THE INSTITUTE OF INTERNAL AUDITORS
IIA-INSTITUTE AGREEMENT

Preface to the IIA-Institute Agreement

Established in 1941, **The Institute of Internal Auditors, Inc (**hereafter **Global IIA)** is a professional organization of individual members involved in the practice of internal auditing and its related disciplines.

Global IIA's mission is to provide dynamic leadership for the global profession of internal auditing. Objectives in support of this mission include but are not limited to:

- Being recognized as the global voice for the internal audit profession.
- Developing and sustaining the internal audit profession at the local, regional and international levels.
- Providing exceptional service to IIA members.

Global IIA operates through IIA-Institutes worldwide who support this mission, participate in the governance of Global IIA, and contribute to Global IIA strategic plans. IIA-Institutes exclusively represent Global IIA within their geographical area as defined in the IIA-Institute Agreement. IIA-Institutes that have successfully met the qualifying requirements sign the Agreement which is automatically renewable annually upon mutual agreement.

Global IIA and all IIA-Institutes ensure good relations through adherence to the following four principles:

1. **Service to members –** Providing exceptional services to all IIA Members is a main objective of Global IIA and all IIA-Institutes.
2. **Global and Local Development** - Global IIA and the IIA-Institute respect and recognize each other's role and value in serving the profession and the membership and commit to serve these needs where they are best delivered, whether at the global or local level.
3. **Transparency and Accountability –** Global IIA and the IIA-Institutes are expected to practice transparency and are accountable to their members and to each other. These elements of the relationship between each other are to be respected and recognized.
4. **"Progress Through Sharing" –** The IIA motto encourages Global IIA and all IIA-Institutes to share 'Best Practices' and to contribute to the global development of the profession.

The IIA-Institute Agreement is the legally binding document that embodies and builds on these principles ensuring effective governance practices.

Global IIA automatically offers **Core Benefits and Services** to the IIA-Institute as described in section II as long as it remains in compliance with the terms of the Agreement.
Global IIA offers **Optional Services and Special Agreements** that the IIA-Institute may select from that are subject to separate rules of eligibility, terms, conditions, and fees. The list is reviewed and updated annually.

All IIA-Institutes are required to maintain organizational bylaws that are consistent with these principles and that recognize Global IIA as a global, not-for-profit, non-governmental, professional association of individual members, governed by volunteers, and open to internal auditors and practitioners of related disciplines of all sectors and industries and all individuals who are interested in the profession of internal auditing.

THE INSTITUTE OF INTERNAL AUDITORS
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We, on behalf of the members of our IIA-Institute known as

_____
(Name of IIA-Institute)

operating and serving members primarily in the geographical area defined as

_____
(Description of geographical area such as country/region/territory/city)

have met the qualifying requirements and hereby resolve to operate under and to subscribe to the general terms and conditions, spirit, and intent of the attached IIA-Institute Agreement.

IIA-Institutes should refer to their bylaws as to who can sign this agreement on their behalf.

IIA-Institute Top Elected Officer:

Name	Title
Signature	Date

IIA-Institute Secretary/Chief Staff Officer:

Name	Title
Signature	Date

On behalf of The Institute of Internal Auditors Inc. (Global IIA) we agree to abide by our commitments.

Global IIA:

Name	**President** Title
Signature	Date
Name	**Chairman of the Board** Title
Signature	Date

THE INSTITUTE OF INTERNAL AUDITORS
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I. GLOBAL IIA COMMITMENTS

Representation

1. Global IIA recognizes only one IIA-Institute to represent Global IIA in all respects within the same geographical area.

Guidance

2. Global IIA maintains current the International Professional Practices Framework (IPPF) and makes this guidance accessible on the web to all IIA members.

Translation

3. Global IIA ensures that:
   - The definition of internal auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing (Standards) are made available to all members in their preferred language.
   - That key products are made available in key languages.

Leadership and Strategic Planning

4. Global IIA provides the IIA-Institute with a voice in Global IIA's strategic planning process through the Global Council meeting.
5. Global IIA offers leadership training and networking opportunities to IIA-Institute leaders.
6. Global IIA offers the IIA-Institute an annual opportunity to nominate candidates for global committees and board positions.

