

## CITIZENFUND SCRL

## Rules of procedure

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The Internal Regulations of SCRL CITIZENFUND are drawn up in a coordinated form and partly incorporate the Company's Articles of Association to make them easier to read.

**SECTION I. GENERAL CONCEPTS***Article 1 - Definitions*

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|------------------------------|--|
| 1) "Article".                | Article of the present Rules of Procedure ;  |
| 2. 2. "General Assembly".    | General Assembly of CITIZENFUND SCRL ;   |
| 3. "Associate                | Any legal or natural person, who actually holds shares in CITIZENFUND SCRL, i.e. the "cooperators-investors";  |
| 4. "Elected Partner          | Any Associate who is part of a Selection Committee, for a period of one year, renewable.   |
| 5. "5. "Selection Committee  | Jury of five individuals composed of two Elected Partners, two Experts specialised in the field of social, circular, collaborative or project-related economy and a Founder of CITIZENFUND SCRL; |
| 6. "6. "Board of Directors   | Management body of CITIZENFUND SCRL ;  |
| 7. "Observer                 | Partner authorised by the other Partners to represent them and ensure follow-up within a Participating Company;  |
| 8. "Platform                 | Private section of the website <a href="http://www.citizenfund.coop">www.citizenfund.coop</a> accessible only to Members;  |
| 9. "9. "Project              | Any company that has started the selection process within CITIZENFUND SCRL in order to benefit from Financial Support;   |
| 10 "KING".                   | These Internal Regulations, which set out the vision, aims and main operating rules of CITIZENFUND SCRL ;  |
| 11. 11. "Company" means      | The company CITIZENFUND SCRL ;   |
| 12. "Participating Company". | Any company receiving Financial Support from CITIZENFUND SCRL ;  |
| 13. "Financial Support       | Financial intervention by CITIZENFUND SCRL in the form of participation in the share capital, a subordinated loan or any other form of financial intervention;                                   |
| 14. "Statutes                | The articles of association of CITIZENFUND SCRL ;  |

15. "Structures

Partners, public or private, active in the circular, collaborative and cooperative economy.

Article 2 - Rules of Procedure and Statutes

1. Unless expressly provided otherwise in the ROI, it is generally provided that :
  - a. Any reference to a law or regulation includes any modification, replacement or repeal of such law or regulation;
  - b. Words in the plural have the same definition as words in the singular, and vice versa;
  - c. Titles and sub-divisions are only intended to make reading easier, but have no legal effect in themselves;
  - d. The time limits referred to in the ROI are calculated from midnight to midnight. They are calculated from the day following the day of the act or event that gives rise to it. The day of the due date is included in the deadline. When the due date is not a working day in Brussels, it is postponed to the next working day at the latest. All deadlines are calculated in working days (in Brussels). Periods expressed in months or years are calculated from the date to the day before the date.
2. Membership and the implementation of the ROI are essential conditions for new Associates to join. Failure to comply with the ROI may result in the exclusion of any offending Member, in accordance with the Articles of Association (Art. 14).
3. The IKN is adopted and amended by the General Assembly, in accordance with Articles 25 and 32 of the Articles of Association.
4. The Articles of Association may only be amended in accordance with the legal and statutory provisions of the Company.
5. In the event of a conflict between the EOI and the Statutes, the Statutes shall prevail.

**SECTION II. VISION, MISSION AND INVESTMENT PERSPECTIVE**

Article 3 - Social objective, vision and values

1. The objective of the Company is to constitute a cooperative and citizen fund, investing in projects with a high societal impact in various sectors of the economy, respecting at least one of the following areas:
  - a. The **circular economy** is a new economic paradigm that takes into account the true value of resources, thus eliminating the notion of waste. The circular economy is based on economic models and modes of production that improve the use of resources while generating value in a sustainable way. Economic actors then have a regenerative rather than destructive impact on the ecosystem. This means that a society will exploit available resources to the maximum, either by optimising these internal flows or by collaborating with external actors, thus forming a circular circuit. This new process has a direct impact on the environment, but also on economic and social/societal aspects.

