 1.03 The association shall bear the name of International Union of Credit and Investment Insurers, and may also be referred to as the “Berne Union” (hereinafter referred to as “The Union”).
- 1.04 The Union, founded originally in 1934 as the Union of Assurers for the Control of International Credits, is constituted for an unlimited duration.
- 1.05 The Union is domiciled in Berne (Switzerland), with its sole operational office in London (United Kingdom).

Article 2– Purpose and Aim

- 2.01 The purposes of the Union shall be:
- (i) to work for the international acceptance of sound principles of export credit insurance and the establishment and maintenance of discipline in the terms of credit for international trade;
 - (ii) to work for the maintenance of sound principles of foreign investment insurance and the encouragement of a favourable investment climate, by co-operating in efforts to provide investment insurance for the benefit of investors and host countries;
 - (iii) to provide for the exchange of information, assistance, expertise and advice in relation both to the commercial and political risks involved in export credit insurance, to the political risks involved in foreign investment insurance and to the range of associated matters relating thereto; and
 - (iv) to promote and represent the export credit and cross-border investment insurance industry.

Article 3 – Exchange of information and co-operation

- 3.01 With a view to achieving the aims set out in Article 2 the Members shall, as may be agreed from time to time by the General Meeting:
- (i) exchange information and furnish the Union with the information necessary for the accomplishment of its tasks;
 - (ii) consult together on a continuing basis, carry out studies and participate in agreed projects;

- (iii) co-operate closely and where appropriate take coordinated action;
 - (iv) co-operate with other international institutions concerned with these matters; and
 - (v) collect and analyse members' underwriting, claims and recovery data for the purpose of advancing a better understanding of global trends and risks intrinsic to credit insurance products and their beneficial contribution to global trade and investment.
- 3.02 The Members agree on their honour not to conceal any material fact nor to communicate any information likely to mislead other Members.
- 3.03 The Members also agree to respect and maintain the confidentiality of information received from the Secretary-General and Secretariat, from other Members and during Meetings and, in particular, not to disclose this in any unauthorised way to third parties, subject to any Code of Conduct or Disclosure as may be in force.
- 3.04 The General Meeting shall decide the action to be taken against any Member who breaches the terms of Article 3.03, taking account of the nature of the breach and how often it has happened.

Article 4 – Membership

Membership eligibility

- 4.01 Only organisations actively engaged in insuring or guaranteeing export credit transactions and in underwriting political risks in a significant way in such transactions and/or the insurance of cross-border investment may be Members.
- 4.02 Every Member must accept the conditions of the present Statutes in full.
- 4.03 An Applicant for Membership should meet the Membership Criteria set out below:
- (i) Institutions should be underwriters carrying out actual and primary underwriting business as their core activity.
 - (ii) Institutions must have been effectively in operation in the field of export credit insurance or the insurance of cross-border investment for a period of at least three years from the date of their first issued export credit or investment insurance policy.

However, official government-mandated Export Credit Agencies (as defined under Article 12, ~~Medium and Long Term Export Credit Insurance~~[ECA](#) Committee, Eligibility for Membership, paragraph 2) may apply for Membership from the date of the first issued export credit or investment insurance policy.

- (iii) For Committee membership, institutions should meet either of the two thresholds mentioned under (a) and at least one of the thresholds

mentioned under (b), (c) or (d) below, with the exception defined under (e):

- (a) Institutions should have an annual premium income of at least US\$ 5 million or a combined balance sheet commitment of at least US\$ 450 million resulting from export credit insurance and/or cross-border investment insurance business.
- (b) an annual premium income derived from short term export credit insurance of at least US\$ 2 million or should be covering short term export credit insurance business with a value of at least US\$ 225 million.
- (c) an annual premium income derived from medium and long term export credit insurance of at least US\$ 3 million or should be covering medium and long term export credit insurance business of at least US\$ 225 million.
- (d) an annual premium income derived from cross-border investment business of at least US\$ 0.5 million or an outstanding amount of cross-border investment insurance of US\$ 4 million.
- (e) For the Prague Club Committee membership, no premium or exposure requirement defined under a)-d) is applicable.

