

Draft Articles of Association for a Purpose Driven Organization

This document is an English translation of a document prepared in Dutch. In preparing this document, an attempt has been made to translate as literally as possible without jeopardizing the overall continuity of the text. Inevitably, however, differences may occur in translation and if they do, the Dutch text will govern by law.

In this translation, Dutch legal concepts are expressed in English terms and not in their original Dutch terms. The concepts concerned may not be identical to concepts described by the English terms as such terms may be understood under the laws of other jurisdictions.

Foundation [Name]

On this day, [date], appeared before me, [Name], civil-law notary practising in [City], the Netherlands, [person appearing], acting as attorney authorized in writing of incorporator(s) [Name], hereinafter referred to as: Incorporators.

The person appearing, acting as stated, declared with this deed to incorporate a foundation, which will be governed by these articles, which are divided into the following chapters:

- Chapter 1: Name, registered office, objects, assets and structure
- Chapter 2: Management
- Chapter 3: Regulations, financial year and annual accounts
- Chapter 4: Amendments to the articles, dissolution and liquidation
- Chapter 5: Final provision
- Chapter 6: Transitional provisions

DEFINITIONS

1. In these articles, 'foundation' means the foundation with its registered office in the municipality of [City], [Country]: [Name foundation].
2. In these articles, 'in writing' or 'written' includes by a means of telecommunication capable of transferring written text in a legible and reproducible manner.
3. Unless the context dictates otherwise, words in the singular include the plural and vice versa.

CHAPTER 1: NAME, REGISTERED OFFICE, OBJECTS, ASSETS AND STRUCTURE

Name and registered office

Article 1.1

1. The foundation's name is: [Name].
2. Its registered office is in the municipality of [City], [Country].

Objects

Article 1.2

1. The foundation's objects are:

[Purpose],

and everything that relates directly or indirectly to the above or may be conducive to it, all in the broadest sense.

2. The foundation strives to achieve its objects by, among other things: [description of activities].

Assets

Article 1.3

1. The foundation's assets will be formed by:
 - a. gifts, testamentary dispositions and legacies;
 - b. subsidies and donations;
 - c. all other acquisitions and benefits.
2. Testamentary dispositions may be accepted only under the benefit of inventory.

Structure

Article 1.4

1. The foundation is managed by a board.
2. One or more committees and/or advisory bodies may also be set up within the foundation.

CHAPTER 2: BOARD

Article 2.1 Composition

1. The foundation's board consists of at least four (4) board members, the number of whom is to be determined unanimously by the board, with due observance of Article 2.7 sub 8, and shall consist of a Board member A, a Board member B, a Board member C and a Board member D.

The board will be appointed for the first time by this deed.

2.
 - a. Board member A is a person who embraces the ideology of the objects of the foundation as formulated in Article 1.2;
 - b. Board member B can only be [Names];
 - c. Board member C can only be a party who financially supports [Underlying operating company], hereinafter referred to as: Cooperative, with equity capital or debt capital, which financial support is documented in writing, such party hereinafter referred to as: Finance party, or a natural person who is appointed by such party;
 - d. Board member D can only be a natural person who entered into an employment agreement or contract for the provision of services ('overeenkomst van opdracht') with the Cooperative, or a natural person who has predominant control of a legal entity who entered into a

- management agreement with the Cooperative.
3. If the board consists of more than one person, it will elect a secretary and a facilitator from among its members, for a term to be determined by the board. The board can also decide to elect a facilitator from outside the board members. A secretary or facilitator may be re-elected for an unlimited number of terms.

Article 2.2 Appointment

1. The Board members are appointed in the following manner:
 - a. Board member A by [Name by];
 - b. Board member B by [Name];
 - c. Board member C by the Finance parties;
 - d. Board member D by the Cooperative.In the event an appointing body as referred to above does not appoint a board member within two (2) months after the vacancy has arisen, the board member will be appointed by the board itself with an absolute majority of the votes cast.
2. The board members are appointed for a period of four (4) years and may be reappointed once, and in exceptional circumstances, to be determined by the board, twice. A board member who is appointed in an interim vacancy replaces his predecessor.
3. In the event there are one or more vacancies on the board, the board will request the competent body pursuant to Article 2.2.1 to fill the vacancy by appointing one or more successors.
4. In the event there are one or more vacancies on the board, the remaining members or the only remaining member of the board will nevertheless constitute a lawful board.

Article 2.3 Suspension and dismissal

1. A board member may be suspended and dismissed at any time by the body that is authorised to appoint the concerning board member.
2. Board members cease to be in office in the event a board member:
 - a. deceases or ceases to exist by liquidation;
 - b. retires by rotation;
 - c. retires voluntarily;
 - d. loses the freedom to manage his assets;
 - e. resigns in writing;
 - f. is dismissed under Section 298 of Book 2 of the Dutch Civil Code.
3. Board members may be dismissed, other than at their own request, only after they have been heard or given the opportunity to be heard at a board meeting.
4. A suspension may be extended one or more times. A suspension not followed within three months by a resolution to dismiss ends as soon as that period expires.

