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**ARTICLES OF ASSOCIATION**

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**THE GLOBAL CREDIT DATA CONSORTIUM**

**ORIGINAL ARTICLES 10 DECEMBER 2008**

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## ARTICLES OF ASSOCIATION

### CHAPTER 1. DEFINITIONS

#### Article 1. Definitions

1.1 In these Articles of Association, the following terms shall have the following meanings:

**Association** means the association named “The Global Credit Data Consortium”, the internal organisation of which is governed by these articles of association.

**Credit Data** means various information on credit exposures, the statistical analysis of which allows to determine variables and parameters such as probability of default, exposure at default or loss given default, as specified by the Methodology Committee.

**Data Pool Regulations** has the meaning ascribed to that term in Article 19.2.

**Data Pool** has the meaning ascribed to that term in Article 19.1.

**General Meeting of Members** means the body of the Association consisting of the Members or (as the case may be) a meeting of Members (or their representatives) and other persons entitled to attend such meetings.

**Board** means the board (*het bestuur*) of the Association.

**Member** means a member of the Association.

**Methodology Committee** has the meaning ascribed to that term in Article 17.1.

**Membership Obligations** means the obligations of a Member towards the Association and the other Members, set forth in these Articles of Association, the Data Pool Regulations, all obligations binding upon the Member pursuant to regulations or resolutions validly adopted by the Board, the Methodology Committee or the General Meeting of Members, as well as all obligations of the Member resulting from any of the foregoing or connected therewith.

1.2 A message **in writing** means a message transmitted by letter, by telecopier, by e-mail or by any other means of electronic communication, provided the relevant message or document is legible and reproducible, and the term **written** shall be construed accordingly.

1.3 References to **Articles** refer to articles which are part of these Articles of Association, except where expressly indicated otherwise.

## CHAPTER 2. NAME, OFFICIAL SEAT AND OBJECTS

### Article 2. Name and Official Seat

- 2.1 The Association's name is: The Global Credit Data Consortium.
- 2.2 The official seat of the Association is in the municipality of Rotterdam, The Netherlands.

### Article 3. Objects

- 3.1 The objects of the Association are:
- (a) to provide the Members with an additional credit data collection, analysis and research resource to be used by the Members in addition to other sources;
  - (b) to contribute to a better understanding of credit risk, to promote quality, standardization and transparency of data to improve the ability of the Members to actively manage the credit risk of their portfolios; and
  - (c) to do all that is connected with the above or may be conducive thereto.
- 3.2 If there is any doubt as to whether any proposed (legal) act of the Association fits within the objects set forth in Article 3.1, the judgement of the General Meeting of Members shall be decisive.

## CHAPTER 3. THE MEMBERS

### Article 4. Qualification Criteria for Membership

- 4.1 Persons other than legal entities will not be allowed to membership of the Association.
- 4.2 Upon application for membership in accordance with Article 5, a legal entity will be allowed to become a Member if:
- (a) it is a credit institution, bank or similar institution including public institution, which is licensed or otherwise admitted by law as such in its home country, or an affiliate (*groepsmaatschappij*) of such institution, and
  - (b) it complies with the measures and rules established in the context of “Basel III”, developed by the Basel Committee on Banking Supervision (as amended from time to time), whether pursuant to applicable laws and regulations or voluntarily,

all without prejudice to the provision in Article 4.4, and provided that admission of the applicant as a Member shall not be required if circumstances exist pursuant to which the applicant's membership could be terminated upon admission on the basis of Article 7.1(c) or (d).

- 4.3 The provision of Article 4.2 shall constitute a legally binding obligation of the Association towards each legal entity having applied for membership and meeting the qualification criteria set forth in

Articles 4.1 and 4.2. Article 35 shall apply to such obligation of the Association and Article 36 shall apply to any dispute with respect to such obligation.

