

ARTICLES VU FOUNDATION

Located in the Municipality of Amsterdam, the Netherlands,
as of 12 July 2016

CHAPTER 1.

DEFINITIONS

ARTICLE 1. DEFINITIONS

- 1.1. In these Articles, the following terms will have the following meanings:
- '**AMC**' will mean the Academic Medical Center, the academic hospital at the UvA having legal personality;
 - '**VU Management Regulations**' will mean the Management Regulations of Vrije Universiteit Amsterdam;
 - '**DCC**' will mean the Dutch Civil Code;
 - '**Executive Board**' will mean the Foundation's board, which will also constitute VU's institutional board;
 - '**Joint Assembly**' will mean VU's Staff Council and University Student Council, acting jointly;
 - '**Members' Council**' will mean the Association's membership council or, if applicable, the Association acting after prior approval from its membership council;
 - '**Supervisory Board**' will mean the Foundation's supervisory board, which will also constitute VU's supervisory board;
 - '**written**' or '**in writing**' will mean a message conveyed by letter, fax, e-mail or any other electronic means of communication, provided the message is readable and reproducible;
 - '**Foundation**' will mean VU Foundation, whose internal organization will be governed by these Articles;
 - '**VUmc Foundation**' will mean VUmc Foundation, located in Amsterdam;
 - '**Conflict of Interest**' will mean a direct or indirect personal interest which conflicts with the interest of the Foundation and the institution associated with it;
 - '**UvA**' will mean the University of Amsterdam, in Amsterdam;
 - '**Association**' will mean the Association for Christian Higher Education, Scientific Research and Patient Care, located in Amsterdam;
 - '**VU**' will mean Vrije Universiteit Amsterdam, in Amsterdam;
 - '**VUmc**' will mean VU University Medical Center, in Amsterdam;
 - '**the Act**' will mean the Dutch Higher Education and Research Act.
- 1.2. Unless otherwise expressly indicated, references to 'articles' will be references to the specific articles in these Articles.
- 1.3. Unless otherwise apparent or obviously meant otherwise, a reference to the male gender will include a reference to the female gender, and vice versa.

CHAPTER 2.

NAME, REGISTERED OFFICE, BASIS, OBJECTS

ARTICLE 2. NAME AND REGISTERED OFFICE, BACKGROUND

- 2.1. The foundation's name will be: Stichting VU (VU Foundation).
- 2.2. Its registered office will be located in the Municipality of Amsterdam.
- 2.3. The Foundation obtained its current form on the first of January, two thousand and sixteen, when VUmc was split off into a new foundation, VUmc Foundation, which was split off from the Foundation (called 'VU-VUmc Foundation' then).
VU-VUmc Foundation was created in connection with the splitting off of the institutions VU and VUmc from the Association on the first of January, two thousand and twelve.
- 2.4. The Foundation will be a not-for-profit organization.

ARTICLE 3. BASIS

- 3.1. The Foundation will emanate from the Association, which, building on its Christian origins, seeks to contribute to a better world, a world in which justice, humanity and responsibility for each other and for the world are the focal points.
The Foundation will be guided by these principles in designing its teaching and research and in sharing knowledge with and being of service to society. It will recognize and appreciate the role that belief systems and a sense of purpose play in this regard.
- 3.2. The Foundation may not enter into any relationship that could undermine its freedom in the teaching to be given and the research to be performed.

ARTICLE 4. OBJECTS

- 4.1. The Foundation's objects will be to:
 - a. provide higher education and perform scientific research with a commitment towards and for the benefit of society; and
 - b. thereby foster the provision of information about and reflection on the relationship between higher education and scientific research on the one hand and belief systems, culture and society on the other hand.
- 4.2. It will attempt to achieve these objects by, for example:
 - a. Ensuring continuity of the university;
 - b. developing and organizing, in cooperation with the Association and VUmc Foundation, the provision of information and public activities concerning, in particular, issues and topics relating to the relationship between the work by the institutions VU and VUmc and belief systems, culture and society;
 - c. accepting responsibility for and possibly participating in other institutions for higher education or scientific research;
 - d. initiating, organizing, co-organizing, or supporting and facilitating, in cooperation with the Association and VUmc Foundation, the provision of information and activities intended to foster the mutual relationship between the institutions VU and VUmc and society; and
 - e. cooperating with other legal entities and their associated institutions with similar objects, and anything which is related to or which may be conducive to the foregoing, all of this in the broadest sense of the word.
- 4.3. VU will emanate from the Association within the meaning of Article 1.1(i) of the Act.