Membership

7. Global IIA recognizes all individual IIA-Institute members as Global IIA members who are entitled to global member services and benefits as described in the agreement glossary.
8. Individuals who apply for direct membership with Global IIA will be recommended to contact the IIA-Institute in their respective areas for membership.
9. Global IIA does not communicate directly with the IIA-Institute members unless:
   - Specifically requested by the IIA-Institute.
   - It is necessary to administer any optional services requested by the IIA-Institute.
   - Members contact Global IIA directly seeking information or services (examples include: certification candidates, conference attendees, web site visitors, etc.)

Funding

10. Global IIA, at most, seeks to recover costs for services provided to the IIA-Institute for the benefit of its members.
11. Global IIA sets annual IIA-Institute fees as outlined in the Board Policy Manual. Any amendment to the IIA-Institute fee as determined by the International Board of Directors requires advance notice of at least nine (9) months prior to implementation.
12. Global IIA will on a case-by-case basis consider discounting or waiving IIA-Institute and other program fees for hardship cases and special circumstances.

Ethics

13. Global IIA will investigate complaints received from the IIA-Institute suspecting member violations of the Code of Ethics.
14. Global IIA will take the necessary corrective action such as suspension or revocation of a member's membership rights or IIA certifications, as appropriate in cases where a member is found guilty.

Privacy

15. Global IIA ensures that it maintains a global privacy policy to protect the privacy of all IIA members reported by the IIA-Institute according to the strictest privacy laws that may apply and will respect local privacy regulations of the IIA-Institute.

Certification

16. Global IIA will provide an adequate program of certification, meeting the needs of internal audit professionals around the world.

II. CORE BENEFITS AND SERVICES

The Core Benefits and Services as listed below are automatically available to the IIA-Institute. These may only be suspended if the IIA-Institute is in non-compliance as per the terms of this agreement.

Representation

1. The IIA-Institute exclusively represents Global IIA in the geographical area to which this agreement pertains on all matters concerning the profession of internal auditing consistent with the guidance and positions of Global IIA.

Governance

2. The IIA-Institute may participate in the governance of Global IIA on the Global Council where the IIA-Institute maintains a permanent voting seat to represent the interests of its members.

Branding

3. The IIA-Institute has full use of Global IIA's nomenclature, motto, logos, and identifiable marks subject to certain restrictions set out in Article III, Sections 27 to 34. Any modifications must be requested in writing and approved by Global IIA.

Reproduction and Distribution

4. The IIA-Institute is granted permission to reproduce and distribute the Code of Ethics and Standards to all members and stakeholders in its area. All Global IIA copyrights must be maintained, including on translations. The copyright notice must appear on all reproduced copies of the Code and Standards. For all other products such as guidance, articles, publications and web material copyrighted by Global IIA the IIA-Institute must request specific authorization from Global IIA to reproduce and distribute these. The same applies to all other copyrighted material used by Global IIA, when the publisher/author will be approached by Global IIA for authorization.

Translation

5. Global IIA offers the IIA-Institute priority in translating any of Global IIA material.
6. The IIA-Institute must request specific authorization from Global IIA to translate any of its guidance, articles, publications and web material copyrighted by Global IIA. The same applies to all other copyrighted material used by Global IIA, when the publisher/author will be approached by Global IIA for authorization.

Services

7. Global IIA keeps the IIA-Institute leaders fully informed of all key IIA developments through periodic communication in Global IIA's key languages.
8. Global IIA supports the IIA-Institute through distance mentoring, periodic visits by representatives, messages of greetings from the Global IIA leadership, and other forms of recognition and representation.
9. Global IIA supports the IIA-Institute for its advocacy and outreach activities and provides guidance with the development of programs and activities for colleges and universities.
10. Global IIA provides access to special agreements and optional services to the IIA-Institute as described in the agreement glossary and continuously seeks to develop and offer new services and benefits to serve the IIA-Institute and its members' needs.
11. Global IIA processes all new members reported for inclusion in the global membership database.

