CHARTER OF:

VU-VUmc Foundation
registered in Amsterdam.

dated 1 January, 2012.

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Full text of the statutes, as they read after conversion and amendment by deed dated 1 January 2012, executed before G.W.Ch. Visser, a civil-law notary in Amsterdam.
CHARTER

CHAPTER 1. DEFINITION OF TERMS

Article 1. Definition of terms

1.1 In this Charter the terms listed below have the following meaning:
   ‘Board’ means the Board of the Foundation.
   ‘VU Executive Board’ means the Executive Board of VU University Amsterdam.
   ‘Joint Meeting’ means the Works Council and the Students’ Council of VU, acting jointly.
   ‘Members’ Council’ means the Members’ Council of the Association.
   ‘Participatory bodies’ means the Joint Meeting of VU and the Works Council of VU University Medical Center, acting jointly.
   ‘VUmc Board of Directors’ means the Board of Directors of VUmc.
   ‘Supervisory Board’ means the Supervisory Board of the Foundation.
   ‘Written’ or ‘In Writing’ means a message that is communicated by letter, fax or e-mail or by another means of electronic communication, provided that the message is legible and reproducible.
   ‘Foundation’ means the foundation whose internal organization is governed by this Charter.

Affiliated institution means an institution that is affiliated to the Association pursuant to Article 1 of the Charter of the Association.

Association means the Association for Christian Higher Education, Scientific Research and Patient Care.

‘VUmc’ means VU University Medical Center in Amsterdam.

‘VU’ means VU University Amsterdam in Amsterdam.

1.2 References to Articles are references to the Articles contained in this Charter unless indicated otherwise.

CHAPTER 2. NAME, REGISTERED OFFICE, BASIS, OBJECTIVES

Article 2. Name and registered office

2.1 The Foundation is named: VU-VUmc Foundation.

2.2 It has its registered office in the Municipality of Amsterdam.

2.3 The Foundation was created under the terms of the split-off of the institutions VU and VUmc by the Association pursuant to the decision taken by the Members’ Council dated seventeenth December two thousand and eleven. The split-off came into force on the first of January two thousand and twelve.
Article 3. BASIS
3.1 The Foundation accepts the Bible as the inspirational basis of all its acts. It wishes to be guided by the Gospel of Jesus Christ, in which people are called to serve God and his world with devotion.
3.2 The Foundation may not assume any obligations that could affect the freedom to teach and do research.

Article 4. OBJECTIVES
4.1 The Foundation’s objectives are:
(a) to give higher education, to perform academic research and to provide patient care in commitment to and in the service of society; and
(b) in that context to promote reflection on the relationship between higher education, academic research and patient care on the one hand and ideological beliefs, culture and society on the other, and to disseminate information on this topic.
4.2 It attempts to realize these objectives in part by:
(a) maintaining VU University Amsterdam in Amsterdam;
(b) maintaining VU University Medical Center in Amsterdam, in which the mandates and organizations of the Faculty of Medicine of VU and the teaching hospital affiliated with that university are brought together;
(c) developing and organizing, in collaboration with the Association and the affiliated institutions, the dissemination of information and public activities primarily in respect of issues and themes focussing on the relationship between the institutions’ work and ideological beliefs, culture and society;
(d) accepting responsibility for, and possibly participating in, other institutions of higher education, academic research or patient care;
(e) initiating, organizing, co-organizing or supporting and facilitating, in collaboration with the Association and the other affiliated institutions, the dissemination of information and activities aimed at promoting the mutual relationship between the institutions and society;
and to do any and all things that are related to or that may be conducive to the above, all of the foregoing in the broadest sense of the words.

Article 5. Institutions of VU and VUmc.
The institutions of VU and VUmc, as detailed in Article 20, are constituent parts of the Foundation and have their own forms of management.
CHAPTER 3. THE BOARD

Article 6. Board, board members, allocation of duties, and quality requirement

6.1 The Board of the Foundation will consist of at least six persons. The number of Board members will be determined by the Supervisory Board within the limits set in the preceding subsection. Members of the Board will be appointed by the Supervisory Board.

6.2 The chairpersonship of the Board will be filled jointly by the two members of the Board who are also the chairpersons of the VU Executive Board and the VUmc Board of Directors respectively.

6.3 The chairpersons are charged with harmonizing the policy at a strategic level, the day-to-day policy, ensuring that the Board functions properly, and preparing and implementing resolutions adopted by the Board.

6.4 Only persons who are members of the VU Executive Board or the VUmc Board of Directors may be appointed as members of the Board.

