

**Continuous text of the Articles of Association of the Foundation:**

***WETLANDS INTERNATIONAL***

**established in Wageningen, following an amendment to the Articles of Association executed on the twenty-sixth of May two-thousand and eleven by Mr J. Smit, civil-law notary established in Wageningen, in conjunction with a deed of rectification dated 26 October 2011, executed in the presence of civil-law notary Mr J. Smit referred to above**

## ARTICLES OF ASSOCIATION

### Definitions

#### Article 1

- 1.1 In these Articles of Association, 'Book 2' means Book 2 of the Dutch Civil Code.
- 1.2 In these Articles of Association 'Supervisory Council' means the Foundation's Supervisory Council.
- 1.3 Unless the contrary is evident or apparently intended, any reference to a concept or word in the singular includes a reference to the concept or word in the plural and vice versa.
- 1.4 Unless the contrary is evident or apparently intended, any reference to the masculine gender includes a reference to the feminine gender and vice versa.

### Name and registered office

#### Article 2

- 2.1 The name of the Foundation is:  
*Stichting Wetlands International*, hereafter referred to as *the Foundation*.
- 2.2 The Foundation has its registered office in the municipality of Wageningen, the Netherlands.

### Objectives

#### Article 3

- 3.1 The objective of the Foundation is:  
to sustain and restore wetlands, their resources and biodiversity for future generations.
- 3.2 To achieve this objective global goals have been formulated in the global strategy.
- 3.3 It aims to achieve this objective by:
  - i. pursuing the policies developed with regard to the objective referred to in paragraph 1 of article 3 by *Vereniging Wetlands International*, hereafter referred to as *the Association*, with its registered office in Wageningen, the Netherlands;
  - ii. any other activities that may be necessary to achieve the Foundation's objective.
- 3.4 The Foundation is a not-for-profit civil society organisation.

**Assets**

## Article 4

The assets available to achieve the Foundation's objective consist of:

- i. grants, endowments and donations;
- ii. proceeds from inheritances or legacies, on the understanding that inheritances may be accepted only under the benefit of inventory;
- iii. any proceeds otherwise acquired.

**Management Board, Composition, Appointment and Removal**

## Article 5

- 5.1 The Management Board consists of at least two (2) natural persons. One of these is also referred to as the Chief Executive Officer ('CEO').
- 5.2 The Management Board members are appointed, suspended and dismissed by the Supervisory Council.
- 5.3 Between Management Board members no close family or similar relation shall exist.
- 5.4 Management Board members cannot be a member of the Board of Directors, founder, member of the Supervisory Council, shareholder or employee of a legal entity with which the Foundation structurally conducts legal acts which are valuable in money.
- 5.5 Management Board members cannot be a Board of Directors' member, founder, member of the Supervisory Council, shareholder or employee of an entity to which the Foundation directly or indirectly, wholly or partially, yields the funds raised by it.  
An entity as mentioned in this paragraph is equated with a legal person or entity which is, according to its Articles of Association, connected - directly or indirectly - with the Foundation.
- 5.6 A relationship as meant in paragraphs 4 and 5 of this Article is a cause for dismissal. A Management Board member, for whom a relationship as meant in paragraph 4 or 5 of this Article occurs, must inform the Management Board immediately of this. The Management Board informs the Supervisory Council at its next meeting.
- 5.7 What is stated in paragraphs 4, 5 and 6 of Article 5 does not apply if and as long as consolidation, in accordance with the Richtlijn Verslaggeving Fondsenwervende Instellingen, regarding the Foundation and the entity considered takes place.
- 5.8 What is stated in paragraphs 4, 5 and 6 of article 5 does not apply to the Management Board member who has been appointed as a Board of Directors' or Supervisory Council member of the receiving entity by or with the consent of the Foundation's Supervisory Council. To legal acts with the receiving entity, paragraphs 3 and 4 of article 7 regarding conflict of interests apply.
- 5.9 A member of the Management Board is appointed for the term specified in his or her contract of employment with the Foundation.
- 5.10 Vacancies will be filled as soon as practicable. In the event that the Chairman of the Management Board is absent or unable to act, the management will be entrusted to a person appointed for this purpose by the Supervisory Council.