III. IIA-INSTITUTE COMMITMENTS

Representation

1. The IIA-Institute operates and serves members primarily within the geographic area as defined by Global IIA and described in this agreement.
2. The IIA-Institute is required to register as required by local laws and shall comply with all applicable laws governing it, including but not limiting to, corporate and tax laws. The IIA-Institute shall operate under the laws and regulations for not-for-profit or equivalent professional membership associations and will keep current all legal status, licenses and other filing requirements, including, but not limited to: corporate status, national and local tax exemptions and business licenses.

3. The IIA-Institute represents and promotes membership in the IIA and should not actively recruit or promote membership in any other association.

Certification

4. The IIA-Institute exclusively represents and promotes IIA certifications and should not promote non-IIA certifications. The IIA-Institute recognizes the Certified Internal Auditor (CIA) as the only globally recognized internal audit professional certification. The IIA-Institute cannot develop professional certifications that would explicitly or implicitly be equivalent globally or locally to the CIA or any specialty certification offered by Global IIA. This does not include professional training diplomas which may be developed by the IIA-Institute.

Guidance

5. The IIA-Institute endorses the Code of Ethics and the Standards and is responsible to make these available to all its new members and to provide all members with any relevant updates. It commits to promote this authoritative guidance to all stakeholders in its area and to work towards formal adoption of the Standards by its members.
6. The IIA-Institute promotes the International Professional Practice Framework (IPPF) to its members and, as necessary, shall make every attempt as needed to translate all Practice Advisories and Position Papers that are relevant to the members in their area and/or to develop similar non-authoritative guidance in accordance with guidelines set forth in the IPPF.
7. The IIA-Institute accepts that the Standards may not be altered and may only be adapted to meet local legal needs after review and approval by Global IIA's Internal Auditing Standards Board (IASB). The IIA-Institute is invited to comment on any proposed changes to the Code of Ethics and Standards during any exposure process.

Governance

8. The IIA-Institute ensures that its bylaws do not conflict with Global IIA bylaws and that voting rights and leadership eligibility are only granted to individual members in good standing.
9. The IIA-Institute holds periodic General Meetings to elect a governing board from its membership that comprises at least two people in addition to the top elected officer.

Financial

10. The IIA-Institute agrees to maintain records and accounts for its members, to establish rates for membership dues/fees and adopt a policy for termination of nonpaying members.

11. The IIA-Institute maintains operating resources sufficient to provide minimum service to members as described in the glossary of this agreement.
12. The IIA-Institute agrees to remit IIA-Institute fees to Global IIA within 90 days of billing.
13. The IIA-Institute agrees to establish, maintain and control its funds kept in any bank, public or financial institution.

Ethics

14. The IIA-Institute ensures that all members understand and agree to abide by the IIA Code of Ethics.
15. The IIA-Institute ensures that all ethical complaints are addressed locally or referred to Global IIA in a timely manner. Any member found guilty of violating the Code of Ethics must be reported to Global IIA in a timely manner.

Member Services

16. The IIA-Institute develops and maintains annual plans to deliver no less than what is considered minimum service to members as described in the glossary of this agreement.
17. The IIA-Institute provides timely information to its members about news, opportunities, services and benefits offered by Global IIA specifically about IIA certifications, IIA global guidance, and the IIA international conference.

Membership

18. The IIA-Institute complies with the Rules of Eligibility as described in the Global IIA Board Policy Manual addressing member classifications, voting rights and leadership opportunities. Exceptions must be approved by Global IIA.
19. The IIA-Institute recognizes reciprocity of membership as described in the Global IIA Board Policy Manual.
20. The IIA-Institute reports to Global IIA, at least on a quarterly basis, names of all new and dropped members in the requested format.
21. The IIA-Institute ensures that its full membership list is available to Global IIA upon request.

Reporting

22. The IIA-Institute advises Global IIA of any change in officers and contact person within 30 days of change.
23. The IIA-Institute provides Global IIA its *annual audited financial reports* in the requested format within 6 months of its year end.
24. The IIA-Institute provides Global IIA other scheduled reports as requested.

Privacy

25. The IIA-Institute will develop and maintain privacy guidelines in accordance with local privacy regulations and Global IIA privacy policy.

Strategic Planning

26. The IIA-Institute will align its strategic plans to those defined and communicated by Global IIA to the extent possible.

