

“Décharge”

Background

1. The International Diabetes Federation, registered under Belgian law, adopts French as its legal language. The General Assembly of December 3, 2011 decided to adopt an English version and a French version of the Articles of Associations. In case of dispute or interpretation issues between the French and the English versions of the new Articles of Association, the English version will prevail.
2. Belgian civil law requires the General Assembly to indicate, as part of the approval process, whether it gives “décharge” (approximately translated into English as ‘discharge’) to the Board and the financial auditors.
3. In some legal systems the concept of “décharge” does not exist or has a different meaning, or it is not associated with the financial statements.
4. The explanations below serve to explain the meaning of “décharge” in the Belgian legal context in informal terms. The definitions are for information only and do not aspire to any legal validity.

Release and discharge to the Executive Board

1. The General Assembly elects the members of the Executive Board to manage the organization as Directors.
2. The Board is accountable to the General Assembly. One aspect of being accountable is the requirement to have audited financial statements and to report to the General Assembly on the financial status of the organization according to recognized Belgian accounting principles.
3. Belgian law requires the “décharge” or “*discharge*” of the Directors by official General Assembly vote. By *discharging* the Board, the General Assembly approves all management decisions taken by the Board during the fiscal year.

Release and discharge of the auditor

1. The General Assembly appoints an external auditor for a period of three years. In accordance with Belgian law, the mandate was confirmed for a 3 year period, from 2021 to 2023 inclusive.
2. The mandate of the auditor is twofold: (i) to verify whether the day-to-day bookkeeping is conducted according to legal requirements and whether the balance sheet, income statement, cash flows and statement of changes in equities have been prepared according to recognized reporting standards, and (ii) to express an opinion on whether the financial statements give a true and fair view of the financial

position of the organization at the end of each fiscal year.

3. The auditor performs its duties in accordance with recognized international auditing standards.
4. The auditor presents its annual report, expressing an opinion on the annual accounts. The General Assembly acknowledges the audit report, and discharges or releases the auditor for the execution of its mandate during the fiscal year ending on 31 December of each year.
5. If the General Assembly approves the financial statements and the auditor's report, it should normally also discharge the auditor.
6. Belgian law requires discharge of the auditor by official General Assembly vote.