

DRAFT
FOUNDATION CHARTER
OF
NAME

(established pursuant to Law number
Twenty-five (25) Of June twelfth (12th),
nineteen hundred ninety-five (1995) of the Republic of Panama)

A Private Interest Foundation (hereinafter the "Foundation") is hereby established pursuant to Law number Twenty-five (25) of June twelfth (12th), nineteen hundred ninety-five (1995) of the Republic of Panama (hereinafter the "Law") subject to this Charter (hereinafter the "Charter") and the Regulations from time to time issued hereunder (hereinafter the "Regulations").

Section one (1) Name, Domicile and Resident Agent

- a) The name of the Foundation shall be -----.
- b) The Foundation shall have its domicile at the offices of its Resident Agent in Panama City, Republic of Panama, or at such other place within, or outside of, the Republic of Panama as shall be determined by resolution of the Foundation Council.
- c) The Resident Agent of the Foundation shall be the law firm of Arias, Fabrega & Fabrega, with offices at P.H. ARIFA, 10th Floor, Panama City, Republic of Panama. The Resident Agent of the Foundation may resign at will at any time.

Section two (2) Patrimony

- a) The Foundation shall have a minimum initial patrimony equivalent to **TEN THOUSAND United States Dollars (US\$10,000.00)**, which may be contributed by the Founder or third parties.
- b) The Foundation's patrimony may be increased at any time by endowments from the Founder or from third parties, with the consent of the Foundation Council.

Section three (3) Purpose

a) The purposes of the Foundation shall be to hold, manage, invest, distribute and dispose the Foundation assets for the benefit, support, maintenance and advancement of the Beneficiaries as provided in this Charter and in the Regulations.

b) The Foundation shall have no commercial purposes, but may engage in commercial activities in so far as these serve the Foundation's purposes indicated in Section three (3(a)) above.

Section four (4) Governing Bodies

a) The governing body of the Foundation shall be the Foundation Council.

b) The Foundation may also have one or more Supervisory Organs, as provided in Section eight (8) hereof.

Section five (5) Appointment of the Foundation Council

a) The Foundation Council shall have a minimum of three (3) members, provided, however, that when a member of the Foundation Council is a legal entity, the Foundation Council may have one (1) member. The actual number of members of the Foundation Council shall be determined by the Foundation Council.

b) The name and address of the first member(s) of the Foundation Council shall be:

Name

Address

1

2

3

c) The members of the Foundation Council shall serve for unlimited terms, unless provided otherwise at the time of their respective appointments.

d) If provided in the Regulations, the Beneficiaries and/or the Supervisory Organs shall have the right to remove and appoint members of the Foundation Council.

e) If a member of the Foundation Council shall resign, becomes unfit for service or dies, the remaining members of the Foundation Council have the right to elect a successor. In the event

that no member of the Foundation Council remains or is able to act and no other person shall have a right to appoint member of the Foundation Council as provided in Section five (5(d)) above, then the Resident Agent of the Foundation may appoint a replacement or petition a competent court to make such an appointment.

f) Any member of the Foundation Council may resign at will at any time.

Section six (6) Duties and Powers of the Foundation Council

a) The Foundation Council shall exercise all powers of the Foundation, except for those expressly reserved to the Founder, any Supervisory Organs, the Beneficiaries or any other person by law, this Charter or the Regulations. The Foundation Council shall have broad authority to represent and bind the Foundation, to act on its behalf, and to manage its affairs and assets, including, without limitation, unlimited authority to acquire, invest and dispose of the Foundation assets, to borrow money and incur obligations, to open, manage and close bank and investment accounts and, in general, to enter into any and all kinds of agreements, contracts, deeds or documents and take any and all actions which it may deem necessary or convenient to fulfill the Foundation's purposes.

b) The Foundation Council shall have the power to adopt Regulations, and to amend and revoke such Regulations, pursuant to this Charter and the law. The Regulations shall have the same legal standing as this Charter.

c) The Foundation Council may delegate its powers and authority to one or several persons, who need not be members of the Foundation Council, in such terms as it may deem fit.

d) The Foundation Council shall have no obligation to render accounts to the Founder, the Beneficiaries or any Supervisory Organs, unless otherwise provided for in the Regulations.

Section seven (7) Resolutions of the Foundation Council

a) Resolutions of the Foundation Council shall be adopted by the majority of its members in office either at meetings assembled or by written consent.

b) Meetings of the Foundation Council may be called by any member. Notices of meetings may be waived by members prior or subsequent to the meeting. A majority of the members of the Foundation Council shall constitute quorum to hold a meeting.