CHAPTER 3.

MANAGEMENT

ARTICLE 5. EXECUTIVE BOARD, EXECUTIVE BOARD MEMBERS, QUALITY REQUIREMENTS, DIVISION OF TASKS

- 5.1. The Executive Board will consist of three people. Only natural persons may be members of the Executive Board.
- 5.2. The Executive Board members will be appointed by the Supervisory Board subject to the provisions under or pursuant to the VU Management Regulations.
- 5.3. People who, in the three years before the appointment, were members of the Supervisory Board, VUmc Foundation's Supervisory Board, or VU-VUmc Foundation, or the Board of Directors of VUmc or AMC, or who hold such other position that membership in the Executive Board may result in this position being incompatible with or contrary to the Foundation's interest or in an undesirable mingling of interests, may not be appointed as Executive Board members.
- 5.4. The Executive Board will have a President and a Vice-President, who will be appointed to these positions by the Supervisory Board. The Vice-President will serve as the President if the President is absent or unable to act.
- 5.5. The remuneration and other employment terms and conditions for each Executive Board member will be determined separately for each member by the Supervisory Board in accordance with the laws, codes and guidelines applicable to the sector.
- 5.6. Additional rules may be adopted under or pursuant to the VU Management Regulations with respect to the period for which Executive Board members will be appointed and their reappointment.

ARTICLE 6. TERMINATION OF MEMBERSHIP IN THE EXECUTIVE BOARD, DISMISSAL, SUSPENSION AND RESIGNATION

- 6.1. The Executive Board members may be suspended or dismissed by the Supervisory Board, even if they have been appointed for a definite period of time. A suspension will end if a decision to dismiss the member has not been taken within three months.
- 6.2. A member will cease to be a member of the Executive Board:
 - a. upon death;
 - b. upon retirement;
 - c. upon the loss of the right or power to dispose of his assets;
 - d. if he satisfies a characteristic referred to in Article 5.3; and
 - e. upon dismissal.

ARTICLE 7. BOARD DUTIES, DIVISION OF DUTIES

- 7.1. The Executive Board will manage the Foundation.
- 7.2. In fulfilling these duties, the Executive Board members will be guided by the interest of the Foundation and VU, and will consider the relevant interests of the relevant stakeholders at the Foundation, taking into account that VU is an institution with special social responsibilities.
- 7.3. The Executive Board will be responsible for implementing VU's statutory duties, as referred to in Article 1.3 of the Act.
- 7.4. The Executive Board will effectuate the adoption of joint regulations between VU and VUmc in accordance with the provisions in Article 12.20 of the Act, in which the manner in which VU and VUmc will cooperate in the area of scientific medical education and research will in any event be set forth and in which other subjects may be regulated as well. In the joint regulations, a joint policy-making body will be established between VU and VUmc as referred to in Article 12.19 of the Act, which will foster efficient cooperation between VU and VUmc regarding scientific medical education and research.

- 7.5. The Executive Board may decide to enter into agreements to acquire, dispose of and encumber registered property, and to enter into agreements in which the Foundation binds itself as a surety or joint and several co-debtor, warrants performance by a third party or agrees to furnish security for another party's debt, and may represent the Foundation with respect to these actions.
- 7.6. If the number of Executive Board members is less than the number stated in Article 5.1, the Executive Board will remain authorized. The Executive Board must, however, ask the Supervisory Board as soon as possible to convene a Supervisory Board meeting to discuss filling the vacancy or vacancies.

ARTICLE 8. REPRESENTATION

- 8.1. The Executive Board will represent the Foundation. Each Executive Board member acting independently will also be authorized to represent the Foundation.
- 8.2. The Executive Board may appoint officers with general or limited representational authority. Each of them will represent the Foundation subject to the limits imposed on his authority. The Executive Board will determine the titles of these officers.
- 8.3. In any instances in which one or more Executive Board members have a Conflict of Interest, the provisions in Article 8.1 will continue to apply in full. The provisions in Articles 9.8 and 9.9 will apply to the decisionmaking in this regard.

