



Tuesday, 4 June 2013

**Governing Body Room
International Labour Office
Geneva**

AMENDMENTS TO THE IOE STATUTES

For information		
For discussion	✓	
For adoption	✓	General Council 2013
For follow-up	✓	
Budgetary implications	✓	

The IOE General Council has over the years approved numerous single amendments to the Statutes to accommodate the evolution of the organisation, which, in recent times, have included the creation of committees of the Board and the discontinuation of the role of the Deputy-Treasurer.

However, a comprehensive examination for legal compliance recently took place that has highlighted the need for several amendments, which together with changes required to the organisation to allow it to fulfil its role as the global voice of business, have led the Management Board to make the recommendations for amendments listed in the attached.

- **The General Council is invited to adopt the amendments to the Statutes dated 1 June 2010 as proposed.**

PRINCIPLE PROPOSED AMENDMENTS TO THE IOE STATUTES (JUNE 2010)

(Minor textual amendments are not listed)

ARTICLE ¹	TITLE	PARA(S)/ SUB-PARAS	NATURE/PURPOSE OF PROPOSED AMENDMENT
1.	Constitution	1.	Year of IOE establishment for good order The term “ business and employers’ organizations” more accurately reflects the nature of IOE membership ²
		2.	Addition of “ not for profit ” for fiscal reasons
			Addition of IOE location for administrative purposes
2.	Objectives	(f)	Provision for assistance to the member companies of IOE members
3.	Membership	1.(c)	Removal of ILO membership as a criterion for IOE membership
		4.	Clarification of modalities for membership application Clarification of status of members whose affiliation is approved by the Board, but pending endorsement by the General Council
		7.	Clarification of members’ entitlement vis-à-vis IOE assets (per Swiss Civil Code governing associations)
5.	General Council	3.	Clarification regarding transfer of voting rights (“to a third party” removed)
		4.	Clarification of modalities for calling an extraordinary session of the General Council
		5.(h) – (o)	Provision for the General Council to dismiss , as well as elect, the various officers of the Management Board , according to rules drawn up by the Management Board ³
		8.	Clarification of criteria for voting at the General Council Provision in the event of deadlock on a General Council decision
		9.	Clarification of the conditions under which resolutions may be passed and voting procedure/casting vote

¹ Article and paragraph references relate to the version of the Statutes with the proposed amendments incorporated

² This amendment is made throughout the Statutes whenever «employers’ organization» is referenced.

³ The elaboration of such rules to be on the agenda of the November 2013 session of the Management Board.

6.	Management Board	1.(c)	New Vice-President's role and criteria for election (The role of Executive-Vice President -former Article 6 (b) refers- is discontinued.)
		(e)	New criterion for automatic membership of the Board , given the proposed new subscription scale (Item 11 (b) on the GC agenda refers)
		4.	Removal of the term "Working Groups" to avoid confusion with IOE Working Groups. (The Board is assisted by Committees .)
7.	The President	1.	The President's term shall be three years (from two)
		4.	President's role as spokesperson outside the ILO
8.	Secretary-General	1.	Stipulation that the Secretary-General shall not be a member of the Board (per Swiss Civil Code governing Associations) Additional clause for clarity on modality for dismissing the Secretary-General
9.	Auditor		Provision for the appointment of an Auditor in the interest of good financial management practice .
10.	Authorised Signatories		For the purposes of official and legal documents
11.	Finances	2.	Provision for the IOE to receive income from sources other than subscriptions Provision for a five-yearly review of the subscription scale
		4.	Clarification of the role of the Finance Committee with regard to the budget
12.	Resignation or Exclusion of Members	2.	Clarification that non-payment of subscriptions for two consecutive years leads to withdrawal of membership
		5.	Status of excluded member(s) vis-à-vis refunds and obligations
13.	Liability		Per Swiss Civil Code governing Associations
14.	Revision of the Statutes	1.	Additional requirement that proposed revisions to the Statutes be recommended by the Board
16	Liquidation	2.	Per Swiss Civil Code governing Associations



STATUTES

OF THE INTERNATIONAL ORGANISATION OF EMPLOYERS

WITH PROPOSED AMENDMENTS TO JUNE 2010 STATUTES INCORPORATED

03/06/2013

Article 1: Constitution

1. An international organisation established in 1920 composed of the central business and employers' organisations which in the national sphere deal with the issues compatible with those set out in Article 2 below is hereby constituted under the name "International Organisation of Employers" (the "IOE" or the "Organisation").
2. The IOE is organised corporately in the form of a Swiss not-for-profit association in accordance with Articles 60 *et seq.* of the Swiss Civil Code and the present Statutes.
3. The headquarters of the IOE are in the Canton of Geneva, Switzerland.