6.5 The remuneration of each member of the Board will be determined by the Supervisory Board.

Article 7. End of membership of the Board, dismissal, suspension and retirement

7.1 Each member of the Board may be suspended or dismissed by the Supervisory Board at any time, even if the member in question has been appointed for a fixed term. A suspension will end if a decision to dismiss the member in question has not been taken within three months thereafter.

7.2 A retiring member of the Board will step down and the newly appointed member will take up office immediately after the meeting in which the new member was appointed.

7.3 Membership of the Board will also end:
   (a) upon termination of the membership of the VU Executive Board or the VUmc Board of Directors;
   (b) as a result of voluntary dismissal; and
   (c) on other grounds for dismissal provided in the law.

Article 8. Board duties, division of duties

8.1 The Board is charged with managing the Foundation, subject to the limitations laid down in the Charter.

8.2 If the number of members of the Board has decreased below five, the Board will retain its authority. However, a meeting of the Supervisory Board must be convened as quickly as possible to discuss filling the vacant seat/seats.

8.3 The VU Executive Board and the VUmc Board of Directors will perform their work under the responsibility of the Board. The VU Executive Board is charged with the management of VU. The VUmc Board of Directors is charged with the management of VUmc. The duties and powers of the VU
Executive Board and the VUmc Board of Directors will be further provided for in the delegation scheme, which will be laid down by the Supervisory Board.

8.4 The Board is authorized to have certain parts of its duties performed under its responsibility by parties other than the VU Executive Board and the VUmc Board of Directors. Among other things it may set up committees for that purpose.

8.5 The members of the Board who are also members of the VU Executive Board are charged in particular with matters relating to VU. The Board members who are also members of the VUmc Board of Directors are charged in particular with matters relating to VUmc.

8.6 The Board is authorized to resolve to enter into agreements to acquire, dispose of and encumber registered property and to enter into agreements pursuant to which the Foundation commits itself as surety in respect of a debt of another and to represent the Foundation with respect to such acts.

Article 9. Representation; conflict of interest

9.1 The Foundation will be represented by the Board. The chairpersons of the VU Executive Board and the VUmc Board of Directors are also authorized to represent the Foundation when they act jointly in their capacity as members of the Board.

9.2 The Board can appoint executives who have general or limited representative authority. Each of them will represent the Foundation with due observance of the limits attached to their authority. The titles of those executives will be determined by the Board. The representative authority of an executive who is appointed in this manner may not comprise cases in which the Foundation has a conflict of interest with the executive in question or with one or more officers.

9.3 The VU Executive Board and the VUmc Board of Directors can, in relation to their own institution, each appoint executives who have general or limited representative authority. Each of them will represent the Foundation with due observance of the limits attached to their authority. The titles of those executives will be determined by the VU Executive Board and the VUmc Board of Directors respectively. The representative authority of an executive who is appointed in this manner may not comprise cases in which the Foundation has a conflict of interest with the executive in question or with one or more officers.

9.4 In all cases in which the Foundation has a conflict of interest with one or more officers, the provisions contained in Article 9.1 will continue to apply in full unless the Supervisory Board has designated one or more persons to represent the Foundation in respect of the case in question or in such cases in general. A resolution by the Board to perform a legal act that would
constitute a conflict of interest with one or more officers privately will be subject to the approval of the Supervisory Board, but the lack of such approval will not affect the representative authority of the Board or of members of the Board.

**Article 10. Approval of resolutions adopted by the Board**

10.1 The Board must obtain the prior approval of the Supervisory Board with respect to resolutions to:

(a) enter into or break off a long-lasting collaboration with an institution that performs work that is similar to the Foundation’s work;

(b) lay down the annual plans of VU and VUmc, as well as the budgets of VU and VUmc;

(c) determine and change the relative division of duties within the Board;

(d) amend the Charter or dissolve the Foundation; and

(e) pursue a merger or demerger within the meaning of Title 7, Book 2, of the Dutch Civil Code.

10.2 The Supervisory Board is also authorized to subject to its approval resolutions of the Board other than those referred to in Article 10.1. Such resolutions must be described clearly and the Board must be informed of them in writing.

10.3 The lack of an approval for a resolution referred to in Articles 10.1 and 10.2 will not affect the representative authority of the Board.

**Article 11. Meetings and adoption of resolutions**

11.1 The Board must meet at least four times each financial year, as well as whenever a member of the Board deems it necessary.

11.2 Within the Board each officer has one vote. An officer may allow himself to be represented at the meeting by another officer who holds a written proxy.

11.3 All resolutions of the Board must be adopted by a majority of the votes cast as provided for in the standing orders of the Board referred to in Article 11.7.

11.4 The Board may adopt valid resolutions at a meeting only if the majority of the officers who are in office are present or represented at the meeting in question.