- 4.4 As long as a legal entity is a Member, it must participate in one or more Data Pools, with due observance of Article 19 and the Data Pool Regulations.
- 4.5 On an exceptional basis, the Board may admit as Members legal entities not meeting the requirements set forth in Article 4.2, if (1) the Board, in its sole discretion, has determined that such admission is in the best interest of the Association; and (2) the Methodology Committee, in its sole discretion, has determined that the Credit Data proposed to be submitted by the legal entity concerned meet the requirements of the Data Pool Regulations.
- 4.6 A legal entity that was a Member but whose membership was or could have been unilaterally terminated by the Association on any of the grounds set forth in Article 7.1(c) or (d) shall not be re-admitted as a Member, save exceptional circumstances as determined by the Board in its sole discretion.
- 4.7 The position of a legal entity as a Member, including all Membership Obligations of such Member and all rights such Member holds under these Articles and the Data Pool Regulations, is capable of being acquired by another legal entity as a result of a statutory merger or demerger provided the acquiring legal entity meets the qualification criteria set forth in Article 4.2. Article 5 shall not apply in such cases.

#### **Article 5. Application for Membership and Admission**

- 5.1 Application for membership of the Association is effected by submission to the Board of a completed and executed application form, which can be obtained from the Association.
- 5.2 Only legal entities meeting the qualification criteria set forth in Article 4 shall be admitted as Members. The decision on admission as a Member must be taken by the Board within twelve weeks after the application is made. The Board will inform the applicant and all Members of its decision forthwith after adoption.
- 5.3 If a legal entity which meets the qualification criteria set forth in Article 4.2, having applied for membership, is not admitted by the Board as a Member within twelve weeks after the application is made, the decision on admission may be adopted by the General Meeting of Members if so requested by two or more Members entitled to vote, within four weeks after they were informed of the Board's decision. In that case, the Board must convene a General Meeting of Members to resolve the matter such that the meeting is held within twelve weeks following the request.

#### **Article 6. Register of Members**

- 6.1 The Board shall keep a register containing the names, addresses, fax numbers and e-mail addresses of all Members.

- 6.2 The register shall be made available for inspection by the Members at the office of the Association or such other place as the Board may determine.

### **Article 7. Termination of Membership**

- 7.1 The membership of the Association ends:
- (a) if the Member ceases to exist (without prejudice to the provisions of Article 4.7);
  - (b) upon notice of termination of membership by the Member;
  - (c) upon notice of termination of membership by the Association. Such termination of membership is allowed when (i) a Member no longer meets the qualification criteria for membership set forth in Article 4, (ii) a Member is in default under any of its Membership Obligations, or (iii) the Association cannot reasonably be expected to continue the membership; and
  - (d) by removal. A removal can only be ordered if a Member is in material default under its Membership Obligations or prejudices the Association in an unreasonable manner.
- 7.2 Termination of membership by the Association is effected by written notice, pursuant to a decision of the Board.
- 7.3 Termination of membership by the Member or the Association may take place only as at the end of a financial year and with due observance of a term of notice of three months. However, the membership can be terminated immediately if the Member or the Association cannot reasonably be expected to continue the membership.
- 7.4 In addition, a Member may give notice of termination of its membership with immediate effect within one month after having been notified of a resolution restricting its rights or increasing its obligations towards the Association; in that case the resolution shall not apply to that Member.
- 7.5 A Member can be removed pursuant to a resolution of the Board.
- 7.6 Upon adoption of a resolution to terminate the membership for the reason that a Member is in default under its Membership Obligations or that the Association cannot reasonably be expected to continue the membership, as well as a resolution to remove the Member, the Member concerned shall have the right to appeal to the General Meeting of Members within one month after having received notice of the resolution. That Member will be notified in writing of the resolution and of the reasons on which it is based as soon as possible. During the term of appeal and pending the appeal, the Member shall be suspended, provided that the suspended Member shall have the right to defend itself in the General Meeting of Members, in which the appeal is discussed.
- 7.7 A termination of membership shall not in any way limit the (former) Member's financial and other obligations towards the Association as they became due prior to the termination becoming effective, without prejudice to the provision in Article 7.4.

## Article 8. Financial Contributions and Fees

- 8.1 Members will be obliged to pay an annual contribution, as determined from time to time by the General Meeting of Members.
- 8.2 The General Meeting of Members may also determine that on admission to membership, the new Member must pay an entrance fee, provided such entrance fee is not excessive as a compensation for the benefits the new Member will enjoy as a Member.

