

CCAG

Articles of Association (“Articles”)

Contents

Section 1 Name, Legal Form, Seat and Business Year	1
Section 2 Purpose of the Association	1
Section 3 Members and the Acquisition of Membership; Liability to Pay Dues.....	2
Section 4 Conflicts of Interest and Refusal of Membership	3
Section 5 Rules of the Association	3
Section 6 Termination of Membership	4
Section 7 Bodies of the Association	4
Section 8 General Meeting	4
Section 9 Board	6
Section 10 Auditors	7
Section 11 Remuneration and Reimbursement of Expenses for Association Activities.....	7
Section 12 Dissolution.....	7

Section 1 Name, Legal Form, Seat and Business Year

- (1) The name of the Association is “Collaborative Cloud Audit Group for the Financial Services Industry in the European Union”, abbreviated to “CCAG”. The Association shall be entered in the register of associations administered at the registration court within the jurisdiction of which the Association has its seat and thus bear the name suffix “eingetragener Verein” [*registered association*], abbreviated to “e.V.”.
- (2) The Association has its seat in Frankfurt am Main.
- (3) The business year of the Association coincides with the calendar year.

Section 2 Purpose of the Association

- (1) The Association is a non-profit association whose purpose is not focused on business activities; accordingly, it does not primarily pursue its own economic purposes. It is rather an association of legal entities with a place of business in the European Union that are subject to the supervision of a national or European Union regulatory authority for the financial industry, whose objective it is to support each other in implementing normative guidelines. Since the members contribute to the fulfillment of the purpose of the Association according to their skills and expertise, the legal form now established is only needed for a better coordination and no larger organization is required.
- (2) In detail, the purpose of the Association is to provide logistical, technical and organizational support to the internal audit departments of its members in the joint collaborative auditing of IT service providers, in particular providers of “Public Cloud Services” or of “Software as a Service”

in a public cloud, which are used in a comparable manner by a subgroup of the members. These “collaborative audits” are to be conducted within the meaning of “pooled audits” for regulated enterprises in the finance industry in accordance with the recommendations and guidelines of the European Banking Authority applicable from time to time.

- (3) To enable this kind of collaboration, the Board shall provide the necessary framework conditions.
- (4) The Association is exclusively active for its members. It may pursue its own economic purposes only with the consent of the General Meeting in each individual case.
- (5) The funds of the Association may only be used for the purposes set out in the Articles. No persons may benefit from expenditures that are extraneous to the purpose of the Association or from disproportionately high remuneration. Members shall not receive any allocations from funds of the Association.
- (6) Members of the Association are only permitted to be reimbursed for expenses, compensated for costs or paid for services rendered within the scope of Section 11 hereof.
- (7) The Association shall pursue its purpose in compliance with the relevant competition laws. Any cooperation within the Association must not have the purpose or effect of preventing, restricting or distorting competition. The Association shall adopt special provisions to warrant that any cooperation or discussions within the Association are conducted in compliance with the relevant competition laws.

Section 3 Members and the Acquisition of Membership; Liability to Pay Dues

- (1) Legal entities or partnerships with their place of business in the European Union - represented by their respective internal audit department - that are subject to the supervision of a national or European Union regulatory authority for the financial industry may become members of the Association. Further details are stipulated in the Statutes of the Association.
- (2) Membership applications must be submitted to the Board in text form.
- (3) Following decisions on new membership applications, the Board shall notify all existing members of membership applications that have been rejected or accepted.
- (4) Each member shall nominate to the Board in text form a person from among the internal audit staff, who shall exercise the membership rights. This also applies to the exercise of rights and duties when electing a member to an office governed by the Articles. In the event that the designated person is prevented from attending, substitutes may be nominated. The nomination may be changed at any time in text form by employees of the member who are authorized to represent the member.
- (5) The Board shall maintain a record of the contact information of the members and the persons designated by the members to exercise their membership rights. Members must notify the Board without delay of any changes to their contact information. The information shall only be processed and used for the purposes of the Association and in accordance with applicable data protection regulations. Association members agree that their contact information may be disclosed to the respective other members in order to promote the purpose of the Association.
- (6) Declarations shall be considered received by the member if they have been sent to the last mailing address/email address communicated to the Association by the member in text form; timely dispatch of the declarations shall be considered sufficient to meet the deadline.
- (7) The General Meeting shall decide on the type, amount, basis of assessment and due date of a membership fee and may regulate this in detail in a membership fee regulation. The annual membership fee currently determined by the General Meeting is payable upon admission to the Association, and in all other respects on the dates determined by the General Meeting. If a member resigns from the Association before the end of a contribution period, there will be no refund of fees paid.