## **Duties and Authorities of the Management Board**

### Article 6

- 6.1 The Management Board will be entrusted with the management of the Foundation.
- 6.2 The Management Board has the authority to perform all legal acts, including in particular those referred to in Article 291, paragraph 2 of Book 2, i.e. to enter into agreements to acquire, dispose of or encumber registered property, to enter into agreements under which the Foundation acts as surety or joint and several co-debtor, warrants performance for a third party or provides security for the debt of a third party. A resolution to perform a legal act referred to in Article 291, paragraph 2, of Book 2, requires prior written approval from the Supervisory Council.
- 6.3 A more detailed description of duties of the Supervisory Council and the Management Board will be laid down in the Supervisory Council's and Management Board's rules and regulations, which the Supervisory Council and the Management Board will draft jointly.

## **Management Board; Representation; Conflicts of Interest**

### Article 7

- 7.1 The Management Board will represent the Foundation, unless the law requires otherwise.
- 7.2 The Management Board may warrant its individual members to represent the Foundation in legal acts with a maximum financial interest of five hundred thousand Euros (EUR 500,000).
- 7.3 The Management Board may decide to grant power of attorney to one or more Management Board members or third parties to represent the Foundation within the scope of that power of attorney, with due observance of the provisions in paragraph 2. In the event of a conflict of interest between one or more members of the Management Board and the Foundation, the Foundation will be represented by two (2) members of the Supervisory Council acting jointly. In the event of a conflict of interests regarding a member of the Management Board or of the Supervisory Council, the member in question is to report this to the Management Board or to the Supervisory Council of which he is a member. Furthermore the member in question is to abstain from deliberations and decision-making in this matter. The presence of the member in question does not count when determining whether the quorum required for decision making is met.  
If a conflict of interests arises between the Foundation and one or more of its Management Board members, the Foundation can only be represented if and so far as the statutes of the Foundation provide for this. The authority to represent the Foundation is not to be granted to those who are parties in the conflict of interests.
- 7.4 A conflict of interests as meant above occurs among other instances if legal acts, which are valuable in money, are performed between the Foundation and i) members of the Management Board and of the Supervisory Council; ii) persons who have a close family or other relation with members of the Management Board and of the Supervisory Council; iii) legal persons of which the members of the Management Board and of the Supervisory Council are board member, supervisor or stockholder.

**Management Board; Working Methods**

## Article 8

- 8.1 Each Management Board member will have one vote at Management Board meetings. The Management Board can only take decisions if more than half of its members take part in the meeting. Unless these Articles of Association require a larger majority, all resolutions of the Management Board will be adopted by a majority of the votes cast. If the votes are equally divided on business matters, the proposal will be rejected.
- 8.2 The Management Board may also adopt resolutions in a manner other than at a meeting, provided that all members of the Management Board are granted the opportunity to cast their vote and none of them objects to that method of decision-making. Voting outside a meeting is allowed by all modern means of communication. In that case, a resolution will be adopted if a majority or any larger majority of the Management Board members required have declared themselves in favour of the proposal.  
An announcement of any resolution adopted outside a meeting will be made at the next meeting, and will be mentioned in the minutes of the meeting.
- 8.3 Each Management Board member is equally entitled to convene a meeting of the Management Board.
- 8.4 Notice of Management Board meetings will be given by the CEO, or by an official of the office acting on his or her behalf, and will be in writing with due observance of at least seven days and stating the items to be discussed. In urgent cases, the notice term may be reduced at the CEO's discretion to at least 24 hours. Management Board meetings are held within the Netherlands, preferably in Wageningen, at a place to be determined by the person who convened the meeting or on whose behalf it was convened.  
Upon breach of the provisions set out in this paragraph above, the Management Board can nonetheless adopt valid resolutions, provided that the members who are absent from the meeting declared before the time of the meeting that they are not against this manner of decision-making.
- 8.5 A Management Board member cannot be represented by another Management Board member at meetings.
- 8.6 The CEO will chair the meetings of the Management Board. In his or her absence, the meeting will provide for its own chair.
- 8.7 The Management Board will meet at least four (4) times a year.
- 8.8 The Chairman of the meeting will determine the method of voting at meetings.
- 8.9 Minutes will be kept of the business transacted at Management Board meetings. The minutes will be adopted at the same or at the next meeting and in evidence thereof be signed by the Chairman of the meeting.

**Supervisory Council**

## Article 9

- 9.1 The Supervisory Council is in charge of the overall supervision on the policies of the Management Board and the general course of affairs within the Foundation. Its supervision particularly concerns the achievement of the Foundation's objective and the continuity of the Management Board and the Foundation's activities.
- 9.2 The Supervisory Council consists of a minimum of five (5) and a maximum of fourteen (14) natural persons who are also members of the Board of the Association. An incomplete Supervisory Council will keep its powers and must provide for any vacancies

as soon as practicable. The Supervisory Council will appoint its own members. The appointment of a member of the Supervisory Council will be effected to the extent possible with due regard for the balance in the Supervisory Council's composition, its diversity and expertise and the profiles described in the rules and regulations.