Branding

27. The IIA-Institute acknowledges that Global IIA hereby grants to the IIA-Institute the right to use and the IIA-Institute hereby undertakes to use the Global IIA brand (name and logo).
28. The IIA-Institute will ensure that the Global IIA brand (name and logo) is displayed accurately and consistently in its area by displaying its IIA-Institute with Global IIA.
29. The IIA-Institute will, as needed, help register Global IIA trademarks in its area. Note that all trademarks must be registered in the name of The Institute of Internal Auditors Inc.
30. The IIA-Institute may use the brand in conjunction with its regular and customary activities, consistent with those of Global IIA that the IIA-Institute provides in the ordinary course of operation.
31. The IIA-Institute agrees that use of the brand must always include the name of the IIA-Institute, in immediate proximity of the brand, so as not to confuse communications from Global IIA with those of the IIA-Institute.
32. The IIA-Institute hereby agrees to take no action that has, or may have, an adverse effect on the Global IIA's intellectual property rights.
33. The IIA-Institute will notify Global IIA promptly in writing of any infringements, imitations, claims, or other problems with respect to the brand that may arise or otherwise come to its attention. The IIA-Institute agrees not to institute any suit nor take any other action on account of such infringements, imitations, claims or problems without the prior written consent of Global IIA.
34. The IIA-Institute agrees that the right to the brand granted in this Agreement to the IIA-Institute above shall be non-divisible and shall not be transferable or assignable without Global IIA's prior written consent.

Global Governance

35. The IIA-Institute encourages participation in Global IIA's nomination process by its members
36. The IIA-Institute strongly encourages participation by at least one member of its governing board in the Global Council meeting.

IV. <u>NON-COMPLIANCE</u>

1. Global IIA may for good reason conduct a review of any IIA-Institute's records such as, but not limited to, membership records, minutes of IIA-Institute governing body, accounting and financial records subject to local privacy laws.
2. Non-compliance with the IIA-Institute Commitments as set out in this Agreement could lead to the suspension of Core Benefits and Services (Section II) and revocation of status of the IIA-Institute. Where non-compliance is caused by the circumstances beyond control of the IIA-Institute, the IIA-Institute will be considered in compliance if proper proof of such circumstances is sent to Global IIA within the 90 days of such circumstances.
3. The IIA-Institute which is not in compliance with the Agreement will be notified and given 90 days to become compliant or provide Global IIA with a plan of corrective action.
4. Failure to respond as per clause 3 above will result in the suspension of core benefits and services.
5. If non-compliance condition continues to exist action will be initiated to terminate the IIA-Institute's core benefits and services and revoke its status after notification to the IIA-Institute.
6. Global IIA will provide final notice of 90 days to the IIA-Institute prior to revocation of its status.

V. CONDITIONS FOR THE AGREEMENT BETWEEN GLOBAL IIA AND THE IIA-INSTITUTE

1. The contents of the IIA-Institute Agreement are clearly understood by both parties.
2. Any request for changes to the terms of the agreement must be submitted in writing to Global IIA for consideration by its Board of Directors or its designate.
3. The IIA-Institute hereby agrees to immediately cease any, and/or all, use, production of materials displaying the brand upon request of Global IIA. Notwithstanding the foregoing, Global IIA will grant a Limited License to the IIA-Institute, not to exceed six (6) months, for use of the brand after any terminating event or request to cease use of the intellectual property as agreed to by Global IIA. Other than this limited use, the IIA-Institute agrees that it will immediately cease all other uses of the intellectual property when requested, including, but not limited to, on its website, in its advertising, on brochures, and in membership materials. Further, so long as this "limited license" continues for up to six (6) months, Global IIA retains the right to inspect and approve the continued use of the brand.
4. The IIA-Institute hereby agrees to indemnify and hold Global IIA free from any and all liability that Global IIA may incur through any act of omission or commission on the part of the IIA-Institute including all costs and attorneys' fees.
5. Any controversy or claim arising out of or relating to this agreement shall be governed under the laws of the State of Florida, USA.
6. Global IIA or the IIA-Institute may end the agreement for any reason in writing to be effective 90 days from the date of the notification. At that time both parties will return to the status before the IIA-Institute and the IIA-Institute shall return all Global IIA property to Global IIA and cease use of the Global IIA brand.