Section 4 Conflicts of Interest and Refusal of Membership

- (1) Members may not be the subject of an audit within the meaning of the purpose of the Association as defined in Section 2. If a prospective new member provides services in accordance with the purpose of the Association to existing members, or if there is a possibility that in the future a prospective new member will be subject to an audit supported by the purpose of the Association, an existing member may report a corresponding conflict of interest to the Board as part of the review pursuant to Section 3 of a corresponding membership application and substantiate it accordingly.
- (2) The Board must consider a substantiated conflict of interest according to Section 4(1) as a possible exclusion criterion in the context of the membership review pursuant to Section 3(3) hereof.
- (3) In the event of membership applications from legal entities which satisfy the requirements of Section 3(1) but have outsourced all or most of their internal audit tasks, the Board must assess whether such entities will be able to cooperate constructively and effectively in the day-to-day running of the Association and take this into consideration when deciding whether to accept or reject the membership application.
- (4) At the request of 10% of the members, decisions taken by the Board on membership applications may be reviewed and revised by a simple majority vote at the next General Meeting.
- (5) If in the course of the initiation, preparation or planning of an audit by the members within the meaning of the purpose of the Association, a conflict of interest between members as described in Section 4(1) becomes known during existing memberships, and if this is substantiated accordingly by at least one member vis-a-vis the Board, the latter must immediately decide whether the support of the Association within the meaning of the purpose of the Association for the initiation, preparation or planning of the audit by the interested members shall be continued. The decision of the Board in such a case can be reviewed by the General Meeting and revised by a simple majority. For this purpose, if necessary, a General Meeting must be convened if at least 10% of the members so request.
- (6) A conflict of interest newly identified during existing memberships as described in Section 4(1) may be grounds for exclusion from the Association. The Board shall request that the member concerned explain their position on the matter. If the conflict cannot be resolved, the Board will inform all members of its justified suspicion. Unless at least 10% of the members submit a request for decision by the General Meeting within 14 days, the Board shall pass a decision on the exclusion and serve it on the member. Reference is to be made in the notice of exclusion to the member's right to appeal in accordance with Section 6(4) of these Articles.

Section 5 Rules of the Association

- (1) The General Meeting shall adopt the Statutes of the Association and, if necessary, further rules and regulations for the organization and implementation of the operation of the Association in conformity with the Articles. These rules shall govern the implementation of the operation of the Association in conformity with the Articles, the rights of members and their obligation to pay dues and fees and other responsibilities.
- (2) Amendments to rules according to Section 5(1) shall be made at the suggestion of the Board and shall require a three-fourths (3/4) majority.
- (3) The Board may, by a simple majority vote, temporarily and for a limited period order the suspension of membership rights if outstanding dues or fees or other obligations according to a rule in Section 5(1) remain unpaid for more than 6 weeks despite a written reminder. The suspension is to be lifted without delay once the outstanding amounts have been paid in full.

- (4) The Board is authorized to allow exceptions to the rules stipulated in Section 5(1) in justified individual cases, provided that they do not conflict with the Articles or jeopardize the operation of the Association in conformity with the Articles.

