



STATUTES OF THE INTERNATIONAL SURETY ASSOCIATION

1. TITLE

1.1 The "International Surety Association", hereinafter referred to as the "ISA", is hereby constituted as an association under Article 60 of the Swiss Civil Code and is domiciled in Zürich.

2. OBJECT

2.1 The object of ISA is to promote the common interests of its Members and the globalization of the surety business.

3. MEMBERS

3.1 Membership is reserved to National or Regional Associations and organisations which are truly representative of Insurance Companies specialising in direct surety or guarantee underwriting.

3.2 The Founding Members of ISA are: The Surety Association of America, the International Credit Insurance Association and The Surety Association of Canada, having their headquarters in Washington DC, London and Toronto, respectively.

3.3 Additional Members may be admitted to the ISA by a unanimous vote of the Members present or represented at a General Meeting convened in accordance with Article 6 of these Statutes.

3.4 In order to be submitted to a General Meeting, an application for membership must be sponsored by at least one existing Member in good standing.

3.5 Members are expected to advise ISA of any material changes in their business, organisation, statutes and control. Such notification shall be made in writing to the ISA Executive Director within a reasonable time of the occurrence.

3.6 The ISA Executive Committee, defined below, will monitor any material changes in the business, organisation and control of the Members. If it is the Executive Committee's view that any such change makes the continued membership of the Member in question undesirable, it will take such action as it sees fit.

3.7 Members are expelled from ISA by a vote of a majority of three-quarters of the Members present or represented at a General Meeting convened in accordance with Article 6 of these Statutes.

3.8 Members may resign as from the end of any calendar year by giving at least three months' prior written notice of their intention to do so to the Executive Director.

4. ENTRANCE FEES AND SUBSCRIPTIONS

4.1 Members pay an annual subscription fixed yearly by Members at a General Meeting.

4.2 The annual subscriptions relate to each calendar year and must be paid within thirty days of the date of the Executive Director's written request for payment. All entrance fees and subscriptions paid belong to ISA except in the case of over-payment.

4.3 New Members pay an Entrance Fee fixed annually at a General Meeting.

4.4 If it is the considered opinion of the Executive Committee that the interests of the ISA and its objectives will thereby be substantially furthered, the Executive Committee may recommend to a General Meeting that the Entrance Fee and /or annual subscription payable by a new member, be reduced or waived for one or more years.

5. ADMINISTRATION AND POWERS

5.1 ISA is administered by an Executive Director. The first Executive Director of ISA shall be appointed by the Surety Association of America.

5.2 A President and a Vice-President are appointed at each General Meeting, for a period lasting from the end of one General Meeting to the end of the next. Both offices shall be honorary and non-executive.

5.3 The President and the Vice-President or both, may serve in these capacities for
not more than one further consecutive period, making two consecutive periods in all. The first President of ISA shall be appointed by the ICIA and the first Vice-President appointed by SAA.

5.4 Subsequent appointments shall be made by the members at General Meeting, and such appointments shall made to ensure strict rotation, so that no member will appoint the President or Vice President on two consecutive occasions.

5.5 The Executive Director reports to the Executive Committee.

5.6 The President shall act as Chair for meetings of the Executive Committee. The Executive Committee shall advise the President and seek to govern the affairs of the ISA on a consensus basis, on behalf of the Members.

5.7 Membership of the Executive Committee shall be:
The ISA President, Vice-President, and ex-officio: the Executive Director of the ICIA, the President of the SAA, the President of SAC and the equivalent chief administrators of such other Members as are admitted to ISA. In addition, each Member is entitled to nominate one person for election by the General Meeting, as a member of the Executive Committee for a term of office of two years. These terms shall overlap so that two members come up for replacement at every General Meeting. The additional members shall not immediately be re-elected, save in the special circumstances where an incumbent has not served a full (two year) term of office.

5.8 A Treasurer may be appointed by a General Meeting. The Office of Executive Director and of Treasurer may be held by the same person. Alternatively, a Treasurer is appointed by the General Meeting on a simple majority vote.

5.9 The Executive Director has the power to represent the ISA in all current business except in financial matters unless he or she also is the Treasurer.

6. GENERAL MEETING

6.1 A General Meeting of the ISA shall be held at least once in each calendar year at such time and place as may be determined by the Executive Committee.

6.2 Invitations to a General Meeting, including the agenda for the Meeting, shall be communicated by the Executive Director to the Members at least forty-five days before the date fixed for the General Meeting. Members are at liberty to invite to a General Meeting any or all of their individual (corporate) members as observers.

6.3 The General Meetings are presided over by the President or in his absence by the Vice-President of ISA. In the event of the absence of the President and the Vice-President, the Members shall elect a Chair for the Meetings to which they have been summoned.

6.4 The essential business of a General Meeting is:

6.4.1. To elect the Officers of the Association and to appoint Members of the Executive Committee

6.4.2. To elect new Members to the Association or to expel Members therefrom.

6.4.3. To consider reports of the Executive Committee or of Committees appointed by a General Meeting or the President.

6.4.4. To make such alterations in the Statutes as may be approved by a majority of three-quarters of the Members present or represented at the meeting.

6.4.5. To determine the amounts of entrance fees (if any) for new members and annual subscriptions.

6.4.6 To approve the accounts and budget, and to decide upon the use of the funds in the event of a dissolution of the ISA, including their distribution among the Members.

6.4.7 To appoint an Auditor for the ensuing year.

6.4.8. To deal generally with all matters affecting the interests of the Association.

6.5 Questions put to a General Meeting or any Committee Meeting are carried by a majority of votes, except where otherwise prescribed in the Statutes, and in the event of a tie (equality), the President or Chair of the Meeting has a casting vote in addition to the vote to which he or she may be entitled as a Member. Each Member has one vote, but may act as proxy for other Members who, being unable to attend a Meeting, shall have appointed it. No Member, however, shall have more than two votes including its own. Individual attendees invited in accordance with 6.2 above shall not be entitled to a vote.

6.6 The decisions of a General Meeting are not valid unless the total number of Members voting either personally or by proxy represents at least half the number of Members of the Association.

7. OTHER MEETINGS

7.1 Other Meetings may be called as often as necessary by request of the President, Vice-President or by a majority of Members for the purpose of dealing with everything which is not specially reserved to a General Meeting by these Statutes.

8. DISSOLUTION

8.1 The dissolution of ISA can be decided only upon by a majority of three-quarters of the Members present or represented at a General Meeting.