Article 2: Objectives

The objectives of the IOE are:

- a) To promote the economic, employment and social policy environment necessary to sustain and develop free enterprise and the market economy;
- b) To provide an international forum to bring together, represent and promote the interests of national business and employers' organisations and their members throughout the world in all labour and socio-economic policy issues;
- c) To assist, advise, represent and provide relevant services and information to the members of the IOE ("the Members"), to establish and maintain permanent contact among them and to coordinate the interests of business and employers at the international level, particularly within the International Labour Organization (the "ILO") and other international institutions;
- d) To promote and support the advancement and strengthening of independent and autonomous business and employers' organisations and to enhance their capabilities and services to Members;
- e) To inform public opinion and promote understanding of employers' points of view;
- f) To facilitate and promote the exchange and transfer of information, experiences and good practice amongst Members and their member companies.

Article 3: Membership

1. Any central business or employers' organisation whose objectives are compatible with those of the IOE is eligible for membership of the Organisation, subject to its fulfilling the following conditions:
 - a) it stands for and defends the principles of free enterprise and the market economy; and
 - b) it is a free and independent voluntary organisation composed exclusively of employers or business or employers' organisations and is not subject to control or interference of any kind from any governmental authority or any outside body.
2. If in any country no such central organisation exists, and one or several organisations of business or employers from that country are desirous of joining the IOE, the Management Board shall consider the conditions to be attached to the proposed admission of such organisations. The General Council shall then

consider the proposals made to it by the Management Board and decide the question of admission.

3. The Management Board may admit as Associate Members for a short period of time fixed by the Management Board and under such conditions as it may deem appropriate other national business or employers' organisations. Such Associate Members shall have the same rights and obligations as any other Member, with the exception of the right to vote. At the conclusion of the fixed period of time, admission to formal membership shall be examined by the Management Board, which shall submit its proposals to the General Council for final decision.
4. All applications for admission, with supporting documents, shall be made through a written request to the Secretary-General, who shall report to the next meeting of the Management Board. The Management Board may grant provisional admission pending the decision of the General Council. Federations with provisional admission shall have the same rights and obligations as any other Member, with the exception of the right to vote.
5. The decision of the General Council regarding admission of Members shall be final, and the General Council shall not be required to state its reasons for any decision, including refusals, it takes.
6. Each Member and Associate Member shall retain its autonomy and independence.
7. No Member, or Associate Member, shall be entitled to claim the assets of the IOE.

Article 4: Relations with other organisations

1. Formal relations may be established between the IOE and other organisations. The terms of such relations shall in each case be proposed by the Management Board to the General Council.
2. The decision of the General Council shall be final, and the General Council shall not be required to state its reasons for any decision it takes.

Article 5: General Council

1. The General Council is the IOE's supreme decision-making body. Any decision taken by the General Council shall be final and shall not be subject to appeal.
2. The General Council shall be composed of representatives of all the Members of the IOE appointed for this purpose (the "Representatives").
3. Each Member shall have the right to be represented at the General Council by one Representative. Each Member shall have one vote. Where there is more than one Member in a given country, the Members of that country shall appoint one Member to vote. Each Representative may be accompanied by one or more adviser(s). A Representative may delegate in writing his right to vote to an adviser.
4. The General Council shall meet at least once a year and in extraordinary session if called upon by the President, or the Secretary-General acting on his behalf, or by one-fifth of the Members by written request to the President or the Secretary-General.
5. The General Council shall:
 - a) be responsible for the formulation of the overall policy direction of the IOE;

- b) adopt a programme of action for the following year drawn up by the Management Board;
 - c) receive a report from the Management Board on activities during the preceding term;
 - d) take decisions on the accounts and budget of the IOE, on the proposal of the Management Board;
 - e) take decisions on the admission of new Members and on withdrawal of membership, on the proposal of the Management Board;
 - f) pass all appropriate decisions or resolutions to orient the IOE's activities or to reflect Members' wishes;
 - g) provide the opportunity for exchanges of views on matters falling within the IOE's competence, as may be organised by the Management Board;
 - h) elect the IOE President according to rules drawn up by the Management Board;
 - i) dismiss the IOE President, according to rules drawn up by the Management Board;
 - j) elect the five regional Vice-Presidents according to rules drawn up by the Management Board;
 - k) dismiss the the five regional Vice-Presidents according to rules drawn up by the Management Board;
 - l) elect the eight members of the Management Board referred to in Article 6.1(f) according to rules drawn up by the Management Board;
 - m) dismiss the eight members of the Management Board referred to in Article 6.1(f) according to rules drawn up by the Management Board;
 - n) elect the Treasurer according to rules drawn up by the Management Board;
 - o) dismiss the Treasurer according to rules drawn up by the Management Board;
 - p) fix the table of subscriptions, under Article 11.2;
 - q) approve amendments to the Statutes, under Article 14;
 - r) approve the dissolution of the IOE, under Article 15.
6. The agenda of the General Council shall be fixed by the Management Board and sent to the Members at least five weeks before the date of the assembly.
 7. Any Member may request that additional item(s) be placed on the agenda. Such a request should reach the Secretariat at least three weeks before the date of the assembly.
 8. Voting shall be decided by a simple majority of the Members physically represented, unless otherwise stipulated in the Statutes. In the event of deadlock, the President shall have the casting vote.
 9. The General Council may only pass resolutions on items that have been brought to the agenda. The manner in which votes are taken at the assembly (e.g. secret or open vote) shall be determined by the President.
 10. Minutes of all meetings shall be drawn up by the Secretary-General and submitted to the next session of the General Council for approval.