Section 6 Termination of Membership

- (1) Membership shall end by withdrawal, exclusion or dissolution of the Association. Membership may be terminated by withdrawal at the earliest at the end of the business year following the year of admission.
- (2) Withdrawal may be declared in text form to the Board without stating reasons and by observing a notice period of at least three months to the end of the business year.
- (3) A member may be excluded for good cause, in particular if they (a) repeatedly or intentionally violate the Articles or the rules in accordance with Section 5; (b) have seriously damaged the reputation or interests of the Association; (c) fail to settle dues, fees or other liabilities due in accordance with rules stipulated in Section 5 within the business year following the due date, despite a repeat written reminder on at least one occasion.
- (4) An exclusion according to Section 6(3) (a) and (b) must be decided by the Board unanimously and according to (c) by a simple majority vote, be notified to the member in text form by stating the reasons and shall become effective immediately. A substantiated objection to the exclusion may be filed with the Board in text form within one month. The next General Meeting shall decide on the objection by a simple majority vote. Insofar as this legal remedy is not used or not used in a timely manner, or is used without justification, or the Board decision is confirmed, the member accepts this decision. This is to be pointed out in the resolution of exclusion. The excluded member may submit a new application for membership at the earliest after the expiration of two business years following the exclusion.
- (5) Members who have ceased to be members according to Section 6(2) or (3) shall lose their rights and have no claims to the assets of the Association. The financial and other claims of the Association against the withdrawing member existing at the time of a withdrawal according to Section 6(2) or an exclusion according to Section 6(3) shall remain unaffected by the withdrawal or exclusion and shall be settled immediately upon withdrawal.

Section 7 Bodies of the Association

- (1) The bodies of the Association are the Board and the General Meeting.
- (2) Resolutions by the bodies of the Association shall generally be adopted by a simple majority of the valid votes cast, unless these Articles expressly provide otherwise.

Section 8 General Meeting

- (1) The General Meeting consists of the representatives of the members designated in accordance with Section 3(4). It is convened by the Board with a notice period of at least 14 days and may only be held on working days.
- (2) The General Meeting may be conducted as an in-person meeting or as a virtual meeting by electronic means determined by the Board, or as a hybrid event. Insofar as the Board also provides the option of participating in a meeting by electronic means, it must indicate the chosen means when announcing the meeting so that members can ensure availability thereof, and must communicate the specific access data in good time before the meeting. The members undertake not to disclose this data to third parties. Voting must take place in a way that makes it possible to establish the identity and the content of the declaration of intention.
- (3) The Board must convene a General Meeting at least once a business year during the 1st quarter. The Board may convene further General Meetings for important reasons. It must do so if at least

10% of the members eligible to vote so request through their representatives in accordance with Section 3(4).

- (4) The invitation to the General Meeting shall be sent in text form (typically by email) together with the provisional agenda to the representatives according to Section 3(4); timely dispatch of the invitation shall be considered sufficient to meet the deadline.
- (5) Through their representatives according to Section 3(4), members may submit substantive motions for decision by the General Meeting, which shall be communicated to the Board in text form at least 8 days prior to the date of the General Meeting.
- (6) The Board shall prepare an agenda for the General Meeting and inform the members of motions for decision at least 4 days prior to such meeting by publishing the final agenda, topics, and substantive motions submitted by the same means by which the invitation was sent. This agenda shall also state the purpose of the General Meeting.
- (7) A member of the Board shall preside over the General Meeting and determine the order and procedure for motions, deliberations and resolutions. The Secretary determined by the Board shall prepare minutes of meeting, which will then be forwarded to all members via the representatives according to Section 3 (4) within one week by the same means by which the invitation was sent. The minutes must contain all election processes complete with results as well as all motions and the corresponding resolutions.
- (8) Each member has one vote for all ballots, which shall be exercised through the representatives nominated in accordance with Section 3(4). Insofar as resolutions are ready for adoption, the Board may also allow members to submit their vote in advance in text form to the Board or to a designated election officer prior to the start of the meeting or the adoption of the resolution. In such cases, the motion for a resolution shall be drawn up by the Board and sent to the members together with the invitation.
- (9) Irrespective of the number of representatives in accordance with Section 3(4) that are present in person, any General Meeting to which a proper invitation has been issued shall be quorate with regard to motions and topics that have been communicated in advance as part of the agenda. A rule according to Section 5 may stipulate that a minimum number of persons be present for specific topics below which the General Meeting shall not be quorate on such topics (e.g., election to offices governed by the Articles or decisions on membership).
- (10) Each General Meeting may also decide on urgent motions which are only tabled during the meeting by members via their representatives in accordance with Section 3(4), provided that a simple majority of the members represented so permits and provided that such motions do not concern rules in accordance with Section 5, the exclusion of members, the election to offices governed by the Articles, amendments of the Articles or the dissolution of the Association. Further restrictions as to the scope, nature and content of such substantive motions may occur by way of a rule pursuant to Section 5.
- (11) Motions concerning procedure can be submitted and dealt with without any prior announcement in the agenda. They can be submitted by any representative of a member according to Section 3(4). Procedural motions include motions relating to the agenda (e.g., motions to change the order of items or combine items on the agenda) and motions relating to the Statutes of the Association (e.g., motions to limit speaking time, motions to close the list of speakers) or instructions for chairing the meeting.
- (12) The General Meeting has the following responsibilities:
 - (a) Acceptance of the activity and economic report as well as the activity and economic plan of the Board and the auditors;
 - (b) Discharge of the Board and of the auditors for the prior business year;
 - (c) Election and dismissal of the members of the Board;
 - (d) Election of the auditors;
 - (e) Approval of the economic plan and the scope of decision-making authority of the Board in respect of economic decisions;