- c) Resolutions of the Foundation Council adopted at meetings shall be evidenced by minutes, which shall be signed by the members who consented to the adoption of the resolutions and by the persons who acted as Chairman and Secretary of the meeting.
- d) Resolutions of the Foundation Council adopted in writing in lieu of a meeting shall be circulated to, and signed by, all members in office of the Foundation Council, each member recording its consent or rejection to the proposed resolution.
- e) The Foundation Council shall have the power to regulate its own affairs and to establish rules and procedures for the conduct of its meetings and adoption of its regulations and resolutions.

Section eight (8) Protector and Supervisory Organs

- a) The Founder may appoint and remove one or more individuals or entities as protectors or supervisory organs (herein the “Supervisory Organs”), with such powers and duties (including powers of substitution) as determined by the Founder in the instrument of appointment of the Supervisory Organ or by the Regulations.
- b) If so provided in the Regulations, the Foundation Council shall adopt no new regulations or resolutions or take any actions without the prior written consent of the Supervisory Organs.

Section nine (9) Beneficiaries

- a) The person or persons for whose benefit this Foundation has been established and their substitutes or successors (herein the “Beneficiaries”) and their respective beneficiary interests in the Foundation shall be designated in, or determined in accordance with, this Charter or the Regulations.
- b) The Foundation Council can, from time to time, at its discretion, and having regard to any relevant provisions in the Regulations, designate and remove Beneficiaries and determine the nature and extent of their respective interests in the Foundation.
- c) The revocation or change of beneficial interests in the Foundation shall not result in any liability or enforceable claim against the Foundation or its Foundation Council or in any obligation to pay compensation or damages to the Beneficiary who has been removed as a Beneficiary or whose interest in the Foundation has been changed.

d) The interests of a Beneficiary in the Foundation may only be assigned, transferred or encumbered by the Beneficiary with the prior written consent of the Foundation Council. The Foundation Council shall have no obligation to consent to such assignment, transfer or encumbrance and shall incur no liability for not consenting to such actions.

e) The Foundation Council may, at its discretion, inform the Beneficiaries of matters relating to the management, assets and affairs of the Foundation.

Section ten (10) Governing Law and Migration

a) This Foundation and the transfer, holding and disposition of its assets shall be subject to the laws of the Republic of Panama.

b) Notwithstanding Section ten (10(a)) above, this Foundation may be transferred to or re-domiciled in any other jurisdiction and may become subject to the laws of such other jurisdiction as determined by the Foundation Council.

Section eleven (11) Amendments

(a) This Charter may be amended from time to time by the Foundation Council, subject to any limitations set forth in the law, this Charter or the Regulations. All rights granted to the Beneficiaries or to any other person hereunder are subject to this reservation.

Section twelve (12) Termination

a) The Founder shall have no power, (or shall have the power) to revoke the Foundation.

b) The Foundation shall have unlimited existence, but it may be dissolved at any time by the Foundation Council as provided by law, this Charter and the Regulations.

c) The Foundation Council shall have the power to dissolve the Foundation if it shall determine that the circumstances under which the Foundation was established have changed in such a way that the purposes of the Foundation cannot be achieved adequately or for any other reason in accordance with the law, this Charter and the Regulations.

d) In the event of the dissolution of the Foundation, the assets of the Foundation shall be applied or distributed as determined by the Foundation Council in accordance with the Law, this Charter and the Regulations.

- e) The Foundation Council shall have the power to appoint one or several liquidators.

Section thirteen (13) Legal Representative

- (a) The Foundation Council shall designate the persons authorized to represent the Foundation and the scope of their respective signing powers and authorities. The legal representatives of the Foundation need not be members of the Foundation Council.

Section fourteen (14) Arbitration

- (a) All disputes arising between the Foundation and/or its governing bodies and/or their members and/or the Beneficiaries shall be settled in the jurisdiction of the Resident Agent of the Foundation, under exclusion of ordinary courts, by a court of arbitration consisting of three members. The decision of the court of arbitration shall be in law and shall be governed by the laws of the Republic of Panama. Each party to the arbitration shall appoint one arbitrator and these arbitrators shall jointly appoint an umpire. In the event that the appointment of an arbitrator does not take place within one month or that the two arbitrators fail to reach agreement as to the election of the umpire within one month, the appointment shall be made by the President of the Supreme Court of Justice of the Republic of Panama. The decisions of the court of arbitration shall be final.