For the purpose of this Article:

- Short Term business means business with risk periods up to and including 360 days.
 - Medium and Long Term business means business with risk period is longer than 360 days.
 - Premium and business threshold defined above regards to business where the primary risk is not related to causes of loss arising from the performance of the exporter or investor only.
- (iv) If the Applicant Institution is engaged in export credit insurance, its operations must include insurance of both commercial and political risks. However, for applicants from countries where currently no Members are domiciled, there may be some flexibility in respect of underwriting medium/long term business.
 - (v) If the Applicant Institution is engaged in the insurance of cross-border investment, it must be providing direct insurance against the normal political risks, including expropriation, war and transfer difficulties.

4.04 In special circumstances, exceptions may be made to the requirements (iv) and (v) above in the interests of the work of the Union.

Application procedure

4.05 Any institution wishing to become a Member of the Union shall make a formal application to the Secretariat using a standard application form. The applicant institution should indicate the Committee(s) of the Union it wants to join.

- 4.06 The application shall be considered by the Management Committee, after having received a two-third majority recommendation from the respective Committee(s) the applicant has applied to join. If the Management Committee endorses that the applicant is eligible for membership, it will invite the applicant to present to the Members before the voting of the General Meeting on whether the institution shall be admitted to its meetings, as an Observer Member. After the Observer Member has taken part in four General Meetings, the Management Committee shall make a further recommendation to the next General Meeting regarding its admission as a Member.

Official government-mandated Export Credit Agencies that are not yet legally established, but in the stage of formation, and Export Credit Agencies legally established, but not yet having issued any export credit or investment insurance policies, may be granted Guest Status by the Prague Club Committee, requiring a two third supporting vote from the Prague Club Committee. Invitation of such Guests to the Prague Club Committee will be allowed for a maximum term of two years. If, before this term expires, the Guest issues an export credit or investment insurance policy, it shall immediately apply for Observer Member status.

Individual rights and responsibilities of Members, Observer Members and Guests are defined below.

- 4.07 Should any Member's premium income or business volumes reach any threshold defined under 4.03 iii) for more than two consecutive years, the Member should express intention to extend its membership to further Committees, its new Committee Membership subject to a two-third vote of the respective Committee.
- 4.08 Where Applicants come from the same Group as an existing Member, special arrangements apply. The concept of the "same Group" is defined by reference to shareholding, e.g. having 50% or more common shareholding - the final decisions on individual cases on whether or not Institutions are Members of the same Group should be made by the Management Committee. The "Group" should propose whether or not it seeks individual membership for its applicant or for the applicant to join under a Group Membership.
- 4.09 In considering applications for Membership, account will be taken of the existing representation from the Applicant's country.

Rights and obligations of the Members, Observer Members and Guests

- 4.10 Each Member – except Observer Members – has the **right to vote** on all subjects in its respective Committee(s) and in the General Meeting. All Members have equal voting rights (one vote per Membership).

For Group Membership only single votes apply at the General Meeting, even if the Group Members constitute different legal entities.

Members and Group Membership Members, regardless of the fact that they might hold multiple Management Committee membership (elected office, high volume or rotating) have only one overall vote in the Management Committee.

- 4.11 Each Member – except Observer Members – has **the right to nominate and to be nominated** for offices (President, Vice President or Chair or Vice Chair of Committees) and Management Committee Membership.

Members and Members of the same Group if they hold a Group Membership, shall not be nominated to hold multiple offices at the same time.

Members and Group Membership Members shall not be nominated to have more than one representative in the Management Committee at the same time, with the exception of elected offices.

- 4.12 Each Member has the **right to access information, to host and to participate in meetings**, subject to its Committee membership.

- 4.13 To continue their Committee membership, Members should, in any single year within a five-year period, meet 10% of one of the thresholds mentioned under 4.03 (iii) (b), (c) or (d).