- (f) Deliberation and decision on rules according to Section 5;
 - (g) Deliberation and adoption of resolutions on other motions;
 - (h) Deliberation and adoption of resolutions on amendments of the Articles; the Board may adopt and file amendments of the Articles recommended or required by the register of associations by a simple majority vote at a Board meeting;
 - (i) Deliberation and adoption of a resolution on the dissolution of the Association.
- (13) Resolutions with the exception on Section 12(h) and (i) shall be adopted by a simple majority; in the event of a tie, a motion shall be deemed to have been rejected. A resolution on (h) shall require a two-thirds (2/3) majority. The procedure for (i) is governed by Section 12.
- (14) Any member can be elected, meaning the legal entities. Elections may be held both as individual elections and as collective elections.
- A candidate shall be elected by a simple majority. If no candidate achieves this majority on the first ballot, a run-off election will be held between the two candidates having received the most votes. In the event of a tie on this ballot, a decision shall be made by lot.
- Elections shall be conducted by open ballot, unless 10% of the members request a ballot using voting cards or the electronic equivalent ("secret ballot") in due time, observing the deadline for such a request of at least 8 days prior to the date of the General Meeting, or unless a majority resolution by the General Meeting so requires.
- (15) Details regarding the General Meeting, the adoption of resolutions and elections can be stipulated in the Statutes of the Association.

Section 9 Board

- (1) The Board is comprised of the chairperson, a deputy chairperson and up to three additional Board members elected by the General Meeting for a period of two years from the date of election; they shall remain in office until effective new elections or re-elections have been held.
- (2) The Association shall be represented by the Board in court and out of court within the meaning of Section 26 of the German Civil Code (BGB) by two Board members acting jointly in each case. Internally, the right of representation can be restricted in the Statutes of the Association.
- (3) All positions on the Board must be performed by different members.
- (4) The General Meeting may expand the Board for each term of office to include additional positions of associate members with specialist designations as Board members who are entitled to vote, but who have no powers of representation. This is achieved by submitting a corresponding motion to the General Meeting at which the election of the Board is due to take place.
- (5) Any member is eligible to be elected as a member of the Board, and the duties, rights and obligations attaching to positions on the Board shall be performed by the representative of the elected member designated in accordance with Section 3(4).
- (6) If a member elected to the Board changes their representative according to Section 3(4) during the term of office of the Board, the newly appointed representative shall assume the duties, rights and obligations attaching to the position of said Board member. If in such a case at least 10% of the voting members so request, new elections must be held in respect of said Board position within the term of office. Such new elections shall not change the current term of office.
- (7) In the event that a member of the Board is removed from office, such member is to be replaced by a new member for the remaining term by way of new elections; the election of a substitute shall not be mandatory in the case of an associate member.
- (8) The Board shall conduct all business of the Association on an honorary basis, unless it is assigned to the General Meeting by the Articles, and shall manage the assets of the Association. Any remuneration or reimbursement of expenses shall only be permitted within the scope of the provisions of Section 11.
- (9) The Board shall adopt its own Rules of Procedure in which the duties, responsibilities and competences of each individual Board member as well as the internal organization are set forth.