## Article 9. Defaults under Membership Obligations

- 9.1 If a Member is in default with the due performance of any of its Membership Obligations, the Board may take such action against such Member as it may deem fit, including but not limited to a suspension or termination of membership and/or legal action (without prejudice to the provisions of Article 9.4).
- 9.2 If a Member is in default with the due performance of any of its Membership Obligations in a way that adversely affects the interests of another Member, such other Member may submit the matter to the Board in the form of a written request. The Board shall then decide either by taking a decision on the substance or on the further procedure to be followed. The decision of the Board shall be binding on all Members concerned, to the extent permitted by law. The Board shall make its decisions as quickly as possible. The Members in question shall be notified of the Board's decision and the grounds thereof in writing.
- 9.3 Members shall not hold each other or the Association liable – in any form whatsoever – for any and all claims, losses, damages or liabilities (direct or indirect) of a Member arising out of or relating to any default under any Membership Obligation, except in case of fraud or gross negligence (*'opzet of bewuste roekeloosheid'*).
- 9.4 The Association shall not hold a Member liable – in any form whatsoever – for any and all claims, losses, damages or liabilities (direct or indirect) of the Association arising out of or relating to any default under any Membership Obligation, except in case of fraud or gross negligence (*'opzet of bewuste roekeloosheid'*).

## CHAPTER 4. THE BOARD

### Article 10. Board Members

- 10.1 The Board consists of at least five (5) Board members or such higher number as the General Meeting of Members may determine from time to time. If any one or more seats on the Board are vacant, the Board shall still be lawfully constituted as long as at least two (2) Board members are still in office.
- 10.2 Board members are appointed by the General Meeting of Members. Only individuals shall be eligible for appointment as Board member. They are appointed *intuitu personae*.

- 10.3 Board members are appointed for a maximum period of two years, without prejudice to the possibility of re-appointment. The period between two consecutive annual General Meetings of Members is deemed to constitute one year for the purpose hereof. The Board shall draw up a rotation plan and is authorised to amend the same. An amendment of the rotation plan cannot result in a Board member retiring against his own wishes before the end of the period for which he was appointed has elapsed.
- 10.4 A Board member may be suspended or removed by the General Meeting of Members at any time. Any suspension may be extended one or more times, but may not last longer than three months in the aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension shall end.

#### **Article 11. Chairperson, Treasurer and Secretary**

- 11.1 The General Meeting of Members shall appoint the chairperson of the Board. The Board may appoint from among its midst a deputy chairperson, who shall take over the duties and powers of the chairperson in the latter's absence.
- 11.2 The Board shall also appoint from among its midst a treasurer and may also appoint from among its midst a secretary and make arrangements for their substitution in case of absence.

#### **Article 12. Duties; Allocation of Duties**

- 12.1 The Board shall be entrusted with the management of the Association, subject to the provisions of these Articles of Association.
- 12.2 The duties of the Board shall include, without limitation:
- (a) determining strategic directions and data collection prioritizations;
  - (b) monitoring that the data agent to be engaged for the collection and aggregation of the Credit Data of each Data Pool will treat Credit Data with the necessary safeguards agreed by the Association;
  - (c) promoting relationships with (associations of) credit institutions and other key associations;
  - (d) promoting the involvement of additional banks and credit institutions in the Association;
  - (e) engaging, and supervising the performance of, the service providers in furtherance of the objects of the Association, including but not limited to the data agent to be engaged for the collection and aggregation of the Credit Data of each Data Pool;
  - (f) publishing aggregated data and related analyses, in accordance with Article 15.1(b) and the Data Pool Regulations; and
  - (g) preparing an annual budget and submitting the same to the General Meeting of Members for approval.
- 12.3 The Board is not authorised to conclude agreements to acquire, alienate or encumber registered property, to conclude agreements whereby the Association binds itself as surety or joint and several

co-debtor, makes an effort on behalf of a third party or binds itself for the security of a debt of a third party and to represent the Association in such transactions.

12.4 The Board shall be entitled to assign, under its responsibility, certain parts of its duties to committees appointed by it, whether or not from among Board members.

12.5 The Board may establish rules regarding its working methods, in addition to the relevant provisions of these Articles of Association.

### **Article 13. Meetings and Resolutions of the Board**

13.1 Board meetings are held whenever the chairperson of the Board or any two other Board members deem such necessary, but at least quarterly. Board meetings may be held by means of a telephone or video conference.

13.2 The secretary of the Board or another person appointed by the Board members present at the meeting shall take minutes of the proceedings at the meeting. The minutes shall be adopted by the Board, at the same meeting or at the next. Evidencing the adoption, the minutes shall be signed by the chairperson and the secretary of the meeting in which they are adopted.