ARTICLE 9. EXECUTIVE BOARD MEETINGS AND DECISION-MAKING

- 9.1. Executive Board resolutions may only be passed in a meeting if a majority of the Executive Board members in office are present or represented at this meeting.
- 9.2. If possible, Executive Board resolutions will be passed unanimously.
If unanimous decision-making turns out not to be possible, the proposed resolution will be placed on the agenda for the subsequent Executive Board meeting, to be held no earlier than the third day after the date of the original meeting, in which subsequent meeting the resolution may be passed by an absolute majority vote.
The provisions in the previous sentence will not apply if the Executive Board's President is of the opinion in the original meeting that delaying the decisionmaking is unwise, in which case the resolution may be passed in this meeting by an absolute majority vote.
- 9.3. Unless an Executive Board member has a Conflict of Interest concerning a proposed Board resolution, he may be represented by another Executive Board member with a written proxy.
- 9.4. Each Executive Board member will have one vote within the Executive Board. If there is a tie vote, the Executive Board President's vote will be decisive.
- 9.5. Notwithstanding the relevant statutory provisions in this regard, the judgment by the chair of that meeting regarding the effectuation and content of a resolution will not be decisive.
- 9.6. Executive Board resolutions may also be passed outside meetings, in writing or in another manner, provided (i) the proposal in question has been presented to all Executive Board members in office and they have consented to this manner of decisionmaking and (ii) the resolution is passed unanimously by such number of Executive Board members as represents a majority of the Executive Board members in office.
The Executive Board will draw up a report of a non-written resolution that has been passed outside a meeting, which report will be signed by the President. Written decision-making will occur through written declarations by the Executive Board members.

- 9.7. An Executive Board member having a Conflict of Interest regarding a proposed Board resolution must report this immediately to the Executive Board President. If this relates to the President himself, notice must be given to the Supervisory Board President.
- 9.8. An Executive Board member will not participate – either in or outside meetings – in the deliberations or decision-making concerning a proposed Board resolution if he has a Conflict of Interest concerning this. If two or three Executive Board members have a Conflict of Interest regarding a proposed Board Resolution, the resolution will not be passed by the Executive Board, but instead by the Supervisory Board.
- 9.9. Additional rules with respect to, for example, the Executive Board's meetings and decision-making may be adopted under or pursuant to the VU Management Regulations.

CHAPTER 4.

THE SUPERVISORY BOARD

ARTICLE 10. SUPERVISORY BOARD, APPOINTMENT

- 10.1. The Supervisory Board will consist of at least three and at most five persons. Subject to the provisions in the previous sentence, the number of Supervisory Board members will be determined by the Supervisory Board. Only natural persons may be Supervisory Board members.
- 10.2. If there is a vacancy in the Supervisory Board, the Supervisory Board will, subject to the provisions in Articles 10.5 and 10.7, formulate a proposal to fill this vacancy. The proposal will be supported by reasons and will be formulated by the Supervisory Board after it has consulted with the Association's appointment advisory committee and with the Joint Assembly. The Supervisory Board will submit the proposal to the Members' Council for approval. The Members' Council will reject a proposal if, in its judgment, there are compelling reasons not to appoint the proposed person. After a rejection, the Supervisory Board will formulate a new proposal and submit this to the Association, each time until the Members' Council has approved the proposal.
- 10.3. The Supervisory Board will appoint the Supervisory Board members. Members will be appointed in accordance with a proposal approved by the Members' Council.
- 10.4. The Supervisory Board will be constituted in such a way that the members can operate independently and critically with respect to each other, VU's management and any other interests.
- 10.5. Pursuant to the provisions in Article 9.7(2) of the Act, the Joint Assembly will be entitled to provide a list of candidates to the Supervisory Board concerning the appointment of one Supervisory Board member. The list will include at least two names, with one of these being submitted by the Supervisory Board to the Members' Council as a proposed appointment. By a majority of at least two-thirds of the votes cast, the Supervisory Board may decide to reject the Joint Assembly's list of candidates. The Supervisory Board President will inform the Joint Assembly of such a decision, with a statement of reasons, as soon as possible, after which the Joint Assembly may again make a recommendation as described in the first sentence for the vacancy.
- 10.6. Each Supervisory Board member will fulfil his duties independently and without being bound by any instructions.
- 10.7. Persons – and their spouses, registered partners, and blood relatives and relatives by marriage up to the second degree – may not be appointed as Supervisory Board members if they:
 - a. are responsible for the day-to-day or overall management of the Foundation and/or legal entities affiliated with it;
 - b. at the time of appointment or in the three years before this:
 - (i) are (or were) employees of;
 - (ii) are working (or worked) for, based on an admission agreement or contract for services; or
 - (iii) are (or were) in an intermediary relationship with the Foundation or a legal entity affiliated with it;
 - c. as a Board member, are affiliated with or employed by an organization which tends to be involved in determining the workers' employment terms and conditions;
 - d. are serving in the central (or other) staff council or a complaints committee affiliated with VU and/or institutions affiliated with it;
 - e. have a close family relationship or similar relationship with a member of the Supervisory Board or the Executive Board;
 - f. were a member of the Executive Board, UvA's Executive Board or VUmc Foundation's Board of Directors in the three years preceding the appointment;
 - g. are members of the Association's Board or are serving in its other bodies;
 - h. are members of VUmc Foundation's or AMC's Board of Directors;