Regardless of their business or premium figures, each Member has the right to remain as a Member of the Union and the Committee in which the Member continues to comply with paragraph 4.03 (iii) (b)-(e).

- 4.14 Each Member pays **financial contribution** for the operations of the Union, in form of membership subscription and committee membership fee in accordance with Article 17.

- 4.15 Each Member **shares information** in accordance with the Reporting Guidelines adopted by the General Meeting.

- 4.16 **Guests** may attend the Prague Club Committee meetings only – but as they are not Members – without any Member rights or obligations. No subscription fees are payable by Guests.

Termination of Membership

- 4.17 Except as otherwise provided in 4.19, Members may tender their resignation at any time, by means of a notification given not less than three months in advance by registered letter to the President, who shall notify the other Members of such resignation without delay.

As from the date on which the resignation becomes effective, the resigning Member shall be deprived of all its rights to the assets of the Union. The resigning Member's obligation to pay subscriptions or contributions shall remain in force so far as such subscriptions and contributions are in respect of years prior to and including the year during which the resignation becomes effective. The resigning member shall be released from all other obligations as from the date on which the resignation becomes effective.

- 4.18 Any final order to wind up or liquidate a Member organisation or any decision of a Member organisation to discontinue its operations shall automatically involve forfeiture of Membership, paid-up subscriptions or contributions remaining at the disposal of the Union. Should, however, another organisation continue to work in the field of insuring or guaranteeing credit transactions and/or foreign investment business in place of the Member

organisation being wound up, liquidated or discontinuing its operations, the General Meeting may decide upon application that that organisation may enter into all rights and obligations of the organisation whose operations it continues.

- 4.19 Members shall have the option of not accepting the financial provisions made by the General Meeting and of resigning their Membership. Such resignation will be null and void unless addressed to the President within thirty days following the holding of the said Meeting. Resignation shall result in depriving the resigning Member immediately of all its rights to the assets of the Union, whilst at the same time, all its obligations, within the framework of decisions previously taken, but excluding the obligation resulting from the decision which led to the resignation, shall continue in existence up to the end of the financial year current at the date of receipt of its resignation.

II. ORGANISATION

Article 5 – Bodies of the Union

5.01 The bodies of the Union are:

- (i) The General Meeting
- (ii) The President
- (iii) The Vice President
- (iv) The Executive Committee
- (v) The Management Committee
- (vi) Medium Long Term Committee
- (vi) Short Term Committee
- (viii) ~~Investment~~ ECA Committee
- (ix) Prague Club Committee
- (x) Secretariat

5.02 Elected Officials are the President, the Vice President and the Committee Chairs and Vice Chairs. Elected Officials of the Union shall be employed by one of the Members. Termination of employment with any of the Members (without starting a new employment with another Member) requires the Elected Official to relinquish their position.

THE GENERAL MEETING

Article 6

- 6.01 The General Meeting (also may be referred to as the “Plenary”) shall be the body from which all acts of the Union derive. Its powers are defined in accordance with Swiss Civil Law.
- 6.02 The General Meeting shall meet at the request of the President or one fifth of the Members.
- 6.03 The powers of the General Meeting shall include the following :
- (i) to approve the Financial Regulations;
 - (ii) to adopt the budget;
 - (iii) to approve the administration and accounts for the previous financial year;
 - (iv) to determine the subscriptions and entrance fees and the dates by which they are to be paid;
 - (v) to appoint the auditor;
 - (vi) to revise the Statutes;
 - (vii) to elect the President and the Vice President;
 - (viii) to set up Committees;
 - (ix) to accept new Members into the Union and to terminate the Membership of Members;
 - (x) to approve resolutions affecting the Union as a whole;
 - (xi) to decide upon the dissolution of the Union.
- 6.04 There shall be an Annual General Meeting every calendar year. One or more additional General Meetings may also be held each calendar year. The Annual General Meeting shall, in particular, exercise the powers specific in Article 6.03 (ii), (iii), (iv), (v) and (vii).