- b. The **collaborative economy** (or economy of sharing) is based on the mutualisation and exchange of services, resources, goods, time, knowledge and skills. It advocates the sharing of assets. It favours horizontal, peer-to-peer relationships and organisations, rather than vertical and hierarchical ones. In addition to economic considerations (moderation of expenditure, limitation or even elimination of intermediaries), it is mainly based on the values of social ties and ecology, and values use to the detriment of possession.
  - c. The **cooperative economy** is the combination of a group of persons and an enterprise based on the economic participation of the members in capital and operations, whether or not it has adopted the legal form of a cooperative. Its organization and functioning are characterized by principles (voluntary and open membership, democratic control by members, economic participation of members, autonomy and independence, education, training and information, cooperation among cooperatives, concern for the community) and values (self-help, responsibility, democracy, equality, equity and solidarity) which give each cooperative a universal character, whatever its purpose or sector of activity. The structures adhering to the cooperative model have the ambition to share profits equally, with a view to creating local value.
  - d. The **social economy** (and social entrepreneurship) is the set of enterprises for which the social or societal objective of common interest is the raison d'être of the commercial action, which often results in a high level of social innovation, whose profits are mainly reinvested in the realisation of this social object, and whose mode of organisation or ownership system reflects the mission, based on democratic or participatory principles, or aiming at social justice (European Commission definition).
2. The Company aims to be a citizen and rallying initiative dedicated to the financial support of the societal changes underway. To this end, it wishes to :
- a. Operate openly, harmoniously and in cooperation with other actors, public and private, in the circular and collaborative economy sectors;
  - b. Offer initiatives with a societal impact an alternative or complementary source of funding to traditional sources of financing (banks, public investment companies, subsidies, private investors, etc.);
  - c. Reconciling citizens with finance by allowing them to put their savings at the disposal of meaningful projects;
  - d. To be a catalyst and certifier of virtuous and solid "entrepreneurial impact projects";
  - e. Ensure sound risk management and diversification through investments in companies with different profiles, maturity and needs.

#### Article 4 - Investment approach

A number of ROI rules are dictated by the long-term investment perspective of the fund, which aims to accompany societal changes with financial support. These key principles, which will be further developed below, are as follows:

- a. **Members wishing to leave the fund will only be able to recover the nominal value of their shares.** In accordance with Article 15 of the Articles of Association, the resigning or excluded Member shall be entitled to reimbursement of the nominal value of his shares provided that :
  - i. This value exceeds the net assets divided by the number of shares on the basis of the net assets as shown on the balance sheet of the previous year duly approved by the General Meeting of Members during the financial year in which the resignation was given or the exclusion was pronounced. Failing this, the resigning or excluded Shareholder shall only be entitled to the proportion of the net assets of the Company represented by his shares. He shall not be entitled to any share in reserves, capital gains and provisions or any other extension of shareholders' equity.
  - ii. Repayments shall not exceed annually one tenth of the net assets as shown in the previous balance sheet approved by the General Meeting. If this were the case, repayment would be postponed until such time as conditions permit. Net assets shall mean total assets as shown in the balance sheet, less provisions and liabilities. Reimbursement of the resigning or excluded Partner is made in the order of arrival of the simple letter or e-mail.
- b. In accordance with article 31 of the Articles, the amount of the dividend may in no case exceed that fixed in accordance with the Royal Decree of 8th January 1962 laying down the conditions for the authorisation of groups of sociétés coopératives and sociétés coopératives. On this basis, **the Company will distribute dividends in an amount representing a maximum of six percent (6%) of the amount of the nominal value of the shares, from which** withholding tax will be withheld at the percentage imposed by the legal requirements. The surplus will be retained, in particular in order to ensure a dividend in future years or to absorb any losses relating to a specific investment. Dividends are payable at the places and times determined by the Board of Directors.
- c. **Each Member shall freely subscribe for one or more shares,** (see art. 10 of the Articles of Association). To each type of subscribed share is added a one-off management fee of 4% of the nominal value of the share to cover part of the Citizenfund's operating costs.
- d. The Company operates according to the principles of participatory democracy, so that **each Member has one vote, regardless of the** number of shares he holds.

#### Article 5 - Risk

Investing in the Company, even in the form of alternative financing to an equity investment, represents a risk that may result in the partial or total loss of the investment.

### SECTION III. ECOSYSTEM

#### Article 6 - Partnerships

1. The Company develops an ecosystem through WIN-WIN partnerships with numerous Structures with which it wishes to promote a spirit of collaboration, collective intelligence, as well as a rational and pragmatic approach.