- i. are members of the executive board or supervisory board of another institution for higher education which performs the same work in whole or in part as the Foundation within the Foundation's service area, unless the other institution is closely affiliated with the Foundation as a group company or subsidiary; or
 - j. hold such other position that membership in the Supervisory Board may result in this position being incompatible with or contrary to the Foundation's interest or in an undesirable mingling of interests.
- 10.8. The Supervisory Board will have a President and a Vice-President. The President will be appointed to this position. The Supervisory Board will designate a Vice-President from among its members, which Vice-President will replace the President if the President is absent or unable to act.
- 10.9. The remuneration for each Supervisory Board member will be determined by the Supervisory Board, in accordance with the laws, codes and guidelines applicable to the sector.
- 10.10. The Supervisory Board members will be appointed based on profiles published beforehand.
- 10.11. The Joint Assembly will be given the opportunity to make a recommendation to the Supervisory Board about the profiles referred to in Article 10.10.

ARTICLE 11. SUPERVISORY BOARD, REAPPOINTMENT, RESIGNATION, SUSPENSION AND DISMISSAL

- 11.1. The Supervisory Board members will be appointed for at most a four-year period. The Supervisory Board members may immediately be reappointed once for at most a four-year period.
- 11.2. Subject to the provisions in Article 11.1, the Supervisory Board may draw up a resignation schedule.
- 11.3. Supervisory Board members will be reappointed in the same manner as described above for appointments. The way in which the candidate has performed his duties as a Supervisory Board member will be taken into account in the reappointment decision.
- 11.4. A member will cease to be a member of the Supervisory Board:
- a. upon death;
 - b. upon retirement;
 - c. upon periodic resignation as referred to in Articles 11.1 and 11.2;
 - d. upon the loss of the right or power to dispose of his assets;
 - e. if he satisfies a characteristic referred to in Article 10.7; and
 - f. upon dismissal.
- 11.5. Each Supervisory Board member may be suspended or dismissed by the Supervisory Board, for, among other reasons:
- a. neglect of his duties or unsatisfactory performance;
 - b. incompatible duties or interests; and
 - c. changes in circumstances or other reasons based on which the Supervisory Board concludes, in the Foundation's interest, that the Foundation cannot reasonably be required to keep the person as a Supervisory Board member
- 11.6. A suspension or dismissal resolution will be passed (a) by a majority of at least two-thirds of the votes – not counting the vote of the particular Supervisory Board member – cast in a meeting where all other Supervisory Board members are present or represented, and (b) only after prior approval from the Members' Council, if a dismissal resolution is involved. The Members' Council may only deny the aforementioned approval if, in its judgment, there are compelling interests against dismissal. If, in the relevant Supervisory Board meeting, the required number of Supervisory Board members are not present or represented, a subsequent Supervisory Board meeting will be held not earlier than three weeks later, in which the suspension or dismissal proposal will be decided by a majority of two-thirds of the votes validly cast (not counting the vote of the particular member), irrespective of the number of members present then.

