

OIKOCREDIT, Ecumenical Development Co-operative Society, U.A.

founded in 1975

ARTICLES OF INCORPORATION
(as revised at the Annual General Meeting on 16 June 2011)

Amersfoort, the Netherlands

Preamble

The purpose of Oikocredit is to mobilise financial credit and resources in order to further development of the poor areas of the world. The finances shall originate from among the member churches of the World Council of Churches and others who support sustainable development as a liberating process through economic progress, social justice, independence as well as environmental and climate protection. The Society was launched under the inspiration of the World Council of Churches and was incorporated on 4 November 1975 in Rotterdam. It will be sustained by ecumenical principles, insights and fellowship.

TITLE I

NAME – REGISTERED OFFICE – OBJECTS – DURATION

Article 1

Name - Corporate Status - Registered Office

The name of the Society is OIKOCREDIT, Ecumenical Development Co-operative Society U.A., hereinafter called "The Society".

The Society is a co-operative society possessing corporate status according to the laws of the Kingdom of the Netherlands.

The registered Office of the Society is situated in Amersfoort, but it may establish branches outside Amersfoort both in and outside The Netherlands.

Article 2

Objects and Powers of the Society

The purpose of the Society is to promote the interest of its members in the field of co-operation in the development process and to promote economic growth together with social justice and self-reliance, in the poor areas of the world, in a manner consistent with the moral and social principles of the World Council of Churches. The development process shall be promoted through loans on concessionary terms, direct investments, grants and guarantees of loans made in accordance with responsible financial management and through education and guidance with regard to the mobilisation of financial resources.

For the realisation of its purpose, the Society may engage in any financial activities, taking due regard to adequate returns of the funds invested and appropriate safeguards. It may without restriction, buy and sell, for its own account or for the account of third parties, securities quoted or not on stock exchanges; make loans, guaranteed or not guaranteed; manage real estate and endowment for its own account or for the account of third parties; underwrite in any commercial, industrial or financial enterprises any type of participation, for its own account or for the account of third parties. The Society may acquire, hold and dispose of property both movable and immovable. It may borrow funds for its work. The Society may also provide or arrange technical co-operation for the preparation, financing and execution of development projects and programmes, including the formulation of specific project proposals, and where necessary, do so in co-operation with other institutions. The Society may co-operate with other institutions where appropriate in the furtherance of its objectives.

Article 3
Duration of Society

The duration of the Society is indefinite.

TITLE II
MEMBERSHIP

Article 4
Categories eligible for Membership - Admission procedure

Membership of the Society is open to:

- I. Member Churches of the World Council of Churches;
- II. Churches that are not Members of the World Council of Churches;
- III. Sub-divisions of Churches;
- IV. Councils of Churches;
- V. Support Associations;
- VI. Church-related organisations;
- VII. Project Members;
- VIII. Other organisations that in addition to investing in the Society aim actively to promote the mission of the Society and meet the criteria contained in Article (d) below.

The Members of the Society are the following:

- a) The founders, namely, the World Council of Churches and the Council of Churches in the Netherlands, who have formed and established the Society and who have thereby accepted the present Articles of Incorporation;
- b) Other belonging to one of the categories I to VI who have subsequently been admitted by the Board of Directors pursuant to an application filed by them in writing in which the applicant has at the same time declared acceptance of the Society's Articles of Incorporation, and have acquired at least the minimum number of shares specified in Article 9;
- c) Project Members, being project partners who over a period of at least five years have met their contractual obligations towards the Society and who at the invitation of the Board of Directors have been admitted into membership provided they agree to submit to the Articles of Incorporation and invest the minimum number of shares as prescribed in Article 9.
- d) Organisations that at the invitation of the Board of Directors have been admitted to membership, provided they:
 1. have a mission and objectives that closely align with the Society's mission;
 2. are democratically organised to reflect the views of the constituency or membership; and
 3. invest at least fifty-thousand euro (EUR 50,000) in the Society's shares.

The Board of Directors shall give notice in writing of the admission as a member to such member, stating therein under which number the member is entered in the Register of the Society.