Article 6: Management Board

1. The Management Board shall be composed of:
 - a) a President, who will assume the presidency of the Management Board;

- b) five Regional Vice-Presidents, elected by the General Council on the proposal of each of the five regions. In principle they should be members of the ILO Governing Body and will serve for a mandate of three years, with the possibility of re-election, or for a shorter mandate in order that it coincides with the duration of the mandate of the ILO Governing Body. They will advise the President and co-ordinate the activities of their respective regions;
 - c) a Vice-President, who is elected by the Employers' Group from amongst the titular Employer members of the ILO Governing Body to be the Employers' Spokesperson in the ILO for a mandate of three years, with the possibility of re-election;
 - d) a Treasurer;
 - e) the representative of each of the top seven contributing Members unless elected in one of the capacities listed in (b) or (c) above;
 - f) the representative of eight other Members elected by the General Council for a mandate of three years, with the possibility of re-election (two for Africa, two for the Americas, two for Asia, two for Europe);
 - g) up to three representatives from Members co-opted by the Management Board for a fixed period on the proposal of the President after consultation with the Regional Vice-Presidents and the Secretary-General. Such Members may be co-opted for one or more periods.
2. The Management Board shall:
- a) ensure that the objectives of the IOE and the decisions of the General Council are implemented and the activities necessary to the proper functioning of the IOE are undertaken;
 - b) in between meetings of the General Council, elaborate policy positions and formulate appropriate strategies;
 - c) prepare the decisions to be taken by the General Council concerning admission to and withdrawal of membership;
 - d) prepare the decisions to be taken by the General Council concerning financial and budgetary matters, on the basis of proposals from the Treasurer;
 - e) take decisions on the proposals made by the Secretary-General concerning the functioning and organisation of the Secretariat;
 - f) draw up an annual programme of action for submission to the General Council;
 - g) draw up an annual report on IOE activities for submission to the General Council.
3. In performing any of the responsibilities contained in Article 6.2, the Management Board may be assisted by Committees, consisting of Management Board members, operating within terms of reference decided by the Management Board.
4. The Management Board shall adopt its own rules.

Article 7: President

1. The IOE President (the "President") shall be elected for a period of three years by the General Council on the proposal of the Management Board, with the possibility of re-election.

2. The President shall represent the IOE at the highest level and shall preside over the General Council and the Management Board. In the President's absence, these functions will be carried out by one of the Regional Vice-Presidents.
3. To the extent possible, the President will be elected giving due consideration to rotation among the geographical regions.
4. The President shall be the IOE's main spokesperson outside the ILO and assume responsibility for implementing policy in conformity with the directions fixed by the General Council and the Management Board.

Article 8: Secretary-General

1. The Management Board shall appoint a Secretary-General, who shall not be a member of the said Board. The position of Secretary-General shall be one of paid full-time employment.
2. He shall be responsible to the General Council and the Management Board and must enjoy their confidence, failing which the Management Board shall have the authority to dismiss the Secretary-General on the basis of a unanimous decision and in accordance with Swiss law.
3. The duties of the Secretary-General shall include:
 - a) the management of the Secretariat,
 - b) the appointment of staff and the organisation of their responsibilities;
 - c) the financial management of the IOE, under the supervision of the Treasurer;
 - d) the preparation of policy position papers;
 - e) the permanent liaison and communication with Members;
 - f) carrying out technical cooperation programmes for business and employers' organisations;
 - g) under the supervision of the Spokesperson of the ILO Employers' Group providing, together with his staff, the Secretariat of the Employers' Group at the ILO; maintaining permanent contacts with ILO management and officials at all levels;
 - h) maintaining frequent contacts with public organisations and enhancing the image of the IOE to interest groups and the public in general.