- 11.7. The Supervisory Board member with respect to whom dismissal, suspension and/or the maintenance thereof is being considered will be given the opportunity to account for his actions in the Supervisory Board meeting in which his dismissal, suspension and/or the maintenance thereof is being discussed. He may be represented there by counsel.
- 11.8. If one or more Supervisory Board members are absent or unable to act, the remaining members, or the remaining member, will assume all of the Supervisory Board's duties. An incomplete Supervisory Board will remain fully authorized.
If all Supervisory Board members are absent, the Members' Council will appoint at most two new Supervisory Board members. The members will be appointed subject to the provisions in Articles 10.2 and 10.3, on the understanding that the powers for the Supervisory Board stated in those articles will be exercised by the Members' Council.

ARTICLE 12. SUPERVISORY BOARD'S DUTIES AND PROCEDURES

- 12.1. With a view in part to VU's duties referred to in Article 1.3(1) of the Act, the Supervisory Board will supervise the Executive Board's policy and its performance of work and exercise of powers and the general course of affairs within the Foundation and VU. It will advise the Executive Board.
In fulfilling these duties, the Supervisory Board members will be guided by the interest of the Foundation and VU, and will consider the relevant interests of the relevant stakeholders at the Foundation, taking into account that VU is an institution with special social responsibilities.
- 12.2. At least once a year, the Executive Board will inform the Supervisory Board in writing of the main elements of the Foundation's strategic policy, the general and financial risks, and the management and control system.
- 12.3. Subject to the laws and regulations on protecting privacy and personal data and after consulting with the Executive Board, the Supervisory Board or one or more Supervisory Board members authorized by the Supervisory Board will have access to all of the VU's premises and will be entitled to inspect at any time all of VU's records and books.
- 12.4. The Supervisory Board members may, at the Foundation's expense and after consulting with the Executive Board, be assisted by VU's auditor or an expert to be designated by the Supervisory Board, who will be allowed to inspect all of VU's records.
- 12.5. The Supervisory Board will in any event:
 - a. supervise:
 - (i) the realization of the Foundation's objects;
 - (ii) the strategy and risks associated with the Foundation's activities;
 - (iii) the set-up and operation of the internal risk management and control systems;
 - (iv) the financial reporting;
 - (v) the Executive Board's compliance with the laws and regulations, including the governance codes applicable to the Foundation; and
 - (vi) the proper carrying out of the social responsibilities which the Foundation has in connection with the maintenance of an education and research institute;
 - b. appoint, suspend, dismiss and determine the remuneration for the Executive Board members and otherwise fulfil the role of the Executive Board's employer;
 - c. designate an auditor as referred to in Article 2:393(1) DCC to audit the Foundation's annual accounts;
 - d. adopt or amend the bylaws for the Supervisory Board, as well as bylaws for committees instituted by the Supervisory Board; and
 - e. execute such duties as indicated in the VU Management Regulations.

- 12.6. The Executive Board and the Supervisory Board will jointly adopt bylaws, which, subject to the provisions in these Articles and the VU Management Regulations, will in any event clearly set forth the division of responsibility between the Executive Board and the Supervisory Board and the way in which internal conflicts between the two bodies will be regulated. Each year, the Supervisory Board will evaluate its own performance without the Executive Board being present.
- 12.7. The Supervisory Board will hold an evaluation meeting with the Executive Board at least once a year with regard to the performance of each of these bodies in and of itself and the performance of the two bodies in relation to each other.
- 12.8. The Supervisory Board will be responsible for the quality of its own performance.