2. The Company and the Structures respectively place their knowledge, services and skills at the disposal of the other, so as to help and support Projects and Participating Companies in their search for financing or support.
3. Depending on the services requested, these may be free or paid for.
4. The ecosystem is proposed, never imposed. Each Structure remains free to determine its mode of operation and the mode of remuneration it practises.

## SECTION IV. COMPANY AND SHAREHOLDERS

### Article 7 - Constitution

1. The Company has been incorporated as a limited liability cooperative society under the name CITIZENFUND SCRL.
2. Its head office is located at 1140 Evere, 775 Chaussée de Louvain.
3. It is registered in the Brussels register of legal persons under number 0676.463.053.
4. Its approval was published in the Moniteur Belge on 24 October 2017, following the ministerial order issued on 16 October 2017. The approval is valid retroactively from <sup>1</sup> July 2017.

### Article 8 - Shares

1. The share capital is represented by registered shares.
2. The shares are divided into class A and class B shares.
  - a. The **class of A-shares** represents the class of shares of "cooperators guaranteeing the vision of the cooperative". This category refers to the shares held by the founders of the Company as long as they remain Associates, as well as any Associate who validly appoints a Director of the Company.
  - b. The **class of B shares** represents the class of shares of "ordinary co-operators". This class covers shares held by any person who is not a "cooperator guaranteeing the vision of the cooperative".
3. The two classes of A and B shares have a nominal value of two hundred and fifty (250) euros.
4. Unless otherwise specified in the Articles of Association, Class A and B units offer the same rights and obligations to their holders.
5. Units change class on disposal depending on whether the holder is eligible for one class or the other.
6. Apart from the shares representing the contributions, no securities of any kind, under any denomination whatsoever, may be created representing company rights giving entitlement to a share of the profits. In addition to the shares subscribed for hereunder, other shares may be issued during the existence of the Company, in particular in connection with the admission of Members or the increase of subscriptions. The Board of Directors shall determine their rate of issue, the amount to be paid up at the time of subscription and, where applicable, the periods of existence of the amounts still to be paid up and the rate of interest due on such amounts.

Article 9 - Entry of Members

1. The status of Partner is granted to any person, natural or legal person, approved by the Board of Directors, who has subscribed to one or more shares of the Company.
2. Admission implies the full payment of all subscribed shares and adherence to the Articles of Association and the KING. Failure to meet these conditions exposes the Member to the following risks:
  - a. Refusal of admission of the Member by the Board of Directors. The Company shall communicate the objective reasons for this refusal to the interested party if he so requests.
  - b. Members who fail to pay within the set time limits shall be required, by operation of law and without formal notice, to pay interest at an annual rate of ten percent (10%) from the due date, without prejudice to the right of the Company to take legal action to recover any outstanding balance, to cancel the subscription, or to exclude the defaulting Member.
  - c. The suspension of the voting right attached to units on which payments have not been made for as long as such payments, duly called and due, have not been made.
3. Members agree to receive all communications from the Company by electronic means, including notices of General Meeting meetings.
4. Any natural person in a situation of incapacity shall have the exercise of his or her representation and voting rights at the General Meeting conferred on his or her legal representative. Any legal entity must appoint a proxy who will exercise the power of representation and voting rights of the legal entity. In the event of a change of representative, the legal entity must notify the change within ten (10) working days following the date of the change.

Article 10 - Exit of Members

1. Members cease to be Members of the Company by resignation, exclusion, death, prohibition, bankruptcy and/or insolvency.
2. Any Member who is not in debt to the cooperative may resign, provided he has been a member for one (1) year or more and has expressed his wish to leave the Company (by simple letter or by electronic means) during the first six (6) months of the corporate year, in accordance with the law (Art. 367 of the Companies Code of 7th May 1999). The Board of Directors may refuse the resignation only if it has the effect of :
  - a. Reduce the capital to an amount less than the fixed part established by these Articles of Association ;
  - b. Reduce the number of Associates to less than three ;
  - c. Seriously affect the financial situation of the cooperative, which it judges to be in its sovereign capacity.

Where the resigning cooperator is incapacitated, the authorisation of the competent justice of the peace is required. To this effect, the cooperator's legal representative sends a request to the clerk

of the justice of the peace of the residence of the incapable person. The justice of the peace grants the application if he or she deems it to be in the interests of the protected person.