- 9.3 No close family relations or similar relations shall exist within the Supervisory Council and between members of the Supervisory Council and members of the Management Board.
- 9.4 Members of the Supervisory Council shall not receive, directly or indirectly, any payment. A fair compensation for costs incurred and for activities executed will be reimbursed on request and are not considered as payment. These compensations have to be reported and elucidated in the annual report.
- 9.5 The Supervisory Council will elect a Chairman from its midst. He sets the agenda and chairs the meetings of the Supervisory Council. He also acts as delegated supervisor. As delegated supervisor he has the task to:
- a. monitor the execution by the Board of the decisions of the Supervisory Council;
  - b. advise the Management Board;
  - c. report to the Supervisory Council in case of unforeseen problems.
- To give effect to this task the delegated supervisor shall have regular contact with the Management Board.
- 9.6 The members of the Supervisory Council are appointed for a term of three (3) years. They can be reappointed maximum two (2) times.
- 9.7 The Supervisory Council will draw up a resignation schedule taking into account not only a member's date of appointment, but also the importance of continuity in the Supervisory Council's composition.
- 9.8 Membership of the Supervisory Council ends:
- a. upon a member's death;
  - b. upon placement under legal guardianship;
  - c. upon voluntary resignation;
  - d. upon discharge granted by the Supervisory Council;
  - e. upon acceptance of an appointment as member of the Management Board;
  - f. in the case of an administration order for all or part of the assets of a member of the Supervisory Council;
  - g. upon periodic resignation; or
  - h. upon termination of the membership on the Board of Vereniging Wetlands International.
- 9.9 In addition to the duties and authorities that may be entrusted to or conferred on the Supervisory Council in or under other provisions of these Articles of Association, the Supervisory Council will have the following duties and authorities:
- a. to appoint, suspend and remove members of the Supervisory Council from office;
  - b. to designate a chartered accountant to audit the annual accounts;
  - c. to render an account in their own annual report;
  - d. to grant prior written approval for a proposed resolution of the Management Board concerning the appointment of persons earning a salary or other remuneration of which the gross amount— including employer's contributions and all perquisites—exceed the sum determined by the Supervisory Council and communicated to the Management Board,
  - e. to grant prior written approval for a proposed resolution of the Management

- Board for a long-term direct or indirect collaboration with other legal entities, such as joint ventures and direct or indirect participation in any other legal entity (including the collaboration with foreign organisations whether or not having legal identity), as well as the termination of such collaboration if that collaboration or the termination thereof is of major significance;
- f. to grant prior written approval for a proposed resolution of the Management Board that leads to a major change within the organisation;
  - g. to grant prior written approval for a proposed resolution of the Management Board to terminate the employment of a significant number of employees at the same time or within a limited span of time;
  - h. to grant prior written approval for a proposed resolution of the Management Board that involves a major change in the employment conditions of a significant number of employees;
  - i. to grant prior written approval for a proposed resolution of the Management Board to apply for bankruptcy or a suspension of payments;
  - j. to grant prior written approval for a proposed resolution of the Management Board to acquire, dispose of, encumber, rent, rent out and otherwise grant the use or enjoyment of registered property;
  - k. to grant prior written approval for a proposed resolution of the Management Board to lend and borrow funds, except for withdrawals under a loan granted to the Foundation with the Supervisory Council's approval;
  - l. to grant prior written approval for a proposed resolution of the Management Board to grant, amend or withdraw any power of attorney;
  - m. to grant prior written approval for a proposed resolution of the Management Board to enter into agreements under which the Foundation is granted a loan;
  - n. to grant prior written approval for a proposed resolution of the Management Board to act in court, including in arbitration proceedings, but except for collection proceedings or the adoption of pre-judgment legal measures and/or measures that brook no delay;
  - o. to grant prior written approval for entering into a legal merger or division; to grant prior written approval for incurring considerable expenses that are not or not fully accounted for in the budget and that exceed an amount to be determined annually by the Supervisory Council;
  - p. to grant prior written approval to change the Foundation's bank connections;
  - q. to grant prior written approval for all other management decisions that are clearly defined and communicated to the Management Board in respect of which the Supervisory Council has decided that they are subject to the approval of the Supervisory Council.
- 9.10 Members of the Supervisory Council cannot be members of the Management Board. Furthermore members of the Supervisory Council are not allowed to be Board Member, founder, shareholder, supervisor or employee:
- of an entity to which the Foundation directly or indirectly, wholly or partly yields the funds raised by it;
  - of an entity with which the Foundation structurally conducts legal acts which are valuable in money.
- A legal entity as mentioned in this subsection is equated with a legal person or entity which is – directly or indirectly – connected to the Foundation according to