Article 5
Termination of Membership - Appeals

Membership shall terminate:

- a) upon notice of resignation by the Member;
- b) upon liquidation or dissolution of the Member;
- c) upon notice given on behalf of the Society in case a member has lost its qualification for membership in the Society as stipulated in Article 4; such notice shall be in writing by the Board of Directors and shall state the reasons for coming to such a conclusion. The member shall have the right to appeal, within one month of the date of such notice, to the General Meeting against the termination of its membership. The appeal shall be decided at the General Meeting next following the appeal and until the appeal is decided, the member is suspended from membership. If the appeal fails, membership shall cease from the date of the General Meeting's decision;
- d) upon notice given on behalf of the Society where a member has failed to observe and comply with the Society's Articles of Incorporation or where a member has acted against the interests of the Society or where for any reason the Society cannot reasonably be expected to continue a member in membership; such notice shall be in writing by the Board of Directors and shall state the reasons for coming to such a conclusion. The appeal procedure stated at c) above will apply in these cases too.

Article 6
Resignation conditions

Resignation by a member can only take place at the end of the financial year subject to one year's notice, except for cogent reasons. Whether a reason is cogent shall be determined by the Board of Directors.

TITLE III

CAPITAL

Article 7
Capital structure

The working capital of the Society shall be constituted by:

1. the issued and paid-up share capital;
2. the retained earnings and reserves;
3. donations, subscriptions, legacies and other benefactions;
4. funds, which may be borrowed from time to time.

Article 8
Share denomination - Shareholders Registry

The Society shall issue to its members registered shares. The shares are sub-divided in fractions of shares, expressed in decimals.

Shares shall be issued of (a) two hundred United States dollars (USD 200) each, (b) two hundred euros (EUR 200) each, or (c) the Society may issue shares in any other currency as resolved by the Board of Directors.

The Society shall keep a Register of the shares issued to the members. Each member may at any time apply for a certified extract from the Register stating the number of shares registered in its name.

Article 9
Minimum Shareholding

Except as provided in Article 4 with respect to organisations referred to in Article 4 VIII, each member has the obligation to subscribe to at least one share upon being admitted to the Society.

Article 10
Joint Ownership of Shares

If the share capital investment is the joint property of more than one member, such members may exercise the membership rights only through a common representative appointed for that purpose. Each entire or partial share shall confer the right to a proportional part of the net profit and of the proceeds of liquidation of the Society.

Article 11
Irrevocable Limitation of Liability of Members

Members shall be liable only for the obligations imposed upon them by these Articles of Incorporation and liability of the members for the debts of the Society is expressly excluded. Alterations to the Articles of Incorporation - which are possible at any time - cannot ever result in an increase in the liability of the members.

Article 12
Redemption of Shares by the Society under certain conditions

1. Shares shall be redeemed, if a member has ceased to be a member of the Society, not later than five years after cessation of membership. Moreover, shares can be redeemed, without prejudice to what has been provided in Article 9 hereof, without the member ceasing its membership of the Society. The redemption shall be decided upon by the Board of Directors. The redemption shall be at par value. However, if the net asset value per share is lower than the nominal value per share in the most recent audited (interim) balance sheet preceding the redemption by the Society, the amount payable upon redemption of share(s) shall not exceed the sum corresponding to the net asset value of the share(s) according to that balance sheet.
2. At any time a member can transfer its shares to other member(s) by a written contract and written notice to the Society.

TITLE IV
ORGANISATION OF THE SOCIETY

A. General Meeting

Article 13
Powers of General Meetings of Members

The General Meeting of Members is the highest power of the Society. It has the following powers, which cannot be delegated:

- a) the alteration of the Articles of Incorporation;
- B) the election, removal and suspension of members of the Board of Directors, member-representatives on the Nomination Committee and members of the Auditing Committee;
- c) the appointment of an expert as mentioned in Article 33;
- d) the approval and confirmation of the Annual Accounts and the report of the Board of Directors;
- e) the allocation of profits and the declaration of dividends;
- f) the release of the Board of Directors;
- g) the decision of appeals of members in relation to termination of membership;
- h) the determination of the remuneration of Directors, to the extent that any remuneration shall be awarded to them;
- i) resolutions on all matters reserved to it by law;
- j) the right to appoint a Committee to evaluate implementation of the policy. This Committee shall reflect the ecumenical character of the Society and one member shall always be a representative of the World Council of Churches.