11.5 Minutes will be kept of all matters dealt with at each Board meeting. The minutes will be confirmed at the same or next meeting and the chairperson and the minutes secretary will sign them to indicate that they have been confirmed. In derogation from the provisions contained in the law, the opinion of the chairperson regarding the realization and content of a resolution is not decisive.

11.6 Resolutions of the Board may also be adopted outside a meeting, in writing.
or in another manner, provided that the proposal in question has been submitted to all the officers who are in office and that none of them opposes the manner in which the resolution is to be adopted. The Board must draw up a report of any resolution that is adopted outside a meeting but that is not adopted in writing, and the chairperson must sign that report. A resolution can be adopted in writing by means of written statements made by all the officers in office.

11.7 Further rules with respect to matters such as the meetings and the process of adopting resolutions may be laid down in the Board’s standing orders. The Board’s standing orders must be laid down and amended by the Board after obtaining prior approval from the Supervisory Board.

CHAPTER 4. SUPERVISORY BOARD

Article 12. Supervisory Board; appointment

12.1 The Foundation has a Supervisory Board consisting of a minimum of five and a maximum of seven members. Only natural persons may be appointed members of the Supervisory Board. Members of the Supervisory Board may not be persons who are employed by the Foundation or any of its affiliated institutions.

12.2 If a member of the Supervisory Board is appointed to his first term, the appointment is granted by the Members’ Council on the recommendation of the Supervisory Board or the VUmc Client Advisory Board in the case referred to in Article 12.6. The candidate’s name, age and occupation will be stated at the time of nomination. The Supervisory Board’s nomination proposal must be substantiated and will be drawn up by the Supervisory Board after consulting with the Appointment Advisory Committee of the Members’ Council and after consulting the participatory bodies. The participatory bodies are given the opportunity to advise the Supervisory Board on the profiles which will provide the basis for the appointment of members of the Supervisory Board.

12.3 The resolution to appoint a member of the Supervisory Board may be adopted by the Members’ Council by a simple majority vote. If the resolution to appoint a member is not adopted and the nomination is not rejected as referred to in Article 12.4, the Supervisory Board will draw up a new nomination.
12.4 The Members’ Council may reject the nomination by a resolution that is adopted by a simple majority vote at a meeting at which at least two-thirds of the Members’ Council is present or represented. If at least two-thirds of the Members’ Council is not present or represented, a new meeting may be convened at which the nomination may be rejected by a simple majority vote, regardless of the number of members of the Members’ Council present or represented, in which case the Supervisory Board will draw up a new nomination.

12.5 With respect to the appointment of a member of the Supervisory Board for his or her first term, the Joint Meeting has the right to submit a nomination to the Supervisory Board for referral to the Members’ Council. At least two names must be put forward. The Supervisory Board will then submit one of these names to the Members’ Council for consideration. If the nominee is not appointed by the Members’ Council, then the procedure embodied in Article 12.5 will be repeated until an appointment is secured. In consultation with the VUmc Works Council, the Chairperson of the Supervisory Board shall designate a member of the Supervisory Board as confidential advisor for the VUmc Works Council.

12.6 With respect to the appointment of one member of the Supervisory Board, the Client Advisory Board has the right to make a binding nomination for appointment in accordance with the provisions of Article 7 of the Participation by Clients of Care Institutions Act. The Client Advisory Board will draw up the nomination proposal following consultation with the VUmc Board of Directors and the Supervisory Board. The Members’ Council is obliged to appoint the person nominated. The Supervisory Board will notify the Client Advisory Board in writing of the vacant seat to which the Client Advisory Board’s right of nomination applies. The Client Advisory Board must then submit a nomination to the Supervisory Board within three weeks of receipt of the written notification, failing which the Members’ Council is free to appoint whoever it deems suited.

12.7 The Supervisory Board will appoint a chairperson and a vice chairperson of the Supervisory Board from its midst. The chairperson must also be a member of the Association’s Supervisory Board.

12.8 The remuneration of each member of the Supervisory Board will be determined by the Supervisory Board.
Article 13. Reappointment, retirement, suspension and dismissal

13.1 The members of the Supervisory Board are appointed for a term not exceeding four years. The members of the Supervisory Board may be reappointed once for a term not exceeding four years. The Supervisory Board may draw up a rotation schedule, but this does not imply that a sitting member of the Supervisory Board may stay in office for a longer or shorter period than for which he or she is appointed. Members will be appointed and reappointed with due observance of the applicable provisions contained in the Supervisory Board’s standing orders.

