

TITLE I. NAME – REGISTERED OFFICE – DURATION

Article 1. Name.

The private foundation bears the name: BRUGGE FOUNDATION.

All deeds, invoices, announcements, notifications and other documents issued by the private foundation state the name of the foundation preceded or followed by the words “private stichting” and the address of the registered office of the private foundation.

Article 2. Registered office.

The registered office is located at Oude Burg 16/0302, 8000 Bruges, Belgium.

The board of management is permitted to relocate the **registered** office within Bruges and open sub-offices and other centres of activity anywhere in Belgium or abroad.

Article 3. Duration.

The foundation is established for an indefinite period.

TITLE II. PURPOSE – ACTIVITIES – CAPITAL

Article 4. Purpose - activities.

The private foundation is formed for the following benevolent purposes:

- Facilitating and providing real estate,
- Supporting and financing scientific, material, commercial, educational, intellectual, artistic and other projects,
- Supporting good causes by providing financial resources or material support by means of capital it obtains and manages.

These good causes will particularly focus on a new, respectful use of properties and spaces with sociocultural, historical or other value.

The private foundation manages its purposes according to the independent insights of the board of management.

The private foundation also decides as it sees fit which part of its capital is used in which way to manage its purpose. This means that it may refrain from using the capital for the benefit of certain people or target groups.

The board of management may consider any person who challenges the very existence of the foundation, the decisions of the board of management, the statutes of the foundation in whole or in part, the conveyances to the private foundation and the beneficiaries of all or certain persons or institutions whose interest needs to be protected in accordance with the purposes of the foundation to no longer belong to the institutions whose interests are protected in accordance with the purpose of the private foundation.

The private foundation must manage its capital in a normal way with due care, giving appropriate attention to maintain the capital and put it to work.

The private foundation may in this context undertake activities or transactions in movable and/or immovable property, such as entering into contracts, directly or indirectly making investments and investing in movable property, including but not limited to securities and works of art.

The foundation may, on its own account and in its own name, acquire, for valuable consideration or for no charge, and manage, by entering into leasing contracts and contracting lease financing for movable and/or immovable property, movable and/or immovable property, acquire and dispose and establish, build, renovate, demolish immovable property, vest, acquire or allow real rights to movable or immovable properties both within and outside of Belgium, acquire or dispose of real rights to movable or immovable properties, including activities directly or indirectly related to this, such as contracting loans and/or far-reaching securities, assuming costs and charges to relieve the persons and/or institutions named in the purpose, work together with, participate in or, similarly, directly or indirectly take participating interests in enterprises of any nature, enter into annuity agreements, convey the capital to a similar legal arrangement with statutes with a similar effect with regard to the description of the purpose and powers of the board of management. In addition, the private foundation may also exercise mandates.

Running an enterprise is explicitly not part of the purpose of the private foundation. Otherwise, the foundation can undertake all activities directly or indirectly connected with its purposes. Specifically, it may provide its assistance and participate in any activity corresponding to its purposes.

Article 5. Capital.

The capital of the foundation will be made up at a later date.

This capital may only be used for the purposes of the foundation and will be enlarged from time to time in accordance with the purposes of the foundation by means of donations and bequests.

TITLE III. MANAGEMENT AND REPRESENTATION.

Article 6. Board of Management.

The board of management is composed of at least five persons, including the chair.

The board of management may be supplemented by acting non-voting members.

The board members are appointed and dismissed by co-option by the board of management.

The appointment is valid for an indefinite period. Board members may be natural persons or legal entities. If a legal entity is designated as a director, it will appoint one permanent representative responsible for carrying out the duties in its name and on its account. This legal entity is not permitted to dismiss its representative without appointing a successor at the same time.

In principle, the position of board member is unpaid. Incurred expenses may be reimbursed. A fixed allowance for expenses may be provided subject to the drawing up of internal rules and regulations. As an exception to the rule that the position is unpaid, the position of a board member may be paid if this board member is a non-professional board member acting as a board member as part of the practice of his or her profession (for instance as a lawyer). The board of management decides the level of this remuneration as the case arises.

The position of board member is incompatible with the holding of political office.

The office of the board member ends:

- In the event of voluntary resignation,
- In the event of voluntary resignation after designation of a replacement,
- Upon dismissal by the founder,
- At the end of the term of office of board member,
- In the event of death,
- In the event of dismissal by the board of management (unanimously with the exclusion of the board member in question),
- In the event of a decision by the court to remove the board member,
- If the board member is appointed or elected to political office,
- In the event of mental incapacity.

The chair and the chief executive(s) are appointed by the members of the board of management, although they may also be appointed for the first time in the charter. If the chair is unable to attend, he or she will be replaced by the oldest board member present. If one or more board members are legal entities, this will be based on the age of the permanent representative of the legal entity.

The decisions are recorded in minutes, which are signed by the majority of the board members who are present. The proxies and all other written notifications are attached to these. These minutes are kept in a special register.

Article 7. Liability.

The private foundation is liable for the mistake that can be attributed to its representatives or the bodies on whose behalf it acts. The board members and the persons responsible for daily management do not assume any personal obligations with regard to the undertakings of the private foundation in that capacity.

They are exclusively responsible for fulfilling the duties assigned to them and for the mistakes in their management. The foundation will enter into a directors and officers liability insurance to cover these risks.

Article 8. Functioning of the board of management.

The board of management meets whenever a board member deems it necessary and in principle once per month, with the exception of July and August.

The board of management is convened by the chair or two board members whenever the interests of the foundation demands it.

The board of management must always issue a written convocation (by durable medium, including email) at least five days in advance, except if it is urgent, in which case a reason must be given, stating the date, time, location and agenda of the meeting.