3. Any Shareholder may be excluded from the Company for just reasons, in particular if he no longer fulfils the conditions of admission, if he behaves in a way that is detrimental or contrary to the interests of the Company, if he is no longer capable of exercising his rights as a Shareholder himself, or for any other reason.

Exclusion is pronounced by the Board of Directors, acting by a two-thirds (2/3) majority. The Member whose exclusion is requested may make his observations known in writing before the Board of Directors, within one month of the sending of a simple letter or an e-mail containing the reasoned proposal for exclusion. If he so requests in the written comments, the Member must be heard.

Any decision to exclude a member is justified and recorded in minutes drawn up and signed by the Board of Directors. These minutes shall mention the facts on which the exclusion is based. The exclusion shall be mentioned in the register of members of the Company.

A true copy of the decision may be sent by simple letter or e-mail within fifteen (15) days to the excluded Member if he so requests.

#### Article 11 - Transfer of shares

1. The shares are transferable inter vivos, subject to compliance with the general conditions of admission set out in Article 9 of the KING. Compliance with these conditions is assessed by the Board of Directors.
2. The shares may not be assigned or transferred by way of death to third parties, including the heirs and successors of the deceased Member. In this case, the exclusion procedure will be implemented.
3. Nor may they be transferred to third parties as a result of the dissolution of a legal entity Member, whatever the cause (voluntary dissolution, bankruptcy, etc.). In this case, the exclusion procedure will be implemented.

#### Article 12 - Communication with Members

Communications between the Company and the Shareholders, and within the various bodies of the Company are carried out by electronic means, and in particular :

- a. Communication is carried out as far as possible by means of e-mail or through the Platform, ensuring exchanges by electronic means (Art. 9 of the ROI).
- b. The Company's website ([www.citizenfund.coop](http://www.citizenfund.coop)) contains a certain amount of information, in particular concerning the Projects and Participating Companies, as well as periodic information relating to the life of the Company. Any information that is not public will be communicated on the Platform.
- c. The various votes are cast on the Platform (Art. 45 of the ROI).

## SECTION V. ORGANS AND ACTORS OF SOCIETY

### **A. The Board of Directors**

#### Article 13 - Mission

The objective of the Board of Directors is to ensure the development of the Company in accordance with the missions and values defined in the ROI.

#### Article 14 - Composition

1. The Board of Directors is composed of 3 Directors, Members or not, appointed by the General Meeting, on the proposal of the Category A Members.
2. The General Meeting may also appoint, on the proposal of the Board of Directors, independent directors who do not have the status of Partners.
3. In the event of a vacancy on the Board of Directors, the remaining Directors may fill the vacancy on a temporary basis.
4. The appointment is subject to ratification by the next General Assembly.
5. On the incorporation of the Company, the following are appointed as Directors :
  - a. SHARIFY ASBL, represented by Mr Bastien Van Wylick
  - b. BOOSTREIA SPRL, represented by Mr. Thibaut Martens
  - c. Mr Alexandre Ponchon

The General Meeting retains the right to appoint new Directors or to dismiss the aforementioned Directors.

Mr. Thibaut MARTENS is appointed Chairman of the Board of Directors.

#### Article 15 - Mandate

1. The term of office of the Directors is set at four (4) years, renewable.
2. The office of Director is non-remunerated, without prejudice to the remuneration that may be granted to Directors entrusted with a delegation (Art. 22 of the Articles of Association).

#### Article 16 - Jurisdiction

1. The Board of Directors has the broadest powers of administration and disposal for the realisation of the company's object and for the day-to-day management.
2. It is competent for :
  - a. Proceed to expel a member (Art. 14 of the Statutes) ;
  - b. Issuing a proposal for an annual dividend ;



- c. Launch the procedure for the appointment of one or more Partners as Directors or Observer(s) in the companies in which the Company has holdings;
- d. Renting and leasing, acquiring and disposing of all property, both movable and immovable.
- e. To take out any loan, except by issuing bonds ;
- f. Pledge or mortgage all company assets;
- g. Give release with waiver of all hypothecary rights, liens and resolatory actions, even without proof of payment, from all hypothecary registrations and other transcriptions, seizures and other impediments of any kind;
- h. Representing the Company in court as plaintiff or defendant ;
- i. Transition and compromise in any case on all social interests ;
- j. Drawing up draft internal regulations.