13.2 Members of the Supervisory Board will be appointed by the Supervisory Board, after having consulted the Members’ Council. If the Members’ Council does not approve the reappointment of a member of the Supervisory Board who is also a member of the Association’s Supervisory Board, another candidate will be appointed in accordance with the relevant provisions of Article 12.

13.3 With regard to the member of the Supervisory Board who has been appointed on the recommendation of the participatory bodies (Article 12.5), reappointment will only be granted if the participatory bodies approve. If the participating bodies do not approve the proposed reappointment, another candidate will be appointed in accordance with the relevant provisions of Article 12.

13.4 With regard to the member of the Supervisory Board who has been appointed on the recommendation of the VUmc Client Advisory Board (Article 12.6), reappointment will only be granted if the Client Advisory Board agrees. If the Client Advisory Board does not endorse a reappointment, another candidate will be appointed in accordance with the relevant provisions of Article 12.

13.5 The manner in which the candidate performed his duties as a member of the Supervisory Board will be taken into consideration upon reappointment.

13.6 The Supervisory Board may suspend or dismiss any member of the Supervisory Board at any time.

Article 14. Task and working method of the Supervisory Board Committees

14.1 The Supervisory Board’s task is to supervise the Board’s policy and the general affairs of the Foundation and its affiliated institutions. It advises the Board. In performing their task, the members of the Supervisory Board must focus on the interests of the Foundation and its affiliated institutions.

14.2 At least once a year, the Board must inform the Supervisory Board in writing of the main features of the strategic policy, the general and financial risks, and the management and control systems of the Foundation.
The Supervisory Board may appoint committees from its midst, including an audit committee and a remuneration committee. The committees are charged with the task of preparing the process for adopting resolutions taken by the Supervisory Board. The Supervisory Board must draw up standing orders for each committee, indicating the role and responsibility of the committee in question, its composition and the manner in which it is to perform its task.

**Article 15. Meetings and adoption of resolutions**

15.1 The Supervisory Board must hold a meeting whenever the Supervisory Board or the Board considers it necessary.

15.2 Each member of the Supervisory Board can cast one vote in the Supervisory Board. All resolutions of the Supervisory Board must be adopted by a majority of the votes cast.

15.3 At a meeting, the Supervisory Board may adopt valid resolutions only if a majority of the members of the Supervisory Board who are in office are present or represented at the meeting in question.

15.4 Resolutions of the Supervisory Board may also be adopted outside a meeting, in writing or in another manner, provided that the proposal in question has been submitted to all the members of the Supervisory Board who are in office and none of them opposes the process by which the resolution is adopted.

15.5 Further rules with respect to matters such as meetings, the process of adopting resolutions and the Supervisory Board’s working methods may be laid down in the Supervisory Board’s standing orders. The Supervisory Board’s standing orders will be laid down and amended by the Supervisory Board.

**CHAPTER 5. FINANCIAL YEAR, FINANCIAL STATEMENTS AND ADMINISTRATION**

**Article 16. Financial year, annual report and financial statements**

16.1 The financial year of the Foundation coincides with the calendar year.

16.2 Each year, within six months of the end of the financial year, the Board must publish an annual report regarding the Foundation’s business affairs and the policy that has been pursued. The Board must make the annual report available for inspection at the offices of the Foundation.

16.3 The financial statements will consist of a balance sheet, a statement of income and expenditure and explanatory notes.

16.4 The financial statements must be signed by the officers and the members of the Supervisory Board. If the signature of one or more of them is missing, this and the reasons underlying it must be stated.
16.5 The Foundation will instruct an accountant to audit the financial statements. The Supervisory Board is authorized to issue such instructions. The provisions contained in Article 2:393 of the Dutch Civil Code will apply accordingly to every extent possible.

**Article 17. Approval of the financial statements, rendering of account and discharge**

17.1 The financial statements must be approved by the Supervisory Board.

17.2 Each year, the Board must render an account of the performance of its duties to the Supervisory Board.

17.3 After the financial statements have been approved, the Supervisory Board will take a decision regarding the granting of discharge to the officers in respect of the performance of their duties, providing there is evidence of these duties in the financial statements or information that has otherwise been provided to the Supervisory Board prior to the approval of the financial statements. The scope of the discharge granted is subject to the limitations under the law.

**Article 18. Long-Term Plan**

18.1 In accordance with Article 23.1 of the Association Charter, a long-term plan must be submitted at least once every four years. In this plan, the Association, with the aid of its affiliated institutions, must define how it will shape the interaction between the Association and its affiliated institutions and society, as well as the ongoing development of its identity and that of the affiliated institutions.

18.2 The Board shall ensure that the Association obtains the necessary input from the Foundation for drafting the long-term plan provided for in Article 18.1.