The convocation is deemed to have been issued when it is sent. Meetings of the board of directors may be validly held by means of a teleconference or a videoconference.

At least one meeting of the board of directors will be called the “annual meeting” and will be held before 1 July of each calendar year. At least the following points must be placed on the order of business of the annual meeting:

- Approval of the financial statements for the previous financial year.
- Approval of the management report for the previous year of activity.

- Approval of the budget for the following financial year.

Article 9. Decision-making.

The decisions are taken in the board of management. If no consensus is reached, a point will be put to the vote. In that case, the decisions of the board of management are passed by simple majority. Every board member has a vote. In the event of a tie, the chair of the Board of Management has the deciding vote.

The Board can only pass a valid decision if at least half of the directors are present. If this quorum is not reached, a new board may be convened with the same agenda, which board will validly deliberate and make decisions if at least one board member is present and/or represented.

Board members are expected to attend in person. However, they can give another board member a proxy to represent them. A board member can only accept one proxy. Board members cannot call in assistance for a meeting.

In exceptional case, when the urgent necessity and/or interest of the foundation demands it, the decisions of the board of directors may be passed with the unanimous written agreement of the board members. In that case, the date of these decisions is the date on which the last board member signs the document in question.

The management and use of the capital of the private foundation are exclusive and discretionary powers of the board of management within the scope of the purposes established above and the remarks made below. The board of management takes an independent decision on the nature and use of the capital for the benefit of the persons and/or institutions whose interest must be protected. The board of management may also entrust all or part of the capital to one or more financial institutions.

The powers include:

- Assessment of the nature and scale of the benefit of the persons and/or institutions whose interests must be protected in accordance with the established purpose of the foundation,
- Management and use of the capital of the private foundation in accordance with the purpose of the foundation.

Article 10. Arrangement in the event of a conflict of interest.

If a board member directly or indirectly has a personal interest that is contrary to a decision or an activity that are powers of the board of management, he or she must notify the other board members of this before the board of management makes a decision. The board member's statement and the justification regarding this conflicting interest must be included in the minutes of the board of management that must make the decision.

Provided the aforementioned procedure is followed, the board member in question may participate in the deliberations of the board of management on these activities and in the votes related hereto.

Article 11. Internal management.

The board of management is authorised to undertake all activities that are needed, useful or convenient for the purpose of the foundation. No distribution of the duties agreed by the board members cannot be challenged by third parties, even if this distribution is made public.

The daily management of the foundation may be entrusted to one person acting alone. The board of management makes decisions with regard to the appointment, dismissal and powers of this person. If a board member is given responsibility for daily management, this person shall perform these duties under the title of chief executive. However, the powers of the chief executive are limited to daily administration and management of the private foundation. The executive shall preferably be made up of the chair of the Board of Management, the secretary and the treasurer.

The powers of the executive do not include:

- Making periodical payments in cash or in kind.
- Making payments of more than €2,500 or of more than one amount to the same creditor over a period of one month of more than €5,000.

As part of their management, the board of management and the executive may delegate special or specific limited powers to one or more persons of their choosing. The delegated powers are always limited. The appointed third party acts in accordance with the remit, as established by the board of management or the executive. The foundation may be bound by the specially authorised representatives only within the limits of the authority they have been given.

Article 12. External representation.

The board of management represents the foundation vis-à-vis third parties and in a court of law as claimant or defendant.

The foundation is only validly bound by the joint signature of two board members. Board members that act on behalf of the board of management must not give evidence of any decision or authorisation. The board of management may transfer its power and/or right to represent the foundation for certain activities or duties in a court of law and extra-legally to one or more board members that alone or jointly represent the foundation.

This authority is enforceable against third parties if it is published in Belgisch Staatsblad/Moniteur belge and can always be withdrawn by the Board of Management.

Within the executive, the foundation can also be represented by the persons appointed to this end, who only act as established at the time of their appointment and in accordance with the aforementioned. The bodies that represent the foundation in accordance with the aforementioned may appoint special authorised representatives, who may or may not be board members.

TITLE IV. AUDIT, FINANCIAL YEAR AND FINANCIAL STATEMENTS.

Article 13. Audit.

The foundation will be audited by one or more statutory auditors insofar as required by law or if the board of management so decides.

Article 14. Financial statements.

At the end of the financial year and no later than six months after the closing of the financial year, the board of management shall draw up the financial statements for the previous financial year and the budget for the following financial year in accordance with the law. These are subject to the approval of the board of management.

Article 15 Financial year.

The financial year commences on the first of January and ends on the thirty-first of December.

Contrary to the previous paragraph, the first financial year commences on the day that the private foundation acquired legal personality and shall be closed on the thirty-first of December in the same year.

Article 16. Amendment of the statutes.

The board of management may decide to amend the statutes. A decision to amend the statutes may only be taken by a majority of two thirds of the votes of the members of the Board of Management that are present or legally represented.

TITLE V. DISSOLUTION, LIQUIDATION – SUPPLEMENTARY PROVISIONS.

Article 17. Dissolution and placing into liquidation.

The decision to dissolve the foundation can only be taken by the court of first instance in the following cases:

- If the foundation is no longer able to pursue the purpose for which it has been established,
- If the foundation uses its capital or the income from that capital for purposes other than those for which it has been established,
- If the foundation acts contrary to the law, public order or its statutes to a serious degree,
- If the foundation fails to fulfil its obligation to deposit financial statements for three consecutive financial years.

In the event of liquidation, the net assets must be transferred to [an organisation with] the same purpose or a purpose that is as similar as possible to the purpose in the statutes.

Article 18.

Anything that is not expressly covered by these statutes shall be subject to the legal provisions.