The Board may, if required, appoint a Managing Director to assist it. With the approval of the General Meeting, he or she may also be appointed as a “Special Representative” pursuant to Section 30 of the German Civil Code (BGB) and entered in the register of associations with an expressly allocated sphere of business.

- (10) [The Board is obliged to assist the elected auditors in their activities by providing all information necessary.
- (11) The resignation from office of a Board member must be declared in writing to the other Board members. In such an event, the Board must promptly convene an extraordinary General Meeting for electing a new Board member by observing the notice period specified in Section. The resigning member shall remain responsible for their office up until such General Meeting. Such new elections shall not change the current term of office.
- (12) The Board shall make its decisions by a simple majority of the valid votes cast. In the event of a tie, the chairperson shall have the casting vote. Resolutions are to be recorded in the minutes and signed by the person presiding over the meeting and the secretary appointed by them beforehand, and shall be sent to all members of the Board in a timely manner.

Section 10 Auditors

- (1) The General Meeting elects at least one auditor. Their term of office runs parallel to the term of office of the elected Board. The rules and regulations for Board members regarding the nominated representatives shall apply analogously to auditors.
- (2) The auditors perform their duties on an honorary basis. Any remuneration or reimbursement of expenses is only permitted within the scope of the provisions of Section 11.
- (3) The auditors check the accounting for correctness and completeness and that the Association's funds are used in conformity with the Articles.
- (4) The auditors perform their audit activities jointly and make their own decisions as to the frequency and level of detail thereof.
- (5) The auditors shall report on their findings to the Board; insofar as factual issues and questions cannot be resolved the auditors shall submit an oral or written report to the General Meeting. A written report is to be submitted to the Board at least once a year on the occasion of the ordinary General Meeting at least 8 days before the date of the General Meeting, and to the General Meeting at the latest. The written report must contain a recommendation for a decision regarding the discharge of the Board for the previous business year on the basis of observations made by the auditors in respect of the use of funds in conformity with the Articles and the factual and arithmetic accuracy of the books of account.
- (6) The auditors shall reach their decisions unanimously. In the event of disagreement, the General Meeting shall decide by simple majority on the basis of the information provided by the auditors.

Section 11 Remuneration and Reimbursement of Expenses for Association Activities

- (1) All Association offices and activities are generally performed on an honorary basis. Excluded therefrom are the employees hired by the Association on reasonable market terms as and when required.
- (2) Substantiated expenses that are necessary to promote the purpose of the Articles may be reimbursed from Association funds; they should be submitted for settlement in a timely manner, but within 3 months at the latest.

Section 12 Dissolution

- (1) The dissolution of the Association can only be decided at a General Meeting, which has been convened for this purpose with a notice period of 4 weeks.

- (2) At least two-thirds (2/3) of all members must vote in favor of dissolution if the motion is to be considered accepted.
- (3) Upon dissolution or termination of the Association, the assets of the Association are to be employed for the liabilities and liquidation costs. Any remaining assets shall accrue to the beneficiaries nominated by the meeting deciding on the dissolution. In the event of dissolution of the Association, the members shall be liable for liquidation costs and the liabilities of the Association in equal shares.
- (4) In the event of dissolution of the Association, liquidation shall be carried out by the Board members then in office who are authorized to represent the Association in accordance with the provisions on decision-making and representation stipulated in the Articles, unless the General Meeting adopting the resolution to dissolve the Association determines otherwise.