13.3 Resolutions of the Board are adopted with a majority of votes in a meeting in which at least the majority of the Board members in office and entitled to vote are present or represented. Each Board member is entitled to one vote.

13.4 A Board member is not entitled to vote on a proposed resolution of the Board, if such Board member has an interest that conflicts with the interests of the Association, except if all other Board members voting accept the vote of the Board member in question.

13.5 The Board may adopt resolutions in writing outside a meeting, provided all Board members have been given the opportunity to participate in the resolution-making concerned and none of the Board has objected against the adoption of a resolution outside a meeting.

### **Article 14. Representation; Conflicts of Interest**

14.1 The Association shall be represented by the Board. Two Board members acting jointly shall also be authorized to represent the Association.

14.2 The Board may appoint officers with general or limited power to represent the Association. Each officer shall be competent to represent the Association, subject to the restrictions imposed on him. The Board shall determine each officer's title. The authority of an officer thus appointed may not extend to any transaction where the Association has a conflict of interest with the officer concerned or with one or more Board members.

14.3 In the event of a conflict of interest between the Association and a Board member, the Board member concerned shall not participate in representing the Association. If there can be any doubt

as to whether a Board member is conflicted, he or she shall not act except with the prior approval of the General Meeting of Members.

- 14.4 If not at least two Board members who are not conflicted are available to represent the Association, the Association will be represented in the case at hand by one or more persons appointed by the General Meeting of Members, which may include Board members who are conflicted.

#### **Article 15. Approval of Management Board Resolutions**

15.1 Without prejudice to any other applicable provisions of these Articles of Association, the Board shall require the prior approval of the General Meeting of Members for resolutions relating to:

- (a) entering into asset purchase and service contracts and making investments, exceeding an amount or a value of thirty thousand euro (EUR 30,000). For the purpose of calculating this threshold, a combination of related transactions shall be regarded as one single transaction;
- (b) any decision of the Board which is of strategic importance to the Association. Such decisions include, but are not limited to, decisions to publish Credit Data, to sublicense Credit Data, to enter into an agreement with a data agent, and/or to amend an agreement with a data agent;
- (c) hiring, letting or in another manner acquiring or giving the use or benefit of registered property;
- (d) entering into settlement agreements; and
- (e) being a party to legal proceedings, including the conducting of arbitration proceedings.

15.2 The General Meeting of Members may also submit to its prior approval resolutions of the Board other than those mentioned in Article 15.1. These resolutions must be described clearly and notified to the Board in writing.

15.3 The absence of approval by the General Meeting of Members of a resolution as referred to in Articles 15.1 and 15.2 shall not invalidate the acts of the Board or Board members binding the Association in accordance with Article 14.1.

#### **Article 16. Indemnity and Insurance**

16.1 The following shall be reimbursed to current and former Board members, to the extent permissible under Dutch law:

- (a) reasonable costs of conducting a defense against claims (also including claims by the Association) based on acts or failures to act in the exercise of their duties or any duties currently or previously performed by them at the Association's request;
- (b) any damages payable by them as a result of an act or failure to act as referred to under (a); and
- (c) reasonable costs of appearing in other legal proceedings in which they are involved as current or former Board members, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf.

- 16.2 Former and current Board members shall, however, not be entitled to a reimbursement under Article 16.1, if and to the extent that:
- (a) a Dutch court has established in a final and conclusive decision that the act of failure of the person concerned may be characterized as willful (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*) conduct; or
  - (b) the costs of the financial loss of the person concerned are covered by an insurance and the insurer has paid out the costs or the financial loss.

If and to the extent that it has been established by a Dutch court in a final and conclusive decision that the person concerned is not entitled to reimbursement as referred to above, he shall immediately repay the amount reimbursed by the Association. The Association must take out liability insurance for the benefit of the persons concerned. The Board may by agreement or otherwise give further implementation to the above.