18.3 The Board is responsible for the realization of the long-term plan in as far as it concerns the institutions VU and VUmc. As part of this responsibility, the Board must report annually to the Board of the Association.

**Article 19. Administration**

The Board is obliged to keep books and records of the Foundation’s financial position and all data related to the Foundation’s activities in accordance with the requirements that arise from those activities, and to retain the related books, documents and other data carriers in such a way that makes it possible to ascertain the Foundation’s rights and obligations at all times.
CHAPTER 6. THE INSTITUTIONS OF THE FOUNDATION

Article 20. Institutions of the Foundation; VU and VUmc

20.1 The VU Executive Board is charged with the management of VU in the manner laid down in or pursuant to the ‘Management Regulations of VU University Amsterdam’. Those Regulations will be drawn up subject to the approval of the Supervisory Board and may be amended by the Board after first obtaining consent from the Joint Meeting.

20.2 The VUmc Board of Directors is charged with the management of VUmc in the manner laid down in or pursuant to the ‘Management Regulations of VU University Medical Center’. These Regulations will be determined subject to the approval of the Supervisory Board and may be amended by the Board after first consulting with the Works Council.

20.3 The annual reports of VU and VUmc are subject to the approval of the Supervisory Board.

20.4 The VU Executive Board and the VUmc Board of Directors will be directly accountable to the Supervisory Board. After the annual reports of VU and/or VUmc have been approved, the Supervisory Board will take a decision regarding the granting of a discharge to the members of the VU Executive Board and/or the VUmc Board of Directors in respect of the performance of their duties in that capacity, in accordance with the evidence present in these duties in the annual reports of the institutions in question or in information that has been otherwise provided to the Supervisory Board.

CHAPTER 7. AMENDMENTS TO THE CHARTER; LEGAL MERGER AND LEGAL DEMERGER, DISSOLUTION AND LIQUIDATION

Article 21. Amendments to the charter

21.1 The Board may adopt a resolution to amend the Foundation’s Charter with the prior approval of the Supervisory Board.

21.2 Notwithstanding Article 21.1, a decision to amend Article 3, Article 4, Article 12, Article 13, Article 18, Article 22.3 and Article 23.1 and this Article 21 may only be taken with prior approval of the Members’ Council.

Article 22. Legal merger and legal demerger

22.1 The Foundation may enter into a legal merger with one or more legal entities.

22.2 The Foundation may be party to a legal demerger. A legal demerger is taken to mean either a split-up or split-off. A resolution to demerge may be adopted only on the basis of a demerger proposal that has been drawn up by the Boards of the legal entities participating in the demerger.
22.3 Without prejudice to Article 10.1, subparagraph e, the Board may only take the decision to merge or de-merge with or to another legal entity that in terms of objective and scope is similar to the objective and scope of the Foundation with the prior approval of the Members’ Council.

22.4 Legal mergers and legal demergers are also governed by the relevant provisions contained in Book 2, Title 7, of the Dutch Civil Code.

**Article 23. Dissolution and liquidation**

23.1 The Foundation may be dissolved by a resolution adopted by the Board for that purpose, with the prior approval of the Members’ Council and the approval of the Supervisory Board.

23.2 In the event that the Foundation is dissolved pursuant to a resolution adopted by the Board, the members of the Board will be liquidators of the assets of the dissolved Foundation.

23.3 During the liquidation, the provisions contained in this Charter will continue to apply to the fullest extent possible.

23.4 The credit balance after the liquidation will be transferred to one or more institutions designated by the Board that, in the opinion of the Board, have the same or similar objectives as the Foundation.

23.5 After the liquidation has been completed, the books and records of the dissolved Foundation will be retained in the possession of the person to be designated by the liquidators during the term prescribed by law.

23.6 The liquidation will also be governed by the applicable provisions contained in Title 1, Book 2, of the Dutch Civil Code.

**CHAPTER 8. MISCELLANEOUS**

**Article 24. Right to institute an inquiry**

The VUmc Client Advisory Board is authorized to submit a request to set up an inquiry into the policy and affairs of the Foundation by the Enterprise Chamber the Amsterdam Court of Appeal, as provided in Article 2:345, paragraph 1, in conjunction with 2:346, subparagraph c of the Civil Code.

**Article 25. General standing orders**

25.1 The Board may lay down general standing orders governing matters that are not provided for in this Charter or that are not provided for in full. Such standing orders may not be contrary to the law – even if the law does not contain any relevant mandatory rules – or this Charter.

25.2 The provisions contained in Article 21.2 apply accordingly in respect of a resolution to lay down or amend the standing orders.