Article 14
Calling of General Meetings

Insofar as the law does not provide otherwise, the General Meetings shall be convened by the Board of Directors. One or more members jointly representing at least one-tenth of the issued capital or such a number of members as are empowered to cast one-tenth of the votes at a General Meeting, may request, with a written statement of its purpose that an extraordinary General Meeting be called.

Article 15
Convening and Venue of General Meetings

The General Meeting shall be held at the time and place to be determined by the Board of Directors. Every year at least one General Meeting shall be held within six months after the close of the financial year. Extraordinary General Meeting may be held whenever necessary, in particular in the cases provided for by law, as well as by a resolution of the General Meeting itself.

Article 16
General Meetings - Period of Notice - Method of Notice

Notice of the General Meeting shall be given by letter sent to each member at least sixty days before it is held, not counting the day on which notice of such meeting is given and the day appointed for the meeting.

Article 17
Notice of the General Meeting - Provisional Agenda - Final Agenda

The notice of the General Meeting must specify the provisional agenda and, if the Articles of Incorporation are to be altered, the literal text of the proposed alteration(s).

Agenda items can be submitted in writing to the Board of Directors at any time but not later than thirty (30) days before the date of the General Meeting, with the exception of nominations as provided in Article 22. The Board of Directors shall send the final agenda to the members at least twenty (20) days before the General Meeting. No resolutions may be passed on matters not specified in the final agenda, with the exception of a motion to call an Extraordinary General Meeting. The agenda need not specify proposals or plans not requiring resolutions.

Article 18
Conditions for waiving Notice and Agenda Provisions

If and as long as half of all members attend a General Meeting and no objection is raised, they can pass resolutions, even though the provisions relating to convocation and the agenda have not been observed, provided always any such resolution is carried unanimously.

Article 19
Voting Power of Members

Every Member has one vote at the General Meeting.

Article 20
Representation of Members at the General Meeting

In the exercise of the right of voting at the General Meeting, a Member may be represented by the person of his/her choice by means of a written power of attorney. No person may represent more than three Members. In addition to himself or herself a Member can represent only two other Members.

Article 21
Quorum at General Meeting - Voting on Resolutions at General Meeting

A General Meeting shall be validly constituted irrespective of the number of members who are present or represented. Resolutions shall be passed by a simple majority of votes validly cast. The vote of a member who abstains has not been validly cast.

Article 22

Nomination Committee - Procedure for appointing Members of the Board of Directors, the Nomination Committee and the Audit Committee - Voting at Elections at General Meeting

The Society shall have a Nomination Committee consisting of five (5) persons, three (3) of which shall be elected by the General Meeting, one (1) of which shall be elected by the Board of Directors and one (1) will be the Managing Director.

Members of the Nomination Committee shall be appointed for a period of three years and shall be eligible for reappointment for additional term(s) of three (3) years. If for any reason one or more positions on the Nomination Committee are vacant, the remaining members shall constitute a valid Nomination Committee.

The Nomination Committee shall:

- a) At least one hundred twenty (120) days before the General Meeting announce to the Members any vacant position(s) to be filled on the Board of Directors, the Nomination Committee and the Audit Committee together with needed qualifications for the positions. The announcement shall be published in the periodic "circular" of the Society or in a letter, and shall invite the Members to propose candidates at least ninety (90) days before the date of the General Meeting. A "vacant position to be filled" includes a position whose current occupant is eligible for re-election;
- b) Make best efforts to obtain at least two candidates for each vacant position to be filled;
- c) Review the qualifications and suitability of the proposed candidates for the Board of Directors and the Audit Committee. In the case of candidates for vacancies in the Nomination Committee, the Nomination Committee will collect the names and qualifications of the candidates and will distribute this information to the Members, without making recommendations and without reviewing the qualifications and suitability of the candidates;
- d) In connection with the mailing of the provisional agenda for the General Meeting, inform the Members on the outcome of the review and recommend at least one proposed candidate for each vacancy to be filled on the Board of Directors and the Audit Committee, which recommendation(s) should give clear reasons as to why the recommended candidates for the Board of Directors and Audit Committee are preferred;
- e) Develop criteria to evaluate a member of the Board of Directors or the Audit Committee for a second term of three years.

