

CONSTITUTION OF A FOUNDATION

This ninth day of October nineteen hundred and ninety-six, there appeared before me, Prof. Dr Aart Adriaen van Velten, civil law notary practising in Amsterdam (the Netherlands):

1. Prof. Dr Luigi Ferrari Bravo, President of the International Institute for the Unification of Private Law (UNIDROIT) and Judge at the International Court of Justice, residing in Rome (Italy), Via Cassia 1004, born in Naples (Italy) on 5 August 1933, married, bearer of Italian Diplomatic passport number 015787 issued on 13 January 1995 in Rome;

2. Prof. Dr Arthur Severijn Hartkamp, Advocate-General at the Supreme Court of the Netherlands and member of the Governing Council of UNIDROIT, residing in the Hague (the Netherlands), Van Weede van Dijkveldstraat 105, born in Amsterdam (the Netherlands) on 10 January 1945, married, bearer of Dutch passport number 790877 C;

Prof. Ferrari Bravo and Prof. Hartkamp, acting in a personal capacity, have stated their intention to constitute a foundation. The articles of this foundation read as follows:

NAME, CORPORATE SEAT, TERM

Article 1

1. The name of the foundation - hereinafter referred to as "the foundation" - is: "*Stichting voor eenmaking van het recht*" / "*The Uniform Law Foundation*".
2. The seat of the foundation is The Hague.
3. The foundation has been created for an indefinite term.
4. The foundation is a not-for-profit organisation in that it may not distribute its receipts otherwise than for the purposes set out in Article 2.

PURPOSES

Article 2

The objects of the foundation are to support the activities of the International Institute for the Unification of Private Law ("UNIDROIT"), including but not limited to:

- a. the advancement of education in the field of international uniform law and comparative law both in the Netherlands and elsewhere, and the promotion of the development of international uniform law, in particular (but without prejudice to the generality of the foregoing) by facilitating and providing support for:
 - (i) research into uniform law and comparative law and the dissemination of the results of such research by the means stated in (ii) below;
 - (ii) the formulation, through study, research and international consultation, of international conventions, model laws and restatements, and the promotion of an awareness and understanding of such activities and instruments by means of meetings, courses, conferences and seminars and the publication of books, guides, journals, articles and other publications in the fields of uniform and comparative law;

(iii) fellowships, studentships, scholarships and bursaries for those engaged in the study, teaching or preparation of uniform and comparative law; and

(iv) the establishment and expansion of databases, library materials and other information systems and facilities to support and make generally available such education, study and research.

and in pursuit of any of the above objects to undertake any one or more of the following:

- b. to raise funds (but not by means of taxable trading);
- c. to provide advice;
- d. to publish or distribute information, whether in the form of books, articles or otherwise;
- e. to co-operate with other bodies;
- f. to support, administer or set up other charities;
- g. to promote or carry out research and organise conferences, seminars and symposia;
- h. to borrow money and give security for loans;
- i. to acquire or hire property of any kind;
- j. to let or dispose of property of any kind;
- k. to grant loans and to give guarantee;
- l. to set aside funds for special purposes or as reserves against future expenditure;
- m. to deposit or invest funds in any manner;
- n. to delegate the management of investments to a financial expert;
- o. to insure the property of the foundation against any foreseeable risk and take out other insurance policies to protect the foundation when required;
- p. to employ paid or unpaid agents, staff or advisers;
- q. to enter into contracts to provide services to or on behalf of other bodies;
- r. to incorporate subsidiary companies to assist or act as agents for the foundation;
- s. to do anything, in the widest sense of the word, which is connected with or may be conducive to the attainment of these objects.

CAPITAL

Article 3

1. The capital of the foundation shall consist of donations, grants, gifts, property obtained through testamentary dispositions and legacies, as well as other income.
2. The funds raised by the foundation, after making provision for its proper expenses, will be remitted or applied exclusively to support the activities of UNIDROIT.

BOARD OF GOVERNORS

Article 4

1. The Board of Governors of the foundation is composed of not less than five and not more than nine members who shall include:

- (a) at least one person elected by the Governing Council of UNIDROIT (hereinafter "the Governing Council");
 - (b) the Secretary-General of UNIDROIT; and
 - (c) a Dutch citizen resident in the Netherlands.
2. The Board may co-opt additional members to the Board. Any such co-opted member shall hold office until the end of the financial year following that in which the member was co-opted.
 3. The term of office of the first Board of Governors shall expire on 30 June 1999.
 4. Members of the Board of Governors are eligible for re-appointment for successive periods of five years.
 5. The President of the Board of Governors shall be such person as may be designated by the Board in consultation with the Governing Council. The President shall serve for a period of five years and shall be eligible for re-appointment for successive periods of five years.
 6. The Board shall elect from its membership a Vice-President, a Secretary and a Treasurer.
The offices of Secretary and Treasurer may be held by the same person.
 7. As soon as one or more vacancies occurs on the Board of Governors, the latter shall fill the vacancy or vacancies. In respect of any member of the Board who was elected by the Governing Council, such vacancy or vacancies shall be filled by election by the Governing Council.
 8. The members of the Board of Governors shall receive no remuneration for their activities.
They are, however, entitled to reimbursement of the expenses made in the exercise of their duties.