## CHAPTER 5. METHODOLOGY COMMITTEE AND DATA POOLS

### Article 17. Duties of the Methodology Committee

- 17.1 The Association shall have a committee (the **Methodology Committee**) charged with all methodological matters in relation to the Data Pools (such as data definitions, data processing procedures, analysis and research).
- 17.2 The Methodology Committee will be charged with the following tasks, all without prejudice to its duties as described in the Data Pool Regulations:
- (a) communication with the Board on behalf of the Members participating in a certain Data Pool;
  - (b) formulating detailed and specific provisions and requirements from the Members with respect to the pooling of Credit Data in the relevant Data Pool and for the relevant market;
  - (c) reviewing on an ongoing basis the quality and comprehensiveness of the data contributions of each Member to the Data Pool that such Member has committed to contribute;
  - (d) maintaining updated lists of Members participating in each Data Pool, and within such Data Pool, updated lists of contributing Members to each type of data, as well as reporting systematically and immediately any changes in such lists to the corresponding Members of a certain Data Pool and the Board;
  - (e) developing proposals for "best practice" approaches to key methodology issues in relation to the relevant Data Pool; and
  - (f) reviewing and reporting back to the General Meeting of Members on the various options and vendors that may support data normalization for the relevant asset class as specified by the Methodology Committee.
- 17.3 The provisions of Article 13 (Meetings and Resolutions of the Board) shall apply to the Methodology Committee by analogy.

## Article 18. Composition of the Methodology Committee

- 18.1 The members of the Methodology Committee are appointed, and can be removed at all times, by the Board. The Board will give the Members the opportunity to propose their representatives as candidate for the Methodology Committee.
- 18.2 The Methodology Committee consists of a chairman and a number of other members to be determined by the Board, with a minimum of four (4).
- 18.3 A member of the Methodology Committee is appointed for a period of two years. Retiring Members of the Methodology Committee shall be eligible for reappointment immediately.
- 18.4 The chairperson of the Methodology Committee must be a Board member and is designated as such by the Board. The Methodology Committee shall appoint a secretary in consultation with the Board.
- 18.5 The provisions of Article 16 shall apply *mutatis mutandis* to former and current members of the Methodology Committee.

## Article 19. Data Pools

- 19.1 The Board, on a proposal from the Methodology Committee, will determine and select classes of credit exposures, or claims with common characteristics, as defined by the International Convergence of Capital Measurement and Capital Standards (or otherwise) the Credit Data of which are to be collected and aggregated by or on behalf of the Association (**Data Pools**).
- 19.2 A Member participating in a Data Pool must contribute Credit Data to it and will be entitled to receive the results of the statistical analysis of all similar Credit Data contributed by Members to such Data Pool, all as provided in more detail in regulations pertaining to the Data Pools as established or amended by the Board, with the approval of the General Meeting of Members, from time to time (the **Data Pool Regulations**). Articles 33.2 and 33.3 shall apply to an amendment of the Data Pool Regulations by analogy.
- 19.3 The Data Pool Regulations shall inter alia contain provisions concerning the intellectual property of the Data Pools (and information and know how connected therewith), the Credit Data contributed to the Data Pools and the storage of information, which shall be binding on all Members.
- 19.4 Application for participation in a Data Pool is effected by submission to the Board of a completed and executed application form, which can be obtained from the Association. Article 5 (Application for Membership and Admission) shall apply by analogy, provided that a Member shall under no circumstances be admitted to a Data Pool, unless the Methodology Committee, in its sole discretion, has determined that the Credit Data proposed to be submitted by the Member concerned meet the requirements of the Data Pool Regulations. For this purpose, the Board shall submit each request for participation in a Data Pool to the Methodology Committee for advice.

19.5 Article 7 (Termination of Membership) shall apply to the termination of a Member's participation in a Data Pool by analogy.

## **CHAPTER 6. FINANCIAL YEAR, ANNUAL ACCOUNTS AND ADMINISTRATION**

### **Article 20. Financial Year, Annual Report and Annual Accounts**

- 20.1 The Association's financial year shall be the calendar year.
- 20.2 Annually, not later than six months after the end of the financial year, save where this period is extended by the General Meeting of Members, the Board shall submit an annual report on the course of the business of the Association and on the policy conducted and make it available at the Association's office for inspection by the Members.
- 20.3 Within the same period, the Board shall also deposit annual accounts for inspection by the Members.
- 20.4 The annual accounts shall consist of a balance sheet, a profit and loss account and explanatory notes.
- 20.5 The annual accounts shall be signed by the Board members. If the signature of one or more of them is missing, this shall be stated and reasons for this omission shall be given.
- 20.6 The General Meeting of Members will appoint an accountant to audit the annual accounts. The accountant, if so appointed, shall report on his audit to the Board. The accountant shall set out the results of his audit in a certificate as to whether the annual accounts give a true and fair view. The accountant's certificate will be made available to the Members in accordance with Article 20.7.
- 20.7 The Association shall ensure that the annual accounts and the annual report are kept at its office as from the day on which notice of the annual General Meeting of Members is given. Members may inspect the documents at that place and obtain a copy free of charge.