The provisional agenda, as described in Article 17, shall contain the definitive list of proposed candidate(s) for membership on the Board of Directors, the Audit Committee and the Nomination Committee.

The definitive list shall contain particulars in respect of the name, the age and the profession of every candidate, as well as the candidate's present and past functions insofar as these are of interest in connection with the performance of the duties of a member of the Board of Directors, the Nomination Committee or the Audit Committee.

At the General Meeting no persons shall be appointed other than the candidate(s) mentioned in the aforementioned definitive list.

Votes against a candidate shall be permitted in all cases.

At a General Meeting where voting takes place to elect members of the Board of Directors, Member-representatives on the Nomination Committee or members of the Audit Committee, the candidate will be appointed if she/he gets more positive votes than negative votes. In a case where multiple candidates receive more positive votes than negative votes the candidate, or in the case of multiple vacancies to be filled, the candidates who received the highest number of positive votes, will be appointed. In the event candidates receive an equal number of positive votes, there shall be a run-off election between those candidates.

Article 23

Election of Moderator - Designation of Secretary and Scrutineers

The General Meeting shall elect every year at the end of its Annual General Meeting the Moderator for the next ordinary General Meeting, and possible Extraordinary General Meetings, to be held in that calendar year. The Moderator of the General Meeting shall designate the Secretary and the Scrutineers.

Article 24
Minutes of General Meetings

Minutes of the proceedings of General Meetings shall be kept, which shall contain the resolutions passed and the elections that took place, together with any specific statements the members may require to be entered in the minutes. The minutes shall be confirmed and signed by the Moderator and the Secretary of the General Meeting and shall be circulated to all members.

B. Board of Directors

Article 25
Composition of Board of Directors

The Board of Directors of the Society shall consist of at least six and not more than sixteen persons; the majority of them must be associated with the members of the Society. The composition of the Board of Directors shall reflect as much as possible the ecumenical character of the Society and the interests of the poor.

Article 26
Period of Service of Directors and Limits on Re-election/Dismissal

Members of the Board of Directors shall be elected to hold office for a period of three years and shall be eligible for re-election for one term. Upon completion of service as a member of the Board of Directors and a lapse of three years a former member shall be eligible for election again under the terms of this Article. Even if a Member of the Board of Directors has been appointed for a certain time, he may at any time be dismissed by the General Meeting.

Article 27
Election of President

The Board of Directors shall elect from its body a President.

Article 28
Board Meetings - Frequency - Minutes - Secretary

Meetings of the Board of Directors shall be convened by the President whenever the business of the Society so requires. Minutes of the deliberations and resolutions carried by the Board of Directors shall be kept and signed by the President and the Secretary of the Board of Directors. The Board of Directors shall elect a Secretary, from its body or otherwise.

Article 29
Voting on Resolutions at Board Meetings - Recording of Resolutions

Resolutions of the Board of Directors shall be passed unanimously, provided always that at least one-half of the members of the Board of Directors are present. If unanimity is not reached, a vote of at least two-thirds of the total votes cast will suffice at a second ballot taken on the same subject. The Board of Directors may also pass resolutions in writing if, after a proposal to that effect has been sent to all Members of the Board of Directors, no Member of the Board of Directors raises objection to the proposal being put to the vote in writing within thirty days of the sending of the proposal and the requisite number of Members of the Board of Directors voting in favour of the resolution is the equivalent of the requisite number at a meeting at which all Members are present. Such resolutions shall be entered in the minute book of the Society.

Article 30
Powers of Board of Directors

1. The Board of Directors shall have the widest powers in regard to the management of the Society. It shall have the authority to decide all matters, which are not specifically attributed and reserved to the General Meeting and other organs of the Society.
2. The Board of Directors has the power to delegate its powers to the Managing Director, which delegation can be made subject to conditions and limitations. The powers mentioned in Article 31 under IX and X cannot be delegated to the Managing Director.

