

The Institute for Global Financial Integrity, a.s.b.l.

Association sans but lucratif

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(the “a.s.b.l.”)

Corporate Charter

(approved by the Board of Managers and by the General Meeting held on held on 25 November 2010 in Luxembourg)

Preamble

Art. 18 of the Restated Statutes states:

“The board shall maintain an updated corporate governance charter following the 10 principles of the corporate governance charter of the Luxembourg Stock Exchange. The charter will be based on the best-practice principles of internationally recognized bodies. The corporate governance charter will be submitted for deliberation at the annual general meeting.”

Principle 1 –Framework

This Charter of Corporate Governance (the Charter) shall be supplemental and subordinate to the Statutes of The Institute for Global Financial Integrity (TIGFI). Reference herein to the Article numbers in the Restated Statutes or Statutes refer to the Restated Statutes as approved by the Extraordinary General Meeting of 13.7.2010. The Charter may be updated periodically by the Board subject to approval at the next General Meeting of TIGFI. It shall be published on the web site of TIGFI. The Executive Committee will submit a report to the Board on an annual basis on compliance with the Charter. The Board shall submit a report on compliance with the Charter annually to the General Meeting of TIGFI.

Principle 2 – Duties of the Board of TIGFI

The Board will be responsible for the management of TIGFI. As a collective body, it will act in the corporate interest and serve the common interests of the members ensuring the sustainable development of TIGFI. It shall be responsible for the maintenance and updating of this Charter.

Principle 3 – Composition of the Board and the special committees

The Board will be composed of competent, honest and qualified persons. Their choice will take account of the worldwide objectives of TIGFI in particular as laid down in Art. 4 and 5 of the Statutes.

The Board will establish the special committees necessary for the proper performance of its task.

Principle 4 – Appointment of directors and executive managers

- a. The procedure for the appointment of Board Directors and their term of office are laid down in Art. 14 to 16 of the Statutes.*
- b. Day to day management of TIGFI may be delegated by the Board to an Executive Committee. The procedure for the appointment of members of the Executive Committee and their role are laid down in Arts. 20-22. As stipulated in Art. 22 of the Statutes the Executive Committee may nominate a Director of TIGFI to be responsible for organisational and operational management of TIGFI. In the event that a Director has not been appointed, one or more members of the Executive Committee may be appointed to fulfil the function of the Director.*

Principle 5 – Conflicts of interest

The Directors will take decisions in the best interests of TIGFI. They will refrain from participating in any deliberation or decision involving a conflict between their own interests and those of TIGFI, unless they relate to current operations, concluded under normal conditions.

Principle 6 – Evaluation of the performance of the Board

The Board will regularly evaluate its performance and its relationship with the executive management.

Principle 7 – Management structure

In accordance with Art. 20 of the Revised Statutes the Board may delegate inter alia the daily management of TIGFI to the Executive Committee. The President of the Executive Committee or his Deputy shall make reports of its activities to the Board at the Boards regular meetings.

Principle 8 – Remuneration Policy

To the extent that its finances permit TIGFI may secure the services a Director as stipulated in Principle 4 above, executive managers and a secretary by means of a suitable remuneration policy that is compatible with the long-term interests of TIGFI. The remuneration of such individuals shall be determined by the Executive Committee in accordance with a remuneration policy to be approved by the Board and submitted to the General Meeting of TIGFI.

Principle 9 – Financial reporting, internal control and risk management

The Board will establish strict rules, designed to protect TIGFI's interests, in the areas of financial reporting, internal control and risk management.

Principle 10 – Members

*TIGFI will respect the rights of its members and ensure they receive equitable treatment.
TIGFI will establish a policy of active communication with its members.*