#### Article 17 - Holding of meetings

1. The Board of Directors shall meet when convened by the Chairman as often as the interests of the company so require, or when two of its members so request.
2. The Board of Directors shall meet at the registered office of the Company, or at any other place in the municipality of the registered office of the Company indicated in the convening notices.
3. Except in cases of urgency to be justified in the minutes of the meeting, notices of meetings shall be sent by simple letter or e-mail at least five (5) working days before the meeting, and shall contain the agenda.
4. The Board of Directors may meet by videoconference, telephone conference or any other means of telecommunication enabling each participant to take full part in the deliberations and votes.  
This shall be mentioned in the minutes of the meeting.
5. A Director may, by simple letter, telex, telegram, telefax or any other similar procedure, give a proxy to another Director to represent him at the meeting and vote in his place.

A Director may, however, represent only one other member of the Board of Directors.

#### Article 18 - Decisions

1. The Board of Directors may only deliberate validly if at least half of its members are present or represented.  
However, if at the first meeting the Board of Directors is not present, a new meeting may be convened with the same agenda. It shall deliberate validly, regardless of the number of Directors present or represented.
2. Decisions are taken by a simple majority of votes. In the event of a tie, the President or the member chairing the meeting shall have the casting vote.

In exceptional cases duly justified by urgency and the interests of the company, and with the exception of the procedure for closing the annual accounts and the use of the authorised capital, the decisions of the Board of Directors may be taken by unanimous consent of all the Directors, expressed in writing.

3. In the event that the Board of Directors takes resolutions in writing, each Director shall send a signed copy of the resolutions by email to the Chairman and the Secretary who will compile them and record them in the special register.

#### Article 19 - Representation

Without prejudice to any special delegations, the Company shall be validly represented vis-à-vis third parties and in legal proceedings by at least two Directors acting jointly.

### **B. The Managing Director for day-to-day management**

#### Article 20 - Delegation

1. The Board of Directors may, under its responsibility, confer the day-to-day management of the Company on one or more Directors who shall bear the title of Managing Director or Managing Director.

In addition, it may delegate special limited powers to any agent, whether or not a member of the Board of Directors.

2. The Board of Directors determines the attributions and powers of the persons to whom it grants delegations, and may modify and revoke them at any time.
3. The General Meeting may fix the emoluments attached to the delegations referred to in this Article, but such remuneration may not, however, consist of a share in the profits of the Company.
4. In accordance with the decision of the Board of Directors of 5 July 2017, BOOSTREIA SPRL, represented by Thibaut Martens, is appointed Managing Director for day-to-day management.

#### Article 21 - Jurisdiction

1. The Managing Director for day-to-day management is responsible for :
  - a. The daily operational management of the Company ;
  - b. The development of the Company in accordance with the guidelines defined by the Board of Directors ;
  - c. The daily financial management, in particular the keeping of the accounts, and the payment of normal operational expenditure, in accordance with the Articles of Association and without prejudice to the banking powers defined by the Board of Directors;
  - d. The day-to-day management of human resources, without prejudice to the powers of the Board of Directors to approve any key employee or key service provider of the Company ;

- e. Representing the Company, in particular before the authorities, in the context of the Company's day-to-day operations, and taking steps to protect the Company's brand;
  - f. To the exclusion of all strategic decisions, or decisions that are, by virtue of the Articles of Association, the responsibility of the Board of Directors.
2. The Managing Director alone may bind the Company.

### **C. The General Assembly**

#### Article 22 - The Ordinary General Meeting

1. The Ordinary Shareholders' Meeting is held each year at the registered office of the Company or at any other place mentioned in the notices of meeting, on the third Monday of May each year at 6 p.m. or, if that day is a public holiday, on the first working day thereafter.
2. This Assembly :
  - a. Hears the management report drawn up by the directors and the report of the auditor (if the Company has one) and, where appropriate, the audit partners, and the audit partners answer questions put to them in connection with their report or the items on the agenda;
  - b. Decides on the adoption of the annual accounts.
  - c. Votes by a special vote on the discharge to be given to the directors and the auditors. Such discharge shall be valid only if the annual accounts contain no omissions or false information concealed in the actual situation of the Company and, as regards acts done outside the Articles, only if they have been specifically indicated in the convening notice.
3. The annual accounts are then, at the discretion of the Board of Directors, published in accordance with the legal and regulatory rules applicable to the Company.