Article 7

- 7.01 The General Meeting is validly constituted if at least three quarters of the Members are present or represented.
- 7.02 Any Member not able to attend a Meeting may be represented by any other Member or may give his proxy to the President or Vice President, to any other Member or the Secretary General. Nevertheless, no Member may represent more than two other Members or exercise more than three votes in total.

7.03 Decisions or votes in General Meetings shall be divided into three categories, each of which will require a different percentage of votes of Members present or represented and eligible. The categories and the required votes are as follows:

(a) Three-Quarters Vote

- Amendments to the Statutes
- Dissolution of the Union
- Admission of New Observer Members
- Admission of New Members

(b) Two-Thirds Vote

- Terminating Membership
- Action against Members
- Approving the Budget (including Approving Subscriptions for following year)
- Setting up New Committees
- Elections of President
- Elections of Vice President
- Other Matters not specifically listed elsewhere in this paragraph

7.03

(c) Simple Majority

- Approving the Accounts
- Appointing the Auditors
- Approving Minutes of the General Meetings and Annual General Meetings

7.04 If, in the opinion of the President, the circumstances demand it, decisions may be taken in writing but still require the majorities set out in Article 7.03(a), (b) and (c) above, according to the issue(s) involved. The result of these Written Votes shall be conveyed to each Member and the relevant correspondence kept in the Union's archives at the Secretariat.

7.05 The President or any other Member shall be able to request a Secret Ballot for any issues requiring a Three Quarters or Two Thirds Vote - see Article 7.03 (a) and (b).

7.06 The votes for the admission of any New Observer Member or Member shall always be conducted by Secret Ballot.

Article 8

8.01 The General Meeting is presided over by the President of the Union in office at the moment of its convening or, in the event of the President being prevented from doing so, by the Vice President or in the event of the latter being prevented from doing so, by the person who has been appointed by the Members present at the Meeting.

- 8.02 The Minutes shall be taken by the person appointed by the Chair, being either a Member present at the Meeting or the Secretary General. The Minutes shall be signed by the Chair and by the person acting as Secretary. The exact wording of each decision taken shall be formulated and adopted at the Meeting at which it is made.

PRESIDENT AND VICE PRESIDENT

Article 9

- 9.01 The administration of the Union shall be undertaken by the President who shall be elected by the Annual General Meeting for a two year-term and may not be re-elected for the same position.
- 9.02 The President shall be assisted by a Vice President who shall be elected by the Annual General Meeting for a two-year term and may not be re-elected for the same position. If at any time the President is prevented from exercising the functions conferred on that office by the Statutes, the Vice President shall exercise such functions as Acting President.
- 9.03 The President must convene by previous notice of not less than fifteen days the Annual General Meeting provided for under Article 6.04. The President may with the same period of notice convene other General Meetings. With not less than eight days notice the President may convene the Management Committee set up under Article 11. In each case the notice must be accompanied by an agenda setting out the matters to be considered at the Meeting.
- 9.04 The President shall chair all General Meetings and all Meetings of the Management Committee.
- 9.05 The President shall appoint the Secretary General subject to the approval of the Management Committee, and shall be consulted prior to the engagement of other employees at the Union.
- 9.06 The President shall represent the Union vis-à-vis third parties, or shall delegate such duties to the Vice President or someone else deemed appropriate for such representation.
- 9.07 The office term of the President and Vice President shall begin at the commencement of the day following the close of the Annual General Meeting which elected them and shall expire at the end of the last day of the second subsequent Annual General Meeting.

EXECUTIVE COMMITTEE

Article 10

- 11.01 The Executive Committee provides support to the President and the Management Committee with respect to current / short-term administrative and operational tasks, day-to-day operational duties, and any other urgent matter for which the President may require support.
- 11.02 The Executive Committee consists of the President, Vice President and Committee Chairs and the Secretary General and their term adheres to their office term.