ARTICLE 13. APPROVAL OF EXECUTIVE BOARD RESOLUTIONS

- 13.1. The Executive Board will need the Supervisory Board's prior approval for resolutions concerning:
 - a. raising or significantly modifying a major loan or making a major investment or disinvestment for VU or the Foundation;
 - b. adopting or modifying long-term policy on registered property for VU or the Foundation and on making a major investment or disinvestment in such registered property;
 - c. adopting the Foundation's budget, annual accounts and annual report;
 - d. adopting the Foundation's strategic policy plans;
 - e. entering into, substantially changing or terminating one of the Foundation's long-term cooperative ventures if such cooperation, change or termination is of major significance to the Foundation;
 - f. requesting the Foundation's liquidation and requesting a suspension of payments for the Foundation;
 - g. simultaneously terminating, or terminating within a short time period, the employment contract of a considerable number of employees, or terminating an agreement with a considerable number of persons working for the Foundation as self-employed individuals or as a cooperative venture;
 - h. entering into, changing or terminating the joint regulations between VU and VUmc referred to in Article 7.4;
 - i. making investments or disinvestments which exceed an amount to be determined by the Supervisory Board and to be indicated to the Executive Board in writing;
 - j. adopting the VU Management Regulations;
 - k. making a proposal to amend the Foundation's Articles or to dissolve the Foundation;
 - l. making a merger or demerger proposal as referred to in Title 7, Book 2, DCC;
 - m. formulating and changing the mutual division of duties within the Executive Board; and
 - n. such legal acts as clearly described by the Supervisory Board and communicated in writing to the Executive Board.
- 13.2. The fact that a resolution has not been approved as referred to in Article 13.1 will not affect the representational authority of the Executive Board or the Executive Board members.

ARTICLE 14. SUPERVISORY BOARD, MEETINGS, DECISION-MAKING AND EXCHANGE OF INFORMATION

- 14.1. The Supervisory Board will meet whenever a Supervisory Board member or an Executive Board member deems this necessary.
- 14.2. A Supervisory Board member who has a Conflict of Interest concerning a proposed resolution must notify the Supervisory Board President immediately. In his absence, or if this involves the President himself, the Supervisory Board VicePresident must be notified.
- 14.3. A Supervisory Board member will not participate in the deliberations or decision-making if he has a Conflict of Interest with respect to this. If all Supervisory Board members have a Conflict of Interest, all Supervisory Board members will participate in the deliberations and decision-making, the Supervisory Board will record in writing the considerations underlying the resolution, and the resolution will be passed by a majority of two-thirds of the votes cast in a meeting in which all Supervisory Board members are present or represented.
- 14.4. Each Supervisory Board member will have one vote in the Supervisory Board. All resolutions will be passed by an absolute majority of the votes cast, unless these Articles or the bylaws indicated in Article 14.8 state otherwise.
- 14.5. Unless a Supervisory Board member has a Conflict of Interest concerning a proposed Board resolution, he may be represented by another Supervisory Board member with a written proxy.
- 14.6. The Supervisory Board may only pass valid resolutions in a meeting if a majority of the Supervisory Board members in office are present or represented at the meeting.
- 14.7. Supervisory Board resolutions may also be passed outside meetings, in writing or in another manner, provided the proposal in question has been presented to all Supervisory Board members in office and none of them has objected to this manner of decision-making. The Supervisory Board will draw up a report of a non-written resolution that has been passed outside a meeting, which report will be signed by the President. Written decision-making will occur through written declarations by all Supervisory Board members in office.
- 14.8. The Supervisory Board will adopt bylaws for the Supervisory Board, in which additional rules concerning such matters as the Supervisory Board's meetings and decision-making may be stated.

ARTICLE 15. SUPERVISORY BOARD, COMMITTEES

- 15.1. The Supervisory Board may establish committees from among its members, including an audit committee and a remuneration committee.
- 15.2. The committees will be responsible for preparing the Supervisory Board's decision-making.
- 15.3. In establishing the committee, the Supervisory Board will draw up bylaws for the committee, indicating the role and responsibility of the specific committee, its composition and the manner in which it will carry out its duties. These bylaws will be adopted and amended by the Supervisory Board.

CHAPTER 5.

MANAGEMENT OF VU

ARTICLE 16. VU MANAGEMENT REGULATIONS

- 16.1. The Executive Board will manage VU in the manner provided for under or pursuant to the VU Management Regulations. For VU, the Management Regulations will constitute the document referred to in Article 9.51(2) of the Act. The VU Management Regulations will be adopted and amended by the Executive Board after approval by the Joint Assembly.

CHAPTER 6.

FINANCIAL YEAR, ANNUAL ACCOUNTS AND RECORDS

ARTICLE 17. FINANCIAL YEAR, ANNUAL REPORT AND ANNUAL ACCOUNTS

- 17.1. The Foundation's financial year will coincide with the calendar year.
- 17.2. Each year, within six months after the financial year ends, the Executive Board will issue an annual report on the state of affairs within the Foundation and the policy followed, and will make this available for inspection at the Foundation's offices.
- 17.3. The Foundation's annual accounts will consist of a balance sheet, a statement of income and expenditure, and explanatory notes.
- 17.4. The Foundation's annual accounts will be signed by the Executive Board members and by the Supervisory Board members.
If one or more of their signatures are missing, this will be stated, indicating the reason.
- 17.5. If and insofar as the applicable statutory provisions allow this, a single annual report and a single set of annual accounts may be drawn up for both the Foundation and VU.