#### Article 23 - The Extraordinary General Meeting

1. The Extraordinary General Meeting shall be convened if Members owning at least one fifth of all the shares or, where applicable, an auditor, so request.
2. It must be summoned within one month of the requisition.

#### Article 24 - Jurisdiction

The Assembly alone is competent to :

- a. Making changes to the Statutes ;
- b. Appointing and removing Directors ;
- c. Changing the remuneration of the Managing Director ;
- d. Adopt and amend the IKN (Art. 25 and 32 of the Statutes) ;
- e. Extend or revise the investment policy of the Company (Art. 39 of the ROI),

f. Liquidation of the Company.

Article 25 - Holding of Meetings

1. The Board of Directors shall convene the General Meeting by simple invitation, by post or electronically, containing the agenda, addressed to the Members in compliance with the legal provisions.

Except in duly justified cases of urgency, the Meeting shall only deliberate validly on items on its agenda.

2. General Meetings are held at the registered office or at any other place indicated in the notices of meeting.

3. Any General Meeting shall be chaired by the Chairman of the Board of Directors or, failing this, by a Director delegated to this delegate by his colleagues or, if there is no Director present, by a Member appointed by the meeting.

4. The President may appoint a Secretary. The Assembly may choose one or more Scrutineers from among its members.

5. An attendance list indicating the identity of the Members and the number of shares they own must be signed by each of them or by their proxy, before entering the meeting.

To this list are attached the proxies and forms of the Members who have voted by correspondence.

6. Minutes of each Meeting shall be drawn up, signed by the members of the Board and by the Members who so request, and recorded in special registers.

The delegations, as well as the notices and votes given, in writing or by telegram, telex or telefax, shall be annexed thereto.

Article 26 - Representation

Each Member may be represented at the Assembly by a proxy, whether a Member or not. The body which convenes the Meeting may determine the form of proxies and require that they be deposited or sent to the place indicated by it and within the time limit which it shall determine.

Article 27 - Decisions

1. Each Member has one vote, regardless of the number of shares held.

2. With the exception of the cases provided by law and in Article 25 of the Articles of Association where a majority of seventy-five (75) percent of the validly cast votes is required, decisions shall be taken by a simple majority of the votes, regardless of the number of shares represented.

3. Members may vote by post using a form drawn up by the Board of Directors, stating their full identity (surname, first names, profession, domicile or registered office), the number of shares subscribed, the agenda, and the direction of the vote for each proposal.

4. This form must be dated and returned by ordinary letter or electronic means at least three (3) days before the Meeting, to the address indicated in the notice of meeting.

#### Article 28 - Amendment of the Statutes

1. The General Meeting may only validly deliberate on the amendment of the Articles of Association if the notices convening the meeting specify the objects of the deliberations.  
Failing this, a new General Meeting shall be convened with the same agenda.
2. The decision shall be adopted by a majority of seventy-five (75) percent of the valid votes cast.
3. The special provisions provided for in articles 435, 436, 778 and 779 of the Companies Code concerning the change of the form of a cooperative and the transformations of companies, in articles 671 et seq. of the Companies Code concerning the merger and division of companies, and in articles 678 et seq. of the Companies Code concerning contributions of universality or branch of activity shall apply.

#### **D. Selection Committee**

##### Article 29 - Composition

1. The Selection Committee is composed of 5 members chosen from the following groups:
  - a. 2 Experts in the field of social economy, circular, collaborative, or any other expert related to the field of the Project;
  - b. 2 Elected Members
  - c. 1 Founder of the Company ;
2. The members of the Committee shall confirm the absence of a conflict of interest and shall immediately disclose any information that could give rise to a suspicion of a conflict of interest.
3. The composition of the Committee is communicated to all Members when the Project is presented.

##### Article 30 - Elected Members

1. Each year, the General Meeting elects two Members of the Company to sit on the various Selection Committees.
2. Two weeks before the date of the General Meeting, Members are notified by e-mail that they are invited to submit their application.
3. Candidate information is made available to other Associates on the Platform.
4. The mandate of Elected Partner is exercised free of charge for one (1) year and is non-renewable.

#### **E. Observer**

##### Article 31 - Mission

1. For each Participating Company, the Company appoints an Observer to monitor it.
2. The observer verifies that the vision defended by the Company remains a common thread in the long-term management of the assigned Participating Company.