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AGREEMENT GLOSSARY

The following words and phrases used in this Agreement have the meaning as set forth below:

Agreement: The signed agreement between Global IIA and the IIA-Institute under the terms and conditions of this Document.

Annual Audited Financial Report: Financial report prepared on an annual basis in the format requested by Global IIA. This report must be in accordance with accepted standards in the IIA-Institute country and audited by someone who is not part of the IIA Institute's governing board.

Bylaws: Global IIA or IIA-Institutes' articles of operation.

Charter: An authority conferred by Global IIA on a qualified body of internal auditors to form an IIA-Institute under the umbrella of The Institute of Internal Auditors, Inc. The charter is provided in the form of a certificate.

Geographical Area: An area as defined by the Global IIA board for specific purposes.

Governing Body: The elected body of an IIA-Institute whose purpose is to establish the broad objectives and goals, including policies, programs, and budgets for the successful operation of the IIA-Institute. This body may be known as Board of Directors, Board of Governors, Executive Council, or similar designation.

Global IIA: The Institute of Internal Auditors, Inc., incorporated in 1941 in the State of New York, USA whose Global Headquarters are located at 247 Maitland Avenue, Altamonte Springs, which is near Orlando, Florida, USA.

Global Member Service and Benefits: All IIA members worldwide are entitled to the following services and benefits from Global IIA:

- Global membership number and web site password.
- Voting rights in global elections and by-law changes.
- Leadership right in global committees.
- Member prices, rates, offers.
- Access to Members Only (Current Members) services on the web.
- Access to Specialty Memberships for Members only.
- Access to Member Exchange, an exclusive networking tool.

In Compliance: An IIA-Institute is in compliance if it submits the minimum reporting requirements and provides minimum service to members.

IIA Certifications: Certified Internal Auditor (CIA)
Certified Government Auditing Professional (CGAP)
Certified Financial Services Auditor (CFSA)
Certification in Control Self-Assessment (CCSA)

IIA-Institute: IIA-Institute is the designation given to all membership groupings authorized to represent Global IIA on a national or local basis outside the North American region.

Key Languages: Key languages are approved by the Global IIA Board of Directors and reviewed periodically as stated in Global IIA Board policy manual.

Key Products: Following are criteria for determining Key Products which will be reviewed periodically

a. Are essential to *all* members worldwide.

b. Support the profession worldwide.
c. Are produced/published/managed by Global IIA.

Member:	An individual who joins Global IIA directly or through an IIA-Institute.
Minimum Reporting Requirements of the IIA-Institute Agreement:	The following reports/payments are due to Global IIA to remain in compliance with the IIA-Institute Agreement: ➢ Annual Activity Report. ➢ Annual Financial Report (Audited Financial Statement). ➢ Annual Officers' Listing Form. ➢ Annual Payment of IIA-Institute Fees. ➢ At least quarterly reporting of members.
Minimum Service to Members as required by bylaws of IIA-Institute:	IIA-Institute are expected to provide the following minimum services to their members to remain in compliance with this agreement: ➢ Membership administration and processing (applications and renewals). ➢ General Member meeting. ➢ Professional development and networking opportunities. ➢ Member Newsletter/Magazine (online or print). ➢ Information about global membership services/benefits/opportunities.
Optional Services:	In addition to the Core Benefits and Services described in Section II, IIA-Institutes have access to the optional services, each having their own requirements and conditions. IIA-Institutes must be in compliance to qualify to receive any of the optional services available upon request from Global IIA.
Rules of Eligibility:	Due to cultural and business differences among various countries, IIA-Institutes may establish their own rules of eligibility so long as they are consistent with those set by Global IIA Board and in compliance with the terms of The Agreement. Differences must be approved by the Board.
Special Agreements:	Many special agreements are available exclusively to IIA-Institutes. Each special agreement has its own eligibility requirements and conditions. IIA- Institutes must be in compliance to qualify for any of the special agreements. List of special agreements is available upon request from Global IIA.