ARTICLE 18. ADOPTION AND APPROVAL OF THE ANNUAL ACCOUNTS, ACCOUNTABILITY AND DISCHARGE

- 18.1. The Executive Board will adopt the Foundation's annual report and annual accounts.
- 18.2. Each year, the Executive Board will render an account to the Supervisory Board concerning the performance of its duties.
- 18.3. After the annual accounts are adopted, the Supervisory Board will decide on granting the Executive Board members a discharge for the performance of their duties, insofar as the performance of these duties is apparent from the annual accounts or from information otherwise provided to the Supervisory Board before the approval of the annual accounts.

ARTICLE 19. LONG-TERM PLAN

- 19.1. In accordance with the article titled 'Long-term plan' in the Association's Charter, a long-term plan will be formulated at least once every four years, in which the Association, with the Foundation's and VUmc Foundation's assistance, will record how VU's, VUmc's and the Association's interaction with society and the continual development of VU's, VUmc's and the Association's identity will take shape.
- 19.2. The Executive Board will ensure that the necessary input from the Foundation for formulating the long-term plan referred to in Article 18.1 is obtained.
- 19.3. The Executive Board will effectuate the long-term plan insofar as this relates to VU and will render an account concerning this to the Association each year.

ARTICLE 20. RECORDS

- 20.1. The Executive Board must keep records relating to the Foundation's financial position and everything concerning the Foundation's activities in accordance with the requirements ensuing from these activities in such a manner, and keep the accompanying books, documents and other data carriers in such a manner, that the Foundation's rights and obligations may be ascertained at any time.

CHAPTER 7.

INDEMNIFICATION AND EXONERATION

ARTICLE 21. INDEMNIFICATION AND EXONERATION

- 21.1. The Foundation will not hold an Executive Board member liable for damage which the Foundation suffers due to any conduct or negligence by an Executive Board member in his capacity as:
- an officer of the Foundation;
 - an officer or supervisor of a legal entity which the Foundation controls ('a **Subsidiary**'). 'Control' will exist if the Foundation can exercise more than half of the voting rights in the general meeting of shareholders or more than half of the voting rights in the general membership meeting and/or is entitled to appoint or cause to resign a majority of the officers or supervisors; and
 - an officer or supervisor of a legal entity besides a Subsidiary if fulfilling this function is dependent on being an officer of the Foundation and/or of a Subsidiary.
- 21.2. The Foundation will indemnify an Executive Board member against the damage which third parties suffer due to any conduct and/or negligence by an Executive Board member in his capacity as an officer of the Foundation and/or officer or supervisor of a Subsidiary and up to the compensation which an Executive Board member must pay pursuant to a final and binding court judgment or arbitration award or pursuant to a settlement agreement agreed on with those third parties, provided the conditions mentioned in Article 21.3 have been satisfied. A 'third party' will also include a Subsidiary.
- 21.3. The defence in the proceedings referred to in Article 20.2 will be conducted with the Foundation's consent. The settlement agreement referred to in Article 20.2 may only be concluded with the Foundation's express written approval. The relevant Executive Board member must fully cooperate with the Foundation in conducting the defence or in the settlement negotiations concerned.
- 21.4. An Executive Board member may not derive any rights from the exoneration described in Article 20.1 or the indemnification described in Article 20.2 if:
- the damage resulted from wilful or deliberately reckless conduct by the Executive Board member concerned; or
 - the Executive Board member concerned could not reasonably believe that he was acting in the Foundation's or Subsidiary's interest, including a situation in which the alleged conduct or negligence had the actual or intended effect of unjustly enriching the Executive Board member concerned or others in any respect whatsoever.
- 21.5. An Executive Board member may not derive any rights from the exoneration described in Article 20.1 or the indemnification described in Article 20.2 insofar as the damage referred to in this article is insured and is compensated by an insurer.
- 21.6. 'Damage' within the meaning of this article will also include statutory interest owed on any amount to be compensated, the litigation costs which an Executive Board member must pay and/or the costs of legal representation incurred by an Executive Board member for the defence, including the costs of legal representation for an investigation which the officer must cooperate in, provided these costs were reasonably incurred and were reasonably proportional to the scope of the damage.
- 21.7. 'Damage' within the meaning of this article will likewise include the penalties imposed by the authorities on the Executive Board member concerned with respect to any conduct and/or negligence in his capacity as an officer of the Foundation and/or an officer or supervisor of a Subsidiary, insofar as such compensation is permissible at law.