BOARD MEETINGS AND RESOLUTIONS OF THE BOARD

Article 5

1. The meetings of the Board shall be held in Rome unless otherwise determined by the majority of the members of the Board.
2. At least one meeting shall be held each year. At any meeting three members of the Board shall constitute a quorum.
3. Meetings shall be held when the President thinks fit or if any two members address to the President a request in writing to that effect, precisely stating the intended business of that meeting.
Should the President fail, in accordance with such a request, to call a meeting to be held within three weeks of the request being made, the members making the request shall be entitled to issue notices convening a meeting subject to the observance of the requisite formalities.

4. Notices convening a meeting shall be issued at least seven days before the meeting, not counting the day on which the meeting is called and the day of the meeting, or at shorter notice if so agreed by the majority of the members of the Board.
5. The notices convening the meeting shall state its place, time and agenda.
6. The meetings shall be chaired by the President of the Board or in the absence of the President by the Vice-President.
7. Each member of the Board of Governors is entitled to one vote. Any member may designate another member to represent him or her at a meeting.
8. Except as otherwise required by these articles, all Board resolutions shall be adopted by an ordinary majority of the votes validly cast by those present or represented at the meeting.
9. As long as all members are present or represented at a Board meeting, resolutions may validly be adopted on any subject coming up for discussion, provided that they are adopted unanimously, even though the formalities for calling and holding meetings may not have been observed.
10. A resolution in writing of which seven days notice has been given and which is signed by the majority of the Board shall be as valid as if it had been duly passed at a meeting. For this purpose writing and signature mean a record of information (including information communicated by teletransmission) which is capable of being reproduced in tangible form on a subsequent occasion and which indicates by reasonable means a person's approval of the record.
11. All votes at a meeting shall be by show of hands unless a secret ballot is required by law or by a majority of the members present and voting.
A secret ballot shall be held by means of unsigned, closed ballot papers.
12. When the votes are equally divided the person chairing the meeting shall have the casting vote.
13. Any disputes regarding votes not provided for in these articles shall be decided by the person chairing the meeting.
14. Minutes of the proceedings of meetings shall be taken by the Secretary, or by one of the other members present if requested to do so by the President. The minutes shall be approved and signed by the President and Secretary of the meeting.

POWERS OF THE BOARD AND REPRESENTATION

Article 6

1. The Board of Governors shall represent the foundation.
2. The foundation may also be represented by two members of the Board acting jointly.

Article 7

1. The Board of Governors is authorised to conclude agreements to acquire, to dispose of or to encumber register-bound assets, to conclude agreements whereby the foundation

binds itself as surety for a debt solely or jointly, guarantees that a third party will pay a debt or undertakes to provide security for the payment of a debt of a third party, provided that the Board has adopted that resolution by a two-thirds majority of members present or represented, on condition that such majority constitutes an absolute majority of the members of the Board.

2. The Board of Governors is also authorised to perform all such other acts and execute all such other documents as can be validly be performed or executed by a natural person, including the making of donations and the allotment of funds for any of the purposes set out in Article 2.

TERMINATION OF BOARD MEMBERSHIP

Article 8

Membership of the Board shall terminate:

- a. with the death of a member;
- b. with the loss of the free control of that member's property;
- c. with resignation in writing;
- d. with dismissal by virtue of Section 2:298 of the Netherlands Civil Code;
- e. with dismissal by virtue of a Board resolution adopted by a two-thirds majority of members present or represented, provided that such majority constitutes an absolute majority of the members of the Board. Reasons for the adoption of the resolution shall be stated;
- f. in the case of a Board member elected by and a member of the UNIDROIT Governing Council, when that member ceases to be a member of the Governing Council;
- g. when the period of appointment of a member expires under Article 4(4) without that member having been reappointed.

FINANCIAL YEAR AND ANNUAL ACCOUNT

Article 9

1. The financial year of the foundation shall correspond to the calendar year unless otherwise determined by the Board.
2. The books of the foundation shall be closed at the end of each financial year.

The treasurer shall then draw up a balance sheet and a receipts and payments account for the past financial year, which annual accounts, accompanied by a report drawn up by a chartered accountant or by an accountant-administration consultant, shall be submitted to the Board of Governors within six months of the close of the financial year.