### **Article 21. Adoption of the Annual Accounts and Release from Liability**

- 21.1 The annual accounts shall be submitted for adoption to the General Meeting of Members.
- 21.2 After adoption of the annual accounts, the General Meeting of Members shall pass a resolution concerning release of the Board members from liability for the exercise of their duties, insofar as the exercise of such duties is reflected in the annual accounts or otherwise disclosed to the General Meeting of Members prior to the adoption of the annual accounts. The scope of a release from liability shall be subject to limitations by virtue of the law.

### **Article 22. Administration**

- 22.1 The Board shall keep records pertaining to the financial position and the activities of the Association, in conformity with the requirements ensuing from the activities of the Association. The Board shall keep these records, as well as the books, documents and other data carriers

belonging thereto, in such a way that the Associations rights and obligations can be ascertained therefrom at all times.

- 22.2 The Board is obliged to keep the annual accounts put on paper, the books, documents and other data carriers referred to in Article 22.1 for seven years, without prejudice to the provisions of Article 22.3.
- 22.3 Data recorded on data carriers, with the exception of the balance sheet and the statement of income and expenditure put on paper, may be transferred to other data carriers and kept, provided the transfer takes place with a true and complete representation of the data and such information is available throughout the entire time it is required to be kept and can be made readable in reasonable time.

## **CHAPTER 7. THE GENERAL MEETING OF MEMBERS**

### **Article 23. Powers**

All powers in the Association that are not vested in the Board or the Methodology Committee, by law or pursuant to these Articles of Association, shall accrue to the General Meeting of Members.

### **Article 24. Annual General Meeting of Members**

- 24.1 The annual General Meeting of Members shall be held within six months after the end of the financial year.
- 24.2 The agenda for this annual General Meeting of Members shall at least contain the following matters of business to be discussed:
- (a) discussion of the annual report;
  - (b) discussion and adoption of the annual accounts;
  - (c) release from liability of Board members;
  - (d) approval of the annual budget;
  - (e) business presented for discussion by the Board or Members representing in the aggregate at least one-tenth of the total number of votes that may be cast in a General Meeting of Members, and announced with due observance of the provisions of Article 26.

### **Article 25. Other General Meetings of Members**

- 25.1 Other General Meetings of Members shall be held as often as the Board deems such necessary.
- 25.2 Members representing in the aggregate at least one-tenth of the total number of votes that may be cast in a General Meeting of Members may request the Board to convene a General Meeting of Members, stating specifically the business to be discussed. If the Board has not given proper notice of a General Meeting of Members within four weeks following receipt of such request such that the

meeting can be held within six weeks after receipt of the request, the applicants shall be authorised to convene a meeting themselves.

#### **Article 26. Notice, Agenda and Venue of Meetings**

- 26.1 Notice of General Meetings of Members shall be given by the Board or at least two Board members together, without prejudice to the provisions of Article 25.2.
- 26.2 Notice of the meeting shall be given no later than on the thirtieth day prior to the day of the meeting.
- 26.3 The notice convening the meeting shall specify the business to be discussed. Other business not specified in such notice may be announced at a later date, provided such further announcement is made no later than on the twentieth day prior to the day of the meeting referred to in Article 26.2.
- 26.4 The notice of the meeting shall be sent to the addresses and e-mail addresses of the Members shown in the register of Members.
- 26.5 General Meetings of Members are held in or outside of the Netherlands. The venue shall be stated in the notice of the meeting.