Article 9: Auditors

The Management Board shall appoint an external Auditor for one year and the Auditor may be reappointed. The Auditor shall be independent from the Organisation, and more particularly from the Management Board. The Auditor proceeds to an audit of the accounts of the IOE and submits a yearly financial report to the General Council.

Article 10: Authorised Signatories

1. Any two of the joint signatures of the President, the Treasurer and the Secretary-General shall be authorised for the purposes of official and legal documents.
2. Within the strict framework of daily management in the ordinary course of business, the IOE shall be validly represented vis-à-vis third parties by the Secretary-General.

Article 11: Finances

1. The Treasurer shall be elected for a period of three years by the General Council on the proposal of the Management Board. The Treasurer must enjoy the confidence of the Council and the Board throughout his/her mandate.
2. The IOE's resources shall be composed of subscriptions from the Members, investment income, donations, legacies and other payments. The table of subscriptions shall be fixed each year by the General Council on the proposal of the Management Board. It shall be reviewed every five years, on the recommendation of the Management Board.
3. The annual subscription shall be paid not later than 1 August in each year.
4. The draft budget shall be established by the Treasurer, on the proposal of and with the cooperation of the Secretary-General. The draft budget shall be submitted by the Finance Committee with a recommendation to the Management Board and subsequently to the General Council for final approval.
5. After they have been verified by the Auditor, the Treasurer shall present the accounts for each year to the Management Board and subsequently to the General Council for final adoption.
6. The daily financial administration of the IOE shall be the responsibility of the Secretary-General, under the supervision of the Treasurer. Any major financial difficulty shall be submitted to the Management Board. Any major expenditure not foreseen in the Budget shall be brought to the Management Board for approval and later submitted for post-facto approval to the next meeting of the General Council.
7. The financial year shall run from 1 January to 31 December.

Article 12: Resignation or Exclusion of Members

1. Any Member may at any time in the course of a financial year give notice of resignation to the Management Board.
2. A Member which has failed to pay its subscription for two consecutive financial years may be deprived of membership by the Management Board on the recommendation of the Secretary-General. Any subsequent request for re-admission shall be examined by the Management Board which shall propose to the General Council the appropriate steps to be taken.
3. The General Council may at any ordinary or special meeting by a vote of two-thirds of the Members present expel from its membership any Member which in its opinion no longer possesses the qualifications for membership as enumerated in clauses (a) and (b) of Article 3.1, or whose activities it considers contrary to the best interest of the Organisation, provided it is requested in writing so to do by the Management Board and provided further that the Management Board shall have given notice to such Member of its intent to make such request. Such notice shall contain the time and place of the meeting of the General Council to which such request shall be made and shall be dispatched to Members at least five weeks prior to such meeting of the General Council.
4. Any proposal to exclude a Member shall be placed on the agenda of the meeting of the Management Board or of the General Council at which this proposal is to be considered.

5. The excluded Member shall not be entitled to a refund of any amounts paid during the period of membership, but shall remain liable for membership dues up to the date of exclusion.

Article 13: Liability

The liability of the IOE is limited to the assets of the Organisation. Any personal liability of the Members or the bodies of the Organisation for the liabilities of the association is excluded. For the individuals acting for the Organisation, Article 55, para. 3 of the Swiss Civil Code applies (personal liability in the event of wrongful behaviour).

Article 14: Revision of the Statutes

1. A proposal for revision of the statutes shall be considered at the ordinary annual meeting of the General Council upon the recommendation of the Management Board. However, the General Council shall have power to refer consideration of any such proposal to an extraordinary meeting of the General Council convened for consideration of the proposal.
2. Any proposal for revision shall reach the Secretary-General at least two months before the date of the ordinary annual meeting of the General Council. Such proposal shall be sent to all Members of the Organisation at least five weeks before the date of the annual ordinary meeting.
3. No amendments of the Statutes shall be adopted unless more than half of the Members are present at the meeting of the General Council. No amendments shall be adopted unless voted for by two-thirds of the Members present.

Article 15: Dissolution

1. A motion to dissolve the IOE can only be placed on the agenda of a General Council meeting on a proposal signed by at least one half of the Members.
2. If the General Council decides to consider the motion for dissolution, it shall be placed on the agenda of the next annual ordinary meeting of the General Council. No decision to dissolve the IOE shall be taken unless three-quarters of the Members are present and unless the proposal is voted for by three-quarters of the Members present.

Article 16: Liquidation

1. In the event of the dissolution of the IOE being decided upon, the liquidation shall be entrusted to the Management Board then in office with power to delegate this duty.
2. In the event of the Organisation being dissolved, any surplus assets remaining after salary/severance payments to the staff of the IOE Secretariat shall be remitted to a legal entity recognised by the public authorities. Under no circumstances may they be returned to the Members or donors, or used to their own profit.