Article 2.4 Absence and inability to act, remuneration

1. If one or more board members are absent or unable to act, the remaining board members will temporarily manage the foundation.
If all board members are absent or unable to act, the management of the foundation is temporarily vested in [Stichting Purpose Guardian], or a natural person designated for this purpose by [Stichting Purpose Guardian].

2. The board members receive no remuneration for their work. However, they may be entitled to a reasonable attendance fee and reimbursement of the costs incurred during the performance of their duties.

Article 2.5 Duties and powers

1. The board is tasked with managing the foundation.
2. If there are vacancies or a board member is absent for any reason, the board retains its powers.

Article 2.6 Representation

1. The board represents the foundation. The authority to represent the foundation also vests in two board members acting jointly.
2. The board is not authorised to enter into agreements to purchase, alienate or encumber property subject to registration or to enter into agreements in which the foundation undertakes to act as surety or joint and several debtor, warrants performance by a third party or provides security for a debt of a third party.

Article 2.7 Meetings and decision-making

Meetings

1. Board meetings are held in the municipality where the foundation has its registered office, unless the board decides otherwise.
2. The board will meet at least four (4) time(s) per year and further as often as any board member deems necessary. If such a request is made, the secretary must convene a meeting within three (3) weeks of the request. If the secretary does not do so, the applicant may convene a meeting, with due observance of the required formalities.

Minutes are taken of meetings.

Board meetings may also be held by telephone, videoconferencing or other audiovisual transmission systems, provided all participating members can understand each other simultaneously. The previous sentence applies by analogy to the participation of a board member in a meeting. Such participation will be considered as though the board member were present at the meeting.

3. Board meetings are convened in writing by or on behalf of the secretary, subject to at least seven (7) days' notice, excluding the day of the notice and the day of the meeting.

An agenda will be added to the meeting notice. The secretary may derogate from these rules if he/she considers this necessary for reasons of urgency.

4. A board member may be represented at a meeting by a fellow board member upon presentation of a proxy that the chairperson of the meeting deems sufficient. A board member may act as a proxy holder for one fellow board member only.
5. The facilitator, who is no member of the board, will be invited for board meetings and is authorized to be present at board meetings.

Adopting resolutions

6. Each board member has one vote.
7. In all meetings matters are decided orally.
8. Unless the law or these articles or the in article 3.1 mentioned regulation stipulate otherwise, valid resolutions are adopted unanimously at a meeting in which at least three/fourth (3/4) of the existing board members are present or

represented.

9. For each resolution the following steps will be followed in a meeting:
 - a. a proposal is to be submitted in writing by a board member, and the board member will explain the underlying reason/tension;
 - b. a round of questions follows, in which round the other board members present have the opportunity to understand the proposal;
 - c. next is a response round, in which round the other board members present can respond to the proposal and give advice;
 - d. the proposing board member gets the opportunity to amend the proposal, possibly with the aid of the other board members;
 - e. an objection round follows, in which round each board member present can state if he/she objects to the proposal. An objection is tested on validity by the facilitator and on -among other things-:
 - is the proposal harmful or a step back and;
 - does the regarding concern arise from the proposal and;
 - is there factual information that the proposal is harmful and;
 - is it not possible to adjust in time and;
 - does it limit the roles and responsibilities of the objector;
 - f. finally, an integration round follows, in which round the proposal can be amended by the objector and proposer, in a manner the objection is being solved and the reason/tension of the proposer of the resolution is still solved.
10. In the event there is a valid objection and the integration round is not successful, the facilitator decides on the proposal following the rules below:
 - in the event the objector does not undertake a fair effort to come to a suitable solution for both the objector and the proposer, the objection will be rejected and the proposal will be adopted;
 - in the event the proposer does not undertake a fair effort to respond why the proposal cannot be amended, in spite of the valid objection, the proposal will be rejected;
 - in the event the objector introduces an amendment which he/she concludes it will resolve the reason/tension of the proposer, and the proposer cannot give an example of a previously outlined situation or a new example, if it fits within the criteria of the current proposal, in which the solution does not resolve the reason/tension of the proposer, the proposal will be rejected.
11. A proposal is unanimously adopted if there are no valid objections by the board members present in evidence of which the board members will vote in favor of the proposal concerned.
12. The secretary's decision on the outcome of a vote, as expressed at the meeting, is decisive.
13. As long as all existing board members are present at a board meeting, valid resolutions may be adopted on any subject raised for discussion, provided they are adopted unanimously and with due observance to the procedure as described in article 2.7 sub 9, even if the rules laid down in the articles for convening and holding meetings have not been observed.
14. Provided it does so unanimously, the board may also adopt resolutions without meeting if all existing board members have given their written consent to how the resolutions are to be adopted.
The secretary will record a resolution adopted in the above manner in a list of

resolutions, enclosing the answers received.