#### Article 32 - Designation

1. When a Project is in the process of receiving funding from the Company, a call for applications is sent to all Members.
2. Those who wish to fulfil a mandate as an Observer should make themselves known to the Board of Directors by sending their CV and their motivations. The Board of Directors will carry out a pre-selection process.
3. Successful candidates have the opportunity to introduce themselves and answer any questions they may have during the Project presentation evening or, failing that, through the Platform. Associates also receive an express CV from Observers candidates.
4. The Members validate one Observer per Project within the same ten (10) day voting period as the Projects, on the Platform.
5. It is possible to refrain from expressing a preference for one or the other candidate.

#### Article 33 - Mandate

The Observer's mandate is exercised for 2 years, free of charge, and is renewable.

### **F. Founders**

#### Article 34 - Founders

The founders of the Company are :

- a. BOOSTREIA SPRL ([www.boostreia.be](http://www.boostreia.be)) is a structure active in supporting growing SMEs, particularly in terms of project structuring, finding investors and a go-to-market approach. Through its various shareholdings, it also assists companies in finding and obtaining subsidies, as well as in salary optimisation and other related HR assistance (simulations for hiring, work regulations, internal policies, etc.).
- b. SHARIFY ASBL ([www.sharify.be](http://www.sharify.be)) is active in economic transition, through activities that stimulate entrepreneurship in new models. It has set up several Hackathons/Start-up weekends that have raised the awareness of more than a hundred young entrepreneurs. It is an ecosystem of about twenty partners, mainly actors of the new economy. SHARIFY ASBL has already enabled the creation of 10 projects in the new economic models, 3 of which are already legally structured. It gives conferences on new economies and rapid innovation formats and is involved in new initiatives such as the Civic Innovation Network, Women in Tech.

- c. Axel Kuborn and Alexandre Ponchon are the creators and managers of SILVERSQUARE SPRL ([www.silversquare.eu](http://www.silversquare.eu)), the largest scalable workspace in Belgium. This represents 3 spaces in Brussels, more than 800 companies and a community of 2,000 people.

## **SECTION VI. FUNDING PROCESS**

### **A. Funding Criteria**

#### *Article 35 - Economic activity with impact*

Participating Companies must be active in the social economy. They share the committed vision of the Company defined in this ROI and are characterised by the desire to have a long-term societal impact.

#### *Article 36 - Cooperative model*

Participating Companies are preferably cooperative societies.

If this is not the case, they must tend towards a cooperative model, regardless of whether they ultimately adopt the legal form of a cooperative or not.

#### *Article 37 - Financial sustainability*

The Projects must be sufficiently financially sustainable: the aim is to support real projects to change the model of society in the long term. A rigorous analysis of the financial plan will be carried out by the Selection Committee prior to any investment.

#### *Article 38 - Intervention 'early stage'*

Investments made by the Company may consist of an investment of a limited amount for the start-up of a Project or a larger amount in a growth company.

#### *Article 39 - Investment policy*

All entrepreneurial projects presented to the cooperators for validation must comply with the following criteria:

- a. Have a real social and/or environmental impact
- b. Be part of a societal approach by adopting a circular, collaborative, cooperative and/or social economic model.
- c. Be financially self-supporting in the medium term (3-4 years)
- d. Focusing on social and societal performance over economic performance
- e. Adopt an operation that is respectful of others and the environment
- f. To treat the various stakeholders (employees, customers, suppliers, etc.) honestly, responsibly and fairly.
- g. Have limited wage pressure
- h. To provide an economic or social advantage to the cooperators

- i. Commitment to transparent communication about its activity and developments

## **B. Selection Procedure**

### Article 40 - Subject to the Selection Procedure

1. The Selection Procedure applies to any Project applying for a capital investment or a loan.

A more flexible procedure could be envisaged, but it would first have to be examined beforehand by the Selection Committee and the Board of Directors and present sufficient guarantees regarding the respect of social economy principles. The flexible procedure consists in passing the second analysis by the Selection Committee (see art.43 of the ROI). However, the presentation (see art.44 of the ROI) and validation (see art.45 of the ROI) by the Members are still required.

### Article 41 - Submission of the application

The Projects submit a presentation file and a financial plan containing the information necessary for an initial analysis:

- a. Description of the product/service
- b. Target market
- c. Business model
- d. Team
- e. Vision
- f. Current stage of development,
- g. Financial projections (revenues and costs).