#### **Article 27. Admittance and Rights at Meetings**

- 27.1 Each Member and each Board member shall be entitled to attend the General Meetings of Members. Members may be represented in a meeting by a maximum of three (3) persons. Suspended Members and their representatives and suspended Board members shall not be admitted, except to defend their case if the meeting is to consider termination of their membership of the Association or the Board, as applicable.
- 27.2 All representatives of Members entitled to attend a General Meeting of Members in accordance with Article 27.1 may address the meeting, but only one representative of each Member may vote. Such representative must present written evidence of his power to represent the Member concerned.
- 27.3 At a meeting, each person present with voting rights must sign the attendance list. The chairperson of the meeting may decide that the attendance list must also be signed by other persons present at the meeting.
- 27.4 The Board members present at the meeting shall decide on the admittance of other persons to the meeting.

#### **Article 28. Chairperson and Secretary of the Meeting**

- 28.1 The General Meetings of Members shall be presided over by the chairperson of the Board or by his deputy. In their absence, the Board members present at the meeting shall appoint a chairperson for the meeting from among their midst. The Board may appoint yet another person to act as chairperson of the meeting.

- 28.2 If the chairmanship of a meeting is not provided in accordance with Article 28.1, the chairperson of the meeting shall be appointed by a majority of the votes cast by the persons with voting rights present at the meeting.
- 28.3 The secretary of the Association shall act as secretary for the meeting. In consultation with the secretary or in his absence, the chairperson of the meeting can designate another secretary for the meeting.

**Article 29. Minutes; Recording of Resolutions of the Members**

- 29.1 The secretary of a General Meeting of Members shall keep minutes of the proceedings at the meeting. The minutes shall be adopted by the meeting or by the following General Meeting of Members and as evidence thereof shall be signed by the chairperson and the secretary of that meeting.
- 29.2 The chairperson of the meeting or those who convened the meeting may determine that a notarial report must be prepared of the proceedings at the meeting. The notarial report shall be co signed by the chairperson of the meeting.
- 29.3 The Board shall keep record of all resolutions adopted by the General Meeting of Members. If the Board is not represented at a meeting, the chairperson of the meeting shall ensure that the Board is provided with a transcript of the resolutions adopted as soon as possible after the General Meeting of Members. The records shall be deposited at the Association's office for inspection by the Members.
- 29.4 A resolution of the General Meeting of Members can be evidenced by means of a written statement to that effect from the chairperson or secretary of the Board.

**Article 30. Adoption of Resolutions in a Meeting**

- 30.1 Each Member who is not suspended shall have the right to cast one vote.
- 30.2 To the extent that the law or these Articles of Association do not provide otherwise, all resolutions of the General Meeting of Members shall be adopted by a simple majority of the votes cast in a meeting in which at least half of the Members are present or represented. Should less than half of the Members be present or represented, then a second meeting shall be convened, to be held within four weeks after the first one, in which a resolution on the proposal as discussed in the preceding meeting can be adopted irrespective of the number of Members present or represented, provided that it is adopted by a simple majority of the votes cast.
- 30.3 If there is a tie in voting, the proposal shall be deemed to have been rejected, without prejudice to the provisions of Article 31.3.

- 30.4 If the formalities for convening and holding of General Meetings of Members, as prescribed by law or these Articles of Association, have not been complied with, valid resolutions of the General Meeting of Members may only be adopted in a meeting, if in such meeting all Members entitled to vote are present or represented and such resolution is carried by unanimous vote.
- 30.5 When determining how many votes are cast by Members, how many Members are present or represented, no account shall be taken of Members who are not entitled to vote pursuant to the law or these Articles of Association.

### **Article 31. Voting**

- 31.1 All voting shall take place orally. The chairperson is, however, entitled to decide that votes be cast by a secret ballot. If it concerns the holding of a vote on persons, anyone present at the meeting with voting rights may demand a vote by a secret ballot. Votes by secret ballot shall be cast by means of secret, unsigned ballot papers.
- 31.2 Blank and invalid votes shall not be counted as votes.
- 31.3 If a majority of the votes cast is not obtained in an election of persons, a second free vote shall be taken. If a majority is not obtained again, further votes shall be taken until either one person obtains a majority of the votes cast or the election is between two persons only, both of whom receive an equal number of votes. In the event of such further elections (not including the second free vote), each election shall be between the candidates in the preceding election, with the exclusion of the person who received the smallest number of votes in such preceding election. If in the preceding election more than one person has received the smallest number of votes, it shall be decided which candidate should not participate in the new election by randomly choosing a name. If votes are equal in an election between two persons, it shall be decided who is elected by randomly choosing a name.
- 31.4 Resolutions may be adopted by acclamation if none of the persons with voting rights present at the meeting objects.
- 31.5 The chairperson's decision at the meeting on the result of a vote shall be final and conclusive. The same shall apply to the contents of an adopted resolution if a vote is taken on an unwritten proposal. However, if the correctness of such decision is challenged immediately after it is pronounced, a new vote shall be taken if either the majority of the persons with voting rights present at the meeting or, where the original vote was not taken by roll call or in writing, any person with voting rights present at the meeting, so demands. The legal consequences of the original vote shall be made null and void by the new vote.