MANAGEMENT COMMITTEE

Article 11

- 11.01 The Management Committee shall advise the President on all management matters of the Union.
- 11.02 The Management Committee shall approve the appointment of the Secretary General and the engagement of other employees of the Union.
- 11.03 The Management Committee shall formulate the Strategy of the Union based on its Purpose and Aims and its General Principles and Values as approved by the General Meeting. The Management Committee shall be responsible for the planning, realisation and tracking of the Strategy execution. It shall transparently inform the General Meeting of all its planned activities in a regularly updated Strategy Paper and account for the results through Action Plans on which it delivers regular reports.
- 11.04 The Management Committee may assign aspects of the execution of the Union's current Strategy Paper and other duties to Task Forces to strictly monitor and timely follow-up on issues of major relevance for the BU, by rules detailed in a separate Terms of Reference. Task Forces shall be composed by MC and non-MC members to ensure inclusiveness and transparency and report to the MC through standardised Action Plans and shall be led by a Member of the Management Committee proposed by the President.
- 11.05 The Management Committee shall consist of:
- the President, the Vice President, the Chairs of the Committees listed in Art. 5.01,
 - the two Highest Volume Members (as defined in Art. 11.07) of each Short Term, Medium/Long-Term and Investment-ECA Committees,
 - the two Rotating Members from each the Short Term, the Medium/Long-Term and the Investment-ECA Committees, and one further Member of the Prague Club Committee elected by the respective Committees.
- 11.06 If and when any positions become vacant, the Secretariat shall initiate the elections process via the bodies in charge.

11.07 High Volume Members are the two available Members with the highest volume, defined by the last closed three calendar years' relevant business results (new cover provided, commitments outstanding and premium).

From the Medium and Long-Term Committee one High Volume member is selected based on the MLT export credit insurance business and the other one based on the investment insurance business.

11.078 The two year term of office of the High Volume and Rotating Members of the Management Committee shall begin immediately after the close of the Annual General Meeting which elected them and shall expire at the end of the second subsequent Annual General Meeting.

Members are eligible to serve as High Volume or Rotating Members at the Management Committee for a maximum of two consecutive terms and ineligible to serve for one term after two subsequent terms served. Such ineligibility does not affect Elected Officials membership in the Management Committee.

Elected Officials' Management Committee membership commences the day after their election and lasts until the end of their terms.

11.089 In case of resignation of a Committee Chair, the Vice Chair represents the respective Committee assuming the role of the Chair, until a new Chair is elected.

11.1009 The Management Committee is validly constituted if at least three quarters of the Members are present or represented. The Management Committee may form decisions by at least two-third majority.

11.119 The Secretary General shall attend to the Management Committee meetings without voting rights.

11.124 The Secretariat shall distribute to each new member of the Management Committee the following package of background materials by December 31 of the year prior to the first meeting of the Management Committee:

- the effective Statutes
- Current Core Strategic Plan
- Prior Year's Management Committee Strategic Plan objectives, Task Force identities and Action Plans, and summary of accomplishments/issues progressed
- Code of Ethics
- List of members (contact details and representational connection),
- Last four Management Committee meeting minutes.

~~**MEDIUM AND LONG TERM EXPORT CREDIT INSURANCE**~~**EXPORT CREDIT**
AGENCIES' COMMITTEE
("MECALT Committee")

~~(Established by the Annual General Meeting in October 1998
as provided for in Article 6.03 of the Statutes
and effective as of 13 October 1999)~~

Article 12

ELIGIBILITY FOR MEMBERSHIP

1. Any Members of the Union with a Link to their Government as defined in the paragraph below and actively engaged in insuring or guaranteeing medium and long term export credit transactions and meeting the thresholds for this Committee as mentioned in Article 4.03 (iii) (c) shall be eligible for Membership.
2. Export Credit Agencies or institutions with a link to their Government in the context of the Union means institutions that are recognised by their Government as the national agency and that actively act on a continuous basis on behalf of their Government, be they part of the Government, owned by their Government or private companies who have a contract with their Government and thereby carry out in practice the decisions and policies on behalf of their Government.
3. Membership to this Committee is, in principle, limited to one Member per country.
4. In special circumstances, exceptions may be made to the requirements (1) and (2) above in the interests of the work of the Union.