### Article 42 - First analysis

1. The information received is subject to an initial internal, confidential analysis.
2. A meeting with one or more members of the project team is organised.

### Article 43 - Second analysis

1. When the Project seems to respect the criteria and values of the Company, a Selection Committee is set up in order to assess that :
  - a. The Projects correspond to the vision of the Company as defined in Article 3;
  - b. The Projects meet the criteria mentioned (Art. 35 to 39 of the ROI);
  - c. The business model makes sense from the perspective of long-term financial sustainability, in addition to the financial analysis already carried out beforehand;



- d. The type of financing envisaged and, where appropriate, any conditions to be attached to it.
2. The Project is selected and presented to all Members when the Project has received the favourable opinion of 75% of the Committee members, including the two Experts (whose opinion is blocking).

#### Article 44 - Presentation of Projects

1. A summary investment memorandum is drawn up and sent electronically to the attention of the Partners, containing a brief presentation of the Project and its financing requirements.
2. A presentation evening is organised for all Partners. Each selected Project has a presentation time to explain its project, its functioning, its means of implementation, its team and its financing needs. There will be a question-and-answer period following the presentation.  
The Company's intentions for financing the Project are clearly presented.  
This evening can be remotely transmitted to the Associates by the technical means available (Facebook Live, video capture, ...).
3. An explanatory note is sent to all Partners to provide them with the information they need to make an informed investment decision.  
The sending of this note marks the beginning of a ten (10) day voting period.

#### Article 45 - Validation

1. The Shareholders shall decide whether or not they wish the Company to invest in the Project submitted. Each vote has the same weight, regardless of the amount invested by the Partner.
2. The voting period is ten (10) days from the sending of the detailed memorandum. At the end of this period, the votes are counted.
3. Voting takes place electronically on the Platform. Once the vote has been cast, it is final.
4. The Project that carries a majority of the votes cast (50% + 1 vote) is financed by the Company.

#### Article 46 - Monitoring

1. The appointed Monitor ensures regular monitoring within the Participating Company assigned to it. It undertakes to represent the Company in accordance with its values and in the interest of all the Members within the Participating Company.
2. The Monitor makes a brief report to the Board of Directors every six (6) months.
3. If the Participating Company has any concerns about the manner in which the mandate is being carried out, it may contact the Board of Directors of the Company which, if necessary, will proceed to appoint a new Observer. This will be done at the next Shareholders' Meeting, and the reasons for the replacement of the Observer will be briefly justified.
4. The observer's mandate is exercised free of charge for a period of 2 years. It is renewable.

## C. Funding

### Article 47 - Financing

1. Participation in the Participating Companies may take the form of
  - a. Participation in the capital of the Participating Company ;
  - b. Loans (subordinated or convertible) ;
  - c. Mixing these two types of investment.
2. In the case of a loan, and in the case of co-financing (e.g. with a banking or public player), the Board of Directors ensures that the repayment and guarantee conditions are balanced in relation to the other lenders.

### Article 48 - Conditions and guarantees

1. Where applicable, the Company makes its financial intervention - in whole or in part - conditional on the achievement of certain objectives or compliance with certain conditions.
2. These are communicated and explained to the Partners when the Projects are presented, so that the investment decision can be made in full knowledge of the facts.

### Article 49 - Benefit to Members

Participating Companies offer an economic advantage (e.g. a discount) or a social advantage (possibility to test the product/service before others, role of ambassadors, open days) to the Company's Members.

### Article 50 - Direct investment

1. Where the Project is operated in the form of a cooperative and involves cooperators other than the Company, the Members are free to invest directly in the Project as well.
2. Participating and Associated Companies are required to inform the Company of this decision in order to measure its societal impact.
3. The Company does not derive any economic benefit from the transaction.

## **SECTION VII. REBATES AND BENEFITS GRANTED TO PARTNERS**

### Article 51 - Economic and social advantage

1. The Company has the obligation, as an approved cooperative, to provide an economic or social benefit to its Members.

Within this framework, it is committed to providing its Members with training on the circular and collaborative economy, on the functioning of cooperatives and on participatory democracy.

2. In the same spirit, the Participating Companies are invited to provide an economic and/or social benefit to the Members of the Company, such as, for example :
  - a. To enable them to be the first testers of their products and services and to provide feedback to the Participating Company;
  - b. To discover the Participating Company during discovery days;
  - c. To offer a discount on the purchase of products or services.