3. The annual accounts shall be approved by the Board of Governors.

4. An annual report on the activity of the foundation shall be prepared by the Secretary and, after approval by the Board of Governors, shall be communicated to the Governing Council and to the donors.

COUNSELLORS

Article 10

1. The Board of Governors may avail itself of the advice of one or more counsellors or experts in the exercise of its duties.
2. A counsellor or expert may be present at Board meetings if so requested without the right to vote.

REGULATIONS

Article 11

1. The Board is authorised to draw up regulations dealing with matters for which provision has not been made in these articles.
2. The regulations shall not conflict with the law or with any of these articles.
3. The rules governing amendments to these articles shall apply *mutatis mutandis* to the regulations.

AMENDMENT OF THE ARTICLES

Article 12

1. The Board of Governors may amend these articles after consultation with the Governing Council. A resolution to this effect shall be adopted unanimously at a meeting at which all the Board members are present or represented or unanimously in writing as defined in Article 5(10).
2. Amendments to the articles shall not take effect until they have been registered in the Netherlands by notarial deed. Any Board member may sign the deed amending the articles.

DISSOLUTION AND WINDING UP

Article 13

1. The Board of Governors may dissolve the foundation after consultation with the Governing Council.
The rules governing amendments to these articles shall apply to the adoption of a resolution to dissolve the foundation.

2. Notwithstanding the adoption of a resolution to dissolve the foundation it shall continue in existence to the extent that this is necessary for the collection and liquidation of its assets.
3. The liquidation of the foundation shall be carried out by the Board of Governors.
4. During the proceedings for the liquidation, these articles shall apply to the extent possible.
5. Any surplus after liquidation of the foundation will be distributed in favour of an institution as referred to in article 6.33 subsection b of the Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) or accounted for in any other manner as a result of which the surplus will benefit the public interest.
6. On completion of the liquidation proceedings, the books and records of the foundation shall remain for ten years in the custody of the person or persons appointed by the Board of Governors.

FINAL CLAUSE

Article 14

The Board of Governors is empowered to take decisions in respect of all matters for which provision is made neither in the law nor in these articles.

ANNEX I

FIRST BOARD OF GOVERNORS

The members of the first Board of Governors are the following:

Mr Luigi Ferrari Bravo President of the International Institute for the Unification of Private Law (UNIDROIT) and Judge at the International Court of Justice, residing in Rome (Italy), Via Cassia 1004, born in Naples (Italy) on 5 August 1933, married, bearer of Italian Diplomatic passport number 015787 issued on 13 January 1995 in Rome;

Mr Arthur Severijn Hartkamp, Advocate-General at the Supreme Court of the Netherlands and member of the Governing Council of UNIDROIT, residing in The Hague, Van Weede van Dijkstraat 105, born in Amsterdam (the Netherlands) on 10 January 1945, married, bearer of Dutch passport number 790877 C;

Mr Ferenc Mádl, Professor of Law at Eötvös Loránd University School of Law, Budapest (Hungary) and member of the Governing Council of UNIDROIT, residing in Egyetem tér 1-3, H1053 Budapest (Hungary), born in Bánd (Hungary) on 29 January 1931, married, bearer of Hungarian passport number PE 038094;

Mr Jean-Pierre Plantard, Procureur Général at the Court of Appeal of Versailles and member of the Governing Council of UNIDROIT, residing in 4, rue Chateaubriand, F75008 Paris

(France), born in Annecy (France) on 13 September 1934, married, bearer of French passport number 90LZ67310;

Mr Kurt Siehr, Professor of Law at the University of Zürich (Switzerland), residing in Frohburgstrasse 52, CH 8008 Zürich (Switzerland), born in Tilsit (formerly Germany) on 28 July 1935, not married, bearer of German passport number 1299180567;

Mr Don Wallace, Professor of Law, Georgetown University Law Center (USA), residing in 2800 35th Street NW, Washington D.C. 20007 (United States of America), born in Vienna (Austria) on 23 April 1932, married, bearer of United States of America passport number 013413770;

Mr Malcolm Evans, Secretary-General of the International Institute for the Unification of Private Law, Rome (Italy), residing in Via Jacopo da Ponte 45 in Rome (Italy), born in Poole (United Kingdom) on 8 May 1942, married, bearer of British passport number 701464876.

ANNEX II

The first meeting of the Board of Governors shall be held in Rome.

The parties, whose identity has been established by me, notary, on the basis of the documents referred to in this act, are known to me, notary.

THE ORIGINAL OF THIS ACT

was done in Amsterdam on the day indicated at the beginning of this act.

Following a factual indication of the contents of this act to the parties the latter unanimously declared that they were aware of the contents of this act and that they were not interested in having it read out to them in its entirety.

This act was signed by the parties and by me, notary, immediately after its being partially read out.

I certify the above a true copy of the original seen by me

(A. A. van Velten)