TERMS OF REFERENCE

1. In accordance with Article 2.01 (i) of the Statutes of the Union, the ~~MLT-ECA~~ Committee shall work for the international acceptance of sound principles of export credit insurance and the establishment and maintenance of discipline in the terms of credit for international trade.
2. At a Meeting to be held during an Annual General Meeting of the Union the ~~MLTECA~~ Committee shall elect, by a majority of two-thirds of its Members present or represented, a Chair and Vice Chair. Each shall hold office from immediately after the close of the meeting at which they are elected for a two year term until the end of the second subsequent Annual General Meeting. The Chair and Vice-Chair may not be re-elected for the same position.

The Chair or, if prevented from so doing, the Vice Chair shall take the chair at Meetings of the ~~MLT-ECA~~ Committee and shall report, as necessary, to the General Meeting. Should the Chair resign or terminate office otherwise, the Vice Chair assumes the position and initiates the election process within the Committee at the subsequent Annual General Meeting.

3. Within the scope of Paragraph 1 of the Terms of Reference, the [MLT-ECA](#) Committee shall decide upon its activities and may arrange understandings between its Members, exchanges of information, and inquiries into technical problems. It shall have, however, no power to commit the Union as such.
4. The [MLT-ECA](#) Committee may set up permanent Sub-Committees and Ad Hoc Groups.
5. The [MLT-ECA](#) Committee should elect the Chair of the Technical Sub-Committee by a simple majority. The Technical Sub-Committee Chair should be elected for a two year term with the possibility for re-election for another two years.
6. [MLT-ECA](#) Committee shall elect, by majority of two-thirds of its Members present or represented at the Committee Meeting, two Rotating Members for the Management Committee.

SHORT TERM EXPORT CREDIT INSURANCE COMMITTEE
(“ST Committee”)

~~(Established by the Annual General Meeting in October 1998
as provided for in Article 6.03 of the Statutes
and effective as of 13 October 1999)~~

Article 13

ELIGIBILITY FOR MEMBERSHIP

1. Any Members of the Union actively engaged in insuring or guaranteeing export credit transactions and meeting the thresholds for this Committee as mentioned in Article 4.03 (iii)(b) shall be eligible for membership.

TERMS OF REFERENCE

1. In accordance with Article 2.01 (i) of the Statutes of the Union, the ST Committee shall work for the international acceptance of sound principles of export credit insurance and the establishment and maintenance of discipline in the terms of credit for international trade.
2. At a meeting to be held during an Annual General Meeting of the Union the ST Committee shall elect, by a majority of two-thirds of its Members present or represented, a Chair and Vice Chair. Each shall hold office from immediately after the close of the meeting at which they are elected for a two years term until the end of the second subsequent Annual General Meeting. The Chair and Vice-Chair may not be re-elected for the same position.

The Chair or, if prevented from so doing, the Vice Chair shall take the chair at Meetings of the ST Committee and shall report, as necessary, to the General Meeting. Should the Chair resign or terminate office otherwise, the Vice Chair assumes the position and initiates election process within the Committee at the subsequent Annual General Meeting.

3. Within the scope of Paragraph 1 of the Terms of Reference, the ST Committee shall decide upon its activities and may arrange understandings between its Members, exchanges of information, and inquiries into technical problems. It shall have, however, no power to commit the Union as such.
4. The ST Committee may set up permanent Sub-Committees and Ad Hoc Groups.
5. The ST Committee should elect the Chair of the Technical Sub-Committee by a simple majority. The Chair should be elected for a two year term with the possibility for re-election for another two years.
6. ST Committee shall elect, by majority of two-thirds of its Members present or represented at the Committee Meeting, two Rotating Members for the Management Committee.