### **Article 32. Adoption of Resolutions without holding Meetings**

- 32.1 A unanimous written resolution of all Members entitled to vote, even if not present at a meeting, shall have the same force as a resolution of the General Meeting of Members, provided it was passed with advance knowledge of the Board.

32.2 The Board shall keep record of the resolutions adopted and it shall add such records to those referred to in Article 29.3.

**Article 32a. Electronic voting and participation to meetings.**

32a.1 A Member may exercise its right to vote during a meeting by means of an electronic means of communication, provided that such means of communication allows it:

- a. to be identified;
- b. to take direct cognizance of the proceedings at the meeting; and
- c. to exercise its right to vote.

32a.2 Votes cast prior to the General Meeting of Members by an electronic means of communication shall be as valid as those cast at said meeting, provided they were not cast before the thirtieth day prior to the day of said meeting.

32a.3 The Board is entitled to set conditions for the use of electronic means of communication. If such conditions are set, these shall be announced in the convening notice.

**CHAPTER 8. AMENDMENT OF THE ARTICLES OF ASSOCIATION; DISSOLUTION AND LIQUIDATION**

**Article 33. Amendment of the Articles of Association**

33.1 These Articles of Association may be amended only by a resolution of the General Meeting of Members, which has been convened with notification that an amendment of these Articles of Association will be proposed in that meeting.

33.2 Those who have convened the General Meeting of Members to discuss a motion to amend these Articles of Association shall, at least twenty days prior to the day of the meeting, deposit a copy of such motion containing the verbatim text of the proposed amendment, at a place appropriate for that purpose for inspection by the Members, until the end of the day on which the meeting is held.

33.3 A resolution to amend these Articles of Association shall require at least two-thirds of the votes cast in a meeting in which at least half of the Members are present or represented. Should less than half of the Members be present or represented, then a second meeting shall be convened, to be held within four weeks after the first one, in which a resolution on the proposal as discussed in the preceding meeting can be adopted irrespective of the number of Members present or represented, provided that it is adopted by a majority of not less than two-thirds of the votes cast.

33.4 An amendment of these Articles of Association shall become effective only after a notarial deed has been drawn up for that purpose. Each Board member is authorised to have the deed executed.

#### **Article 34. Dissolution and Liquidation**

- 34.1 The Association may be dissolved pursuant to a resolution to that effect by the General Meeting of Members. The provisions of Articles 33.1, 33.2 and 33.3 shall apply by analogy.
- 34.2 If the Association is dissolved pursuant to a resolution of the General Meeting of Members, the Board members shall become liquidators of the dissolved Association's property. The Board may also resolve to appoint other persons as liquidators.
- 34.3 During liquidation, the provisions of these Articles of Association shall remain in force to the extent possible.
- 34.4 The balance remaining after payment of the debts of the dissolved Association shall be transferred to the organizations who were Members at the time when the resolution to dissolve was adopted. Each of them shall receive an equal share. However, the resolution to dissolve may also specify another designated use for the balance.
- 34.5 After completion of the liquidation, the books and records of the dissolved Association shall remain in the custody of the person or organization to be designated for such purpose by the liquidators, for the period prescribed by law.
- 34.6 The provisions of Title 1, Book 2 of the Dutch Civil Code shall also apply to the liquidation.

#### **CHAPTER 9. APPLICABLE LAW AND JURISDICTION**

##### **Article 35. Applicable law**

These Articles of Association are governed by the laws of The Netherlands.

##### **Article 36. Jurisdiction**

All unresolved disputes directly or indirectly relating to these Articles of Association between any (former) Member and/or any (former) member of any body or committee of the Association and/or the Association itself shall be referred for and finally settled by arbitration in accordance with the rules of the Netherlands Arbitration Institute (*Nederlands Arbitrage Instituut*).