- 21.8. Costs incurred by an Executive Board member for conducting a defence will be paid up front by the Foundation during an action or proceedings, provided the Executive Board member concerned has irrevocably undertaken in writing to the Foundation to pay these back if a final and binding judgment provides that he cannot claim any indemnification from the Foundation. The Foundation may attach additional conditions to the payment, such as furnishing security.
- 21.9. The exoneration and indemnification referred to in this article will remain applicable to a person who is no longer an officer and will also inure to the benefit of the officer's heirs or beneficiaries.
- 21.10. The Supervisory Board members will also be entitled to the exoneration and indemnification set forth in this article, with the scope and conditions mentioned here applying by analogy.
- 21.11. This article may be amended without the permission of the persons entitled to exoneration or indemnification. These persons, however, may continue to claim the protection offered by this article for damage resulting from conduct or negligence during the period that this article is in effect.

CHAPTER 8.

AMENDMENT OF THE ARTICLES, LEGAL MERGER AND LEGAL DEMERGER, DISSOLUTION AND LIQUIDATION

ARTICLE 22. AMENDMENT OF THE ARTICLES

- 22.1. Notwithstanding the provisions in Article 13.1(l), a resolution to amend the Foundation's Articles may be passed by the Executive Board with the Supervisory Board's prior approval.
- 22.2. Notwithstanding the provisions in Article 21.1, a resolution to amend Article 3 (Basis), Article 4 (Objects), Article 10 (Supervisory Board, appointment), Article 11 (Supervisory Board, reappointment, resignation, suspension and dismissal), Article 19 (Long-term plan), Article 22.3 (Legal merger and legal demerger resolution) and Article 23.1 (Dissolution and liquidation) and this Article 22 may only be passed with the Members' Council's prior written approval.

ARTICLE 23. LEGAL MERGER AND LEGAL DEMERGER

- 23.1. The Foundation may legally merge with one or more other legal entities.
- 23.2. The Foundation may be a party to a legal demerger. 'Legal demerger' will mean both a split-up and a split-off. A demerger resolution may only be passed based on a demerger proposal drawn up by the boards of the parties to the demerger.
- 23.3. Notwithstanding the provisions in Article 13.1(m), a legal merger or legal demerger resolution may be passed by the Executive Board with the Supervisory Board's prior approval. Notwithstanding the provisions in the previous sentence, the resolution to legally merge with or legally demerge into another legal entity which has objects and a scope that are similar to the Foundation's objects and scope may only be passed by the Executive Board with the Members' Council's prior approval.
- 23.4. The relevant provisions in Title 7, Book 2, DCC will also apply to legal mergers and legal demergers.

ARTICLE 24. DISSOLUTION AND LIQUIDATION

- 24.1. Notwithstanding the provisions in Article 13.1(l), the Foundation may be dissolved pursuant to a resolution to this effect by the Executive Board, after prior approval from the Members' Council and prior approval from the Supervisory Board.
- 24.2. If the Foundation is dissolved pursuant to a resolution by the Executive Board, the Executive Board members will liquidate the dissolved Foundation's assets.
- 24.3. During liquidation, the provisions of these Articles will remain in effect as much as possible.
- 24.4. Any surplus remaining after liquidation will be transferred to one or more public benefit organizations recognized by the Dutch Tax and Customs Administration which are designated by the Executive Board and which have the same or similar objects as the Foundation.
- 24.5. After liquidation ends, the dissolved Foundation's books and records will remain in the custody of the person designated by the liquidators for the period prescribed by law.
- 24.6. The relevant provisions of Title 1, Book 2, DCC will also apply to the liquidation.