3. The Managing Director is responsible for the day-to-day management of the Society. The Board of Directors shall give him/her instructions in respect of the financial, economical and social policies.

Article 31

Powers and Duties of Board of Directors

- I. The Board of Directors has all the powers and attributes which are not reserved by the law or by the present Articles of Incorporation to others.
- II. The Board of Directors may in the Society's name sue and be sued, enter into settlements, make loans, borrow money as a fully and personally liable debtor and is authorised to conclude agreements for the purchase, disposal and encumbrance of movable goods and immovable property, and to conclude agreements by which the Society gives guarantees or security for a debt of another.
- III. The Board of Directors shall prepare for the General Meeting an annual report of Oikocredit and the development process in general and shall offer to this meeting the Annual Accounts with an explanatory statement.
- IV. The Board of Directors shall make proposals about spending the annual profit.
- V. The Board of Directors shall submit proposals to the General Meeting, prepare the Agenda, convene the General Meeting and carry out and give effect to the resolutions of the General Meeting.
- VI. The Board of Directors shall authorise the establishment or the liquidation of branches.
- VII. The Board of Directors shall issue regulations in regard to the management of the Society.
- VIII. In conformity with general directives of the General Meeting, the Board of Directors shall authorise the granting of loans, guarantees, investments in the capital of companies and other juridical persons and any borrowing by the Society.
- IX. The Board of Directors shall appoint the Managers of the Society, and have power to confer upon one of them the description of Managing Director and shall set the conditions of their employment.
- X. The Board of Directors shall also approve the annual budget of the Society.
- XI. The Board of Directors shall resolve upon the issuance of shares in currencies other than euros or United States dollars.
- XII. Furthermore, the Board of Directors shall carry out all such other activities within the purpose of the Society as may prove expedient or necessary.

C. General

Article 32

Representation of the Society

The Society shall be represented by the Board of Directors and moreover by two Members of the Board of Directors or by one Member of the Board of Directors together with the Managing Director or by the Managing Director together with one other manager, or by two other managers within the limitations of their powers.

Article 33

Expert and Audit Committee

The General Meeting shall give to an expert as referred to in Article 2:393 of the Civil Code an instruction to audit the Annual Accounts, notwithstanding the provisions of the law. The General Meeting shall furthermore elect an Audit Committee, not being a committee within the meaning of Article 2:58 paragraph 1 in conjunction with Article 2:48 paragraph 2 of the Civil Code, consisting of three persons. The Audit Committee shall make and deliver a written report on the Annual Accounts. In its work the Audit Committee shall be assisted by the expert. The members of the Audit Committee shall be appointed for a period of three years and shall be eligible for reappointment for one additional term of three (3) years. The Audit Committee shall be entitled, but not obliged, to be represented at the General Meeting by one of its members.

Article 34
Financial Year

The business year shall commence on the first day of January and shall end on the thirty-first day of December.

Article 35
Allocation of Net Profit

The net profits shall be allocated by the General Meeting after receiving the proposals of the Board of Directors.

Article 36
Dividends - Period of Prescription

Dividends declared by the General Meeting shall be payable as often as the Board of Directors shall so decide. Dividends may be made payable in the form of an additional of one or more fractions of shares in the share register of a member and/or in cash. Dividends made available in cash, which have not been claimed within five years, shall be forfeited for the benefit of the Society.

Article 37
Liquidation of Society

The Society may be dissolved:

- a) by resolution of the General Meeting;
- b) on declaration of bankruptcy;
- c) in other cases provided for by law.

Article 38
Notice to Members

All announcements and communications to the members shall be made by letter sent to the address which the member concerned has provided the Society for that purpose. This address shall continue to be such member's address of record until the Member has given written notice of a change of address to the Society.

Article 39
Arbitration of Disputes

All disputes arising in relation to or touching upon the Articles of Incorporation, between the Society and its members as well as between members, shall be submitted to arbitration in accordance with the Rules of the "Nederlands Arbitrage Instituut".

Note: The official language of Oikocredit is Dutch. In case of dispute the Dutch version will be the official version of this document.