its articles of association. The above does not apply with respect to an entity, or an entity - directly or indirectly - connected to it, to which the Foundation yields funds (receiving entity) in accordance with the objective stated in its articles of association on the understanding that influence of a receiving entity on the appointment and nomination for appointment of members of the Supervisory Council is allowed to a limit of one third of the number of members of the Supervisory Council of the Foundation. In addition to this no more than one third of the Supervisory Council of the Foundation consists of members belonging to a receiving entity.

- 9.11 What is stated in paragraph 10 of article 9 does not apply if and so far as consolidation, regarding the Foundation and the entity meant above, as meant in article 650.108 of the 'Richtlijn Verslaggeving Fondsenwervende Instellingen' (guideline on reporting of fundraising institutions), takes place.
- 9.12 There may not be any employment relationship between the individual members of the Supervisory Council on the one hand and the members of the Management Board and other employees affiliated with the Foundation on the other. A member of the Supervisory Council cannot be an employee of the Foundation.
- 9.13 The Management Board must provide the Supervisory Council in a timely manner with all information regarding the Foundation's affairs that is necessary for the performance of its duties and authorities.
- 9.14 In performing its duties, the Supervisory Council may seek the assistance of one or more experts at the expense of the Foundation.
- 9.15 If an incompatibility as meant in this Article occurs, the Supervisory Council member in case immediately notifies the Supervisory Council.

## **President**

### Article 10

The Supervisory Council may appoint a President in an advisory and ambassadorial role.

## **Supervisory Council; Proceedings**

### Article 11

- 11.1 Meetings of the Supervisory Council will be held at least once a year among its own members. At meetings of the Supervisory Council decisions can only be taken if more than half of the members of the Council are present. Each member has the right to cast one vote. Unless these Articles of Association require a larger majority, all resolutions of the Supervisory Council will be adopted by an absolute majority of the votes cast. If a member of the Supervisory Council has a conflict of interest with respect to a proposed resolution, that member will not be entitled to vote.
- 11.2 The Supervisory Council may also adopt resolutions outside a meeting, provided that all members of the Supervisory Council are granted the opportunity to cast their vote and none of them objects to this manner of decision-making. In that case, a resolution will have been adopted if a majority of members have declared themselves in favour of the proposal.
- 11.3 An announcement of any resolution adopted outside the meeting will be made at the next meeting, and will be stated in the minutes of that meeting.
- 11.4 With respect to meetings of the Supervisory Council, the manner of giving notice of those meetings and of decision-making as well as the organisation of meetings will be governed *mutatis mutandis* by Article 8 of the Articles of Association, on the understanding that:

- a. any reference to the 'Management Board' should be read as 'Supervisory Council';
  - b. notice of meetings of the Supervisory Council will be given by the Chairman of the Supervisory Council.
- 11.5 In addition, the provisions of this Article are subject to the following:
- a. the members of the Management Board will only have access to meetings of the Supervisory Council if they are invited thereto; and
  - b. a resolution to appoint, suspend, maintain or lift the suspension of or to remove a member of the Supervisory Council from office can be adopted only by a unanimous vote at a meeting that is attended by all acting Supervisory Council members, being all unsuspending members or members not proposed for suspension.

### **Joint Supervisory Council and Management Board Meetings**

#### Article 12

- 12.1 The Supervisory Council and the Management Board will hold a joint meeting at least one (1) time a year.
- 12.2 The Chairman of the Supervisory Council will act as Chairman of the joint meeting.
- 12.3 With respect to joint meetings of the Supervisory Council and the Management Board, the convening method, the decision-making process and the proceedings at meetings will be described in more detail in rules and regulations. These rules and regulations will be established in the manner described in article 16 of these Articles of Association.
- 12.4 In the joint meeting, the Management Board and the Supervisory Council shall each have one (1) vote. Decisions are taken by consensus of these two bodies.