INVESTMENT INSURANCE MEDIUM AND LONG-TERM COMMITTEE
("INVMLT Committee")

~~(Established by the Annual General Meeting dated June 1974, and amended in February 1991 and October 1998 as provided for in Article 6.03 of the Statutes and effective as of 13 October 1999.)~~

Article 14

ELIGIBILITY FOR MEMBERSHIP

Any public, multilateral or private Members of the Union actively engaged in insuring or guaranteeing medium and long-term export credits and/or foreign investment and meeting the thresholds for this Committee as mentioned in Article 4.03 (iii) (c) and/or (d) shall be eligible for Membership. ~~Private Members providing medium and long-term export credit insurance may also be eligible should they meet the threshold defined under in Article 4.03 (iii)(c).~~

TERMS OF REFERENCE

1. In accordance with Article 2.01(ii) of the Statutes of the Union, the INV-MLT Committee shall work for the maintenance of sound principles of export credit and foreign investment insurance, establishment and maintenance of discipline in terms of credit for international trade, and the encouragement of a favourable investment climate by co-operating in efforts to provide investment insurance for the benefit of investors and host countries, and through the exchange of information concerning programme management and underwriting problems, experience and techniques.
2. At a meeting to be held during an Annual General Meeting of the Union, the INV-MLT Committee shall elect, by a majority of two-thirds of its Members present or represented, a Chair and Vice Chair. Each shall hold office from immediately after the close of the meeting at which they are elected for a ~~two~~-two-year term until the end of the second subsequent Annual General Meeting. The Chair and Vice-Chair may not be re-elected for the same position.

The Chair or, if prevented from so doing, the Vice-Chair shall take the chair at Meetings of the INV-MLT Committee and shall report, as necessary, to the General Meeting. Should the Chair resign or terminate office otherwise, the Vice Chair assumes the position and initiates election process within the Committee at the subsequent Annual General Meeting.
3. Within the scope of paragraph 1 of the Terms of Reference, the INV-MLT Committee shall decide upon its activities and may arrange understandings between its Members, exchanges of information, and inquiries into technical problems. It shall have, however, no power to commit the Union as such.
4. The INV-MLT Committee may elect an Executive Board and set up permanent Sub-Committees and Ad Hoc Groups.
5. Chair of the Technical Sub-Committee should be elected by a simple majority of the Sub-Committee members for a two year term with the possibility for re-election for another two years.

6. ~~INV~~The MLT Committee shall elect, by majority of two-thirds of its Members present or represented at the Committee Meeting, two Rotating Members for the Management Committee.

PRAGUE CLUB COMMITTEE
("PC Committee")

~~(Established by the General Meeting dated May 2016)~~

Article 15

ELIGIBILITY FOR MEMBERSHIP

Membership to this Committee is primarily for Members of the Union who do not meet the premium or exposure requirements defined under Article 4.03 a) – d), or who have been prior members of the Prague Club. Any other Member of the Union may join this Committee, subject to a two-thirds vote of the PC Committee.

TERMS OF REFERENCE

1. In accordance with the Article 2.01(i) of the Statutes of the Union, the PC Committee shall work to support its Members, Observer Members, and Guests in developing their export credit insurance enterprises and to further improve sound principles of export credit insurance and the foreign investment insurance.

A PC Committee meeting is validly constituted if at least two-thirds of its Members are present or represented.

2. At a meeting to be held during an Annual General Meeting of the Union, the PC Committee shall elect, by a majority of two-thirds of its Members present or represented, a Chair and Vice Chair. Each shall hold office from immediately after the close of the meeting at which they are elected for a two years term until the end of the second subsequent Annual General Meeting. The Chair and Vice Chair may not be re-elected for the same position.

The Chair or, if prevented from so doing, the Vice Chair shall take the chair at Meetings of the PC Committee and shall report, as necessary, to the General Meeting. Should the Chair resign or terminate office otherwise, the Vice Chair assumes the position until the end of the term and initiates election process for a new Vice Chair within the Committee at the subsequent General Meeting.