15. In their decision-making, the board members will also consider the social, economic, legal or other consequences of the foundation's business operations on (i) the employees, its subsidiaries and suppliers (ii) the interests of the foundation's clients and its subsidiaries, (iii) the communities and societies in which the foundation, its subsidiaries and suppliers operate their business, (iv) the local and global environment and (v) the company's short and long-term interests.
16. Board members may not participate in deliberations and the adoption of resolutions if they have a direct or indirect personal interest which conflicts with that of the foundation. If no board resolution can be adopted as a result, the board will adopt the resolution with a written record of the considerations on which the resolution is based.

CHAPTER 3: REGULATIONS, FINANCIAL YEAR AND ANNUAL ACCOUNTS

Article 3.1 Regulations

1. The board is authorised to adopt, amend or cancel regulations governing matters not covered by these articles.
2. Regulations may not be contrary to the law or these articles.
3. Article 4.1, paragraphs 1, 2 and 3 apply by analogy to the adoption, amendment and cancellation of the regulations.

Article 3.2 Financial year and annual accounts

1. The foundation's financial year coincides with the calendar year.
2. The board must keep records of the financial position of the foundation and of everything relating to the activities of the foundation, under the requirements arising from these activities, and keep the accompanying books, documents and other data carriers in such a way that the foundation's rights and obligations can always be known.
3. The foundation's books are closed annually at the end of the financial year. A board member, appointed by the board, will draw up a balance sheet and statement of income and expenditure for the completed financial year, which annual accounts, accompanied if required by a report of a registered accountant or an accounting consultant, will be presented to the board. The annual accounts will be adopted by the board.
4. The board must keep the books, documents and other data carriers referred to in paragraphs 2 and 3 for the statutory retention period.
5. Each year, the board draws up a budget for the next financial year. The budget is adopted by the board.

CHAPTER 4: AMENDMENTS TO THE ARTICLES, MERGER, DIVISION, DISSOLUTION AND LIQUIDATION

Article 4.1 Amendments to the articles, merger and division

1. The board is authorised to adopt a resolution to amend the articles. For this purpose, the board members will be given at least fourteen (14) days' notice to

attend a meeting, excluding the day of the meeting notice and the day of the meeting.

2. The resolution to amend the articles may be adopted with due observance of the provisions of article 2.7 sub 8.
3. To be valid, the amendment to the articles must be effected by notarial deed. Each board member is individually authorised to execute this deed.
4. The board members must file an officially certified copy of the amendment and of the amended articles at the office of the trade register.
5. Paragraphs 1 to 3 above apply by analogy to resolutions on merger and division.

Article 4.2 Dissolution and liquidation

1. The board is authorised to dissolve the foundation. Article 4.1, paragraphs 1 and 2 apply to the resolution to be adopted for this purpose.
2. The foundation will continue to exist after its dissolution insofar as needed to liquidate its assets.
3. The board, or one or more persons designated by the board, will attend to the liquidation.
4. These articles will remain effective as far as possible during the liquidation. The provisions of Part 1, Book 2, of the Dutch Civil Code apply to the liquidation.
5. Any surplus will preferably be spent to benefit an institution whose objects are similar to those of the foundation, which is to be determined by the board.
6. Once the liquidation is completed, the books, documents and other data carriers of the dissolved foundation will remain in the custody of the person designated for that purpose by the board for the statutory retention period.

CHAPTER 5: FINAL PROVISION

Article 5.1 Final provision

The board will decide in all cases not provided for by law or these articles.

CHAPTER 6: TRANSITIONAL PROVISIONS

Article 6.1 Transitional provisions

If and when the foundation: [Stichting Purpose Guardian] is incorporated, the following applies in deviation of Article 2.2 paragraph 1 sub a:

Article 2.2 Paragraph 1 under a. of Article 2.2 reads:

- a. Board member A by the foundation: [Stichting Purpose Guardian,] registered in the trade register under number [Chamber of Commerce number to be inserted];

Article 6.2 Expiration of this article

If and as soon as the foundation: [Stichting Purpose Guardian] has been established, the board of the Foundation is authorized to deposit a continuous text of the articles of association, as it reads after the application of this article 6, with the trade register, with the result that this article 6 will lapse and Article 2.2 Paragraph 1 sub a will read in accordance with the above provisions in this article.

Final declarations

Lastly, the person appearing, acting as stated, declared that:

- a. these persons will be appointed as board members of the foundation for the first time:
 1. [Name], as board member and as Board member A;
 2. [Name], as chairman and as Board member B;
 3. [Name], as board member and as Board member C;
 4. [Name], as board member and as Board member D.¹
- b. the address of the foundation is: [Address]
- c. the foundation's first financial year ends on [Date].

POWERS OF ATTORNEY

The representative authority of the person appearing is evident from two (2) powers of attorney to be attached to this deed.

APPENDICES

The following appendices will be attached to this deed:

- the powers of attorney mentioned above.

CONCLUSION

The person appearing is known to me, civil-law notary.

Whereof a deed was executed in Amersfoort, the Netherlands on the date mentioned at the head of this deed.

The gist of the deed has been stated by me, civil-law notary, to the person appearing, and I have given an explanation of it.

The person appearing subsequently stated that he had taken note of the content of the deed and agreed to it being read out in part.

Subsequently, immediately after having been read out in part, this deed was signed by the person appearing and me, civil-law notary.