### **Reporting and planning**

#### Article 13

- 13.1 The financial year of the Foundation is the calendar year.
- 13.2 The Management Board closes the Foundation's accounts on the last day of the financial year and prepares an Annual Report including a balance sheet and a statement of revenue and expenditure for the past financial year as soon as practicable, but not later than five months after the financial year has ended. Remuneration of the members of the Management Board is reported and explained in the Annual Report. The Management Board will forward those records to all members of the Supervisory Council within the term referred to in the previous paragraph. The Management Board and the Supervisory Council will adopt those records at a joint meeting to be held within six months after the financial year has ended, and the Chairman, one other member of the Supervisory Council and the Chairman of the Management Board will sign them in evidence thereof. When the Supervisory Council does not convene within six months after the financial year has ended, the Chairman and one other member of the Supervisory Council may jointly adopt these records, provided that the members of the Supervisory Council have had the opportunity to review the records during two weeks and did not express objections.
- 13.3 Before adopting the balance sheet and the statement of income and expenditure, the Management Board will have these records audited by an external (chartered) accountant to be designated by the Supervisory Council. The (chartered) accountant will report its findings to the Management Board and to the Supervisory Council and issue an audit certificate.

- 13.4 Within three months of the end of the current financial year, the Management Board will draw up a budget and action plan for the following financial year. Before being adopted, the budget and action plan must be approved by the Supervisory Council not later than one month before the end of the current financial year.
- 13.5 In addition, the Management Board will draw up a multi-year strategic plan and a financial estimate for a period of three (3) years. Before being adopted by the Management Board, this multi-year strategic plan and financial estimate must be approved in writing by the Supervisory Council.

### **Amendment to the Articles of Association**

#### Article 14

- 14.1 The Management Board is authorised to amend the Articles of Association.
- 14.2 A resolution of the Management Board to amend the Articles of Association requires a majority of at least three-fourths of the votes cast at a meeting of the entire Management Board. If the entire Management Board is not present at a meeting to amend the Articles of Association, a new meeting will be convened, to be held not before two and not later than four weeks after the meeting concerned, at which the resolution may be adopted by a majority of at least two-thirds of the votes cast, regardless of the number of members present.
- 14.3 The notice convening the meeting at which a proposal to amend the Articles of Association will be put forward must always state so. In addition, a copy of the proposal, stating the proposed amendment verbatim will be attached to the notice. In this case, the notice term will be at least two weeks. The provisions of Article 8, paragraph 4, third sentence will apply *mutatis mutandis*.
- 14.4 A resolution to amend the Articles of Association requires prior written approval from the Supervisory Council. A resolution to be approved by the Supervisory Council requires a majority of at least three-fourths of the votes cast.
- 14.5 An amendment to the Articles of Association does not take effect until it has been recorded in a notarial deed. Each member of the Management Board is entitled to have that deed executed.
- 14.6 The Management Board is obliged to file an authentic copy of the amendment and of the full continuous text of the amended Articles of Association with the office of the Chamber of Commerce in which the trade register is kept.

### **Dissolution and liquidation**

#### Article 15

- 15.1 The Management Board has the authority to dissolve the Foundation.
- 15.2 The Management Board's resolution to dissolve the Foundation is governed *mutatis mutandis* by paragraphs 2, 3 and 4 of the previous article.
- 15.3 The Management Board will be entrusted with the liquidation, unless one or more other liquidators are appointed in the resolution to dissolve the Foundation.
- 15.4 The liquidators will ensure that the dissolution is registered in the register referred to in paragraph 6 of article 14.
- 15.5 In adopting the resolution for dissolution, the Foundation will appropriate any positive liquidation balance, on the understanding that a positive liquidation balance will be applied in accordance with the Foundation's objectives, or is to be transferred to another institution which is recognized by the Inspector of Registration Duty and Inheritance Tax as an institution for the common good. In the event of a legal

merger or split-up of the Foundation the funds the Foundation gives in the merger or split-up as well as the profits emanating from them, can only be spent in deviation of the regulations applicable before the merger or split-up with permission from the court.

- 15.6 After the dissolution, the Foundation will continue to exist to the extent needed to liquidate its assets. During the liquidation, the provisions of these Articles of Association will remain in force to the extent possible. The words 'in liquidation' will be added after the name of the Foundation in all documents and announcement that it may issue.
- 15.7 Upon completion of the liquidation, the accounts, records and other data carriers of the dissolved Foundation will remain in the custody of the person whom the liquidators have designated for that purpose for the term set by law. That person will report his appointment to the register referred to in paragraph 6 of article 14.

## **Regulations**

Article 16.

- 16.1 The Supervisory Council has the authority to adopt one or more set(s) of regulations upon a proposal for that purpose from the Management Board or the Supervisory Council.
- 16.2 The Supervisory Council will adopt at least one set of Supervisory Council and Management Board rules and regulations to determine, among other things, the relationship between the Supervisory Council and the Management Board, the relationship and the description of duties of the Management Board members, and which further includes the profile of all members of the Supervisory Council.

-0-0-0-0-0