3. Within the scope of paragraph 1 of the Terms of Reference, the PC Committee shall decide upon its activities (including hosting its own PC Committee meetings) and may arrange understandings between its Members, exchanges of information, and inquiries into technical problems, and other voting decisions such as accepting Guests. It shall have, however, no power to commit the Union as such.
4. The PC Committee may set up permanent Sub-Committees and Ad Hoc Groups.
5. The PC Committee should elect the Chair of the Technical Sub-Committee by a simple majority. The Chair should be elected for a two year period with the possibility for re-election for another two years.
6. PC Committee shall elect, by majority of two-thirds of its Members present or represented at the Committee Meeting, one Rotating Member for the Management Committee.

SECRETARIAT

Article 16

- 16.01 The administration of the current business of the Union shall be carried out by the Secretary-General under the supervision of the President at a place fixed by the General Meeting.
- 16.02 The Secretariat executes the decisions of the President and the resolutions of the Management Committee and the General Meetings.
- 16.03 The Secretary General administers the affairs of the Union and implements its policies. The Secretary General is, in particular, responsible for taking actions arising from the implementation of the strategic and policy decisions taken by the Management Committee and supporting the execution of the respective action plans as approved by the Management Committee.
- 16.04 The Secretary General manages the Union's finances as approved by the respective bodies and implements the budget on a day-to-day basis to ensure efficient use of the Union's resources.
- 16.05 The Secretary General, is responsible for leading the selection process and employing all other employees within the Secretariat, subject to the approval of the Management Committee.
- 16.06 The Secretary General ensures that the Union (including the Secretariat) complies with the law of registered seating, the law of operational office and the applicable international regulations.

III. FINANCE

Article 17

- 17.01 The financial year of the Union shall run from 1 January to 31 December.
- 17.02 The annual subscriptions and contributions shall be fixed by the Annual General Meeting.
- 17.03 Detailed financial provisions may be laid down in a separate document (Financial Regulations) to be approved at a General Meeting.

IV. DISSOLUTION

Article 18

- 18.01 Dissolution of the Union may be brought about by a majority decision of three-quarters of the Members.
- 18.02 In the event of dissolution all the records of the Secretariat must be destroyed unless otherwise provided by the General Meeting, and the net assets of the

Union shall be divided among all Members pro rata to their cumulative subscriptions duly paid.

THE FINANCIAL REGULATIONS REFERRED TO IN ARTICLE 17.03

1. The financial year of the Union shall run from 1 January to 31 December in each year.

BUDGET

2. The Budget for each financial year shall be submitted for the consideration and approval of the Management Committee prior to the respective year's Annual General meeting; having first been considered and endorsed by the Secretary General, the President and the Vice President. Once so approved, a copy of the Budget shall be provided by the Secretariat to all Members for a vote.

ACCOUNTS

3. The Secretary General shall keep accounts in the currency of the Secretariat's operational domicile or any other currencies if appropriate.
4. At the end of the financial year, the books shall be closed and a detailed statement of assets and liabilities and accounts shall be drawn up which shall be submitted to the auditors.
5. The audited statement of accounts shall be laid before the Management Committee for approval, following a review and endorsement of the dedicated Task Force and, if so approved, the Balance Sheet and Approval Statement shall be signed by the President, or in his/her absence the Vice President, together with the Secretary General, and the auditor shall then sign the auditor's report; prior to the audited statement of accounts being sent to Members
6. The audited statement of accounts shall be submitted to the subsequent General Meeting.
7. Subscriptions and entrance fees shall be payable in the currency of the Secretariat's operational domicile on dates fixed by the Annual General Meeting.
8. If the expenses incurred by the Union in any financial year result in a deficit, the General Meeting may decide that Members shall pay an additional contribution. Such contributions shall not exceed 20% of the subscription originally fixed for the year in question and shall be added to the subsequent financial year subscriptions fees.
9. Any Member who has not paid the subscription within nine months after the invoice due date, automatically loses its voting right until the subscription is fully paid. In

addition, the General Meeting shall decide from time to time the action to be taken against any Member not paying the subscription. This may include the charging of interest for any period by which payment has been delayed.

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