

**ARTICLES OF ASSOCIATION OF THE COOPERATIVE COMPANY  
PHILEA INTERNATIONAL**

**I. REGISTERED NAME, OFFICE AND AIMS**

Art. 1

<sup>1</sup> A cooperative company called “Cooperative Company Philea International” hereinafter Philea is hereby created for an unlimited period by the founding organisations listed in the Minutes of the Constitutive General Assembly and those which may join in the future, for the purpose of providing funding and support to development organisations supporting underprivileged population groups, in particular :

- microfinance institutions supporting the development of microentrepreneurs and microenterprises.
- organizations working in the field of agricultural production and commercialization.
- other institutions pursuing similar objectives and working for the economic development of their region of intervention and disadvantaged populations.

Philea is governed in accordance with chapter XXIX of the Swiss Code of Obligations (art. 828 and following).

<sup>2</sup> Philea is a public-interest organisation active in the development aid field.

<sup>3</sup> The cooperative company has its registered office in Geneva. The General Assembly may change the Company’s registered office.

Art. 2

<sup>1</sup> The aim of Philea is to further and guarantee the economic activities mentioned in Art.1.1, endeavouring in particular:

- a) to collect the financial resources required to finance the activities of the development organisations mentioned in Art 1;
- b) to finance their activities providing them credits or guarantees;

- c) to assist and train loan beneficiaries offering all necessary support for their development and for the establishment of financial schemes encouraging their capitalisation and their empowerment;
  - d) to facilitate the exchange of experiences between partners and to help them cooperate in improving their access to available multilateral and international finance.
  - e) pay particular attention to promoting women's economic empowerment through support to the beneficiary organizations.
- <sup>2</sup> Philea is a non-profit organisation.

## II. MEMBER STATUS

### Art. 3

<sup>1</sup> Philea founding organisations have member status.

<sup>2</sup> May become members through a written statement:

- any public or private organisation sharing Philea aims and supporting the development of micro-, small- and middle-size enterprises, specially through facilitating credit access to small entrepreneurs from the disadvantaged world population groups.
- any individual sharing the aims of Philea.

Associates from the developing regions should, as far as possible, represent at least half of the voting rights.

## III. MEMBERS RIGHTS AND DUTIES

### Art. 4

<sup>1</sup> Before admittance, legal persons are required to purchase: at least 1 share of 200 Swiss francs. Unless the shares are fully paid-up within a year at the latest, member status cannot be granted.

<sup>2</sup> Physical persons must subscribe, in the same conditions as mentioned in paragraph 1, at least one share of 200 Swiss francs.

<sup>3</sup> Shares are registered and do not bestow any right to interests.

<sup>4</sup> A member may subscribe for more than a share, but not more than 7,500.

<sup>5</sup> An organization regulation fixes the minimum number of shares that members benefiting from Philea's services must subscribe.

#### Art. 5

The members of Philea are exonerated from all personal responsibility regarding Philea's commitments. These commitments are guaranteed exclusively by Philea's assets.

### IV. LOSS OF MEMBER STATUS

#### Art. 6

Member status is lost:

- a) by legal persons in case of dissolution and by physical persons in case of decease.
- b) by resignation made at the end of the operating year, with notice given six months previously in writing and under registered cover to the Board of Directors.
- c) by exclusion approved by two-thirds of the votes of members of the Board of Directors. The excluded may appeal to the General Assembly for a final decision.

#### Art. 7

<sup>1</sup> All members (whether physical or legal persons) can request reimbursement of their shares in excess of the minimum number specified in Article 4, without losing their Philea member

status. Only resignation, as defined in article 6 subparagraph b, gives the right to reimbursement of the minimum number of shares of a member.

<sup>2</sup> At most, share reimbursements cover the nominal value without interests. If the operating year's accounts show a loss affecting share capital, the amount to be reimbursed is proportionally reduced. The Board of Directors specifies the extent of the reduction on the basis of a special report by the Comptrolling body.

<sup>3</sup> The reimbursement of shares is made within a maximum period of three years. The Board of Directors may, at any moment, reduce this period.

<sup>4</sup> Members or their assignees, in favour of whom the Company has engaged itself financially or granted a guarantee, are not eligible to receive reimbursement of their shares until all their obligations towards the Company have been fulfilled. The Company is authorised to make good these obligations by using any such reimbursements.

<sup>5</sup> In case of dissolution of the Company, reimbursement of shares is held over until the end of the liquidation procedures.

## **V. PHILEA'S ORGANISATION**

### **Art. 8**

The constitutive bodies of Philea are the following:

- a) General Assembly (GA);
- b) Board of Directors (BoD);
- c) Comptrolling Body (CB).

### **A. General Assembly (GA)**

#### **Art. 9**

The General Assembly (GA) gathers all members of Philea with voting rights. It has the following powers:

- a) To define Philea's policy and strategy;
- b) To define and modify the Articles of Association;
- c) To elect its Chairman who is also the Chairman of the Board of Directors. To appoint and exclude members of the Board of Directors;
- d) To approve the annual report and accounts and to give discharge to the Board of Directors;
- e) To decide on the dissolution or merger of Philea, on the appointment and removal of liquidators and on the allocation of eventual surpluses after liquidation, in line with Art. 22.2c;
- f) To define Philea's charter of ethics regarding investment policies;
- g) To appoint a Comptrolling Body (CB), which should be a recognised and certified auditor, according to Art. 906 to 910 of the Swiss Code of Obligations;
- h) To deal with all matters attributed to the Board of Directors by law and by the Articles of Association.

#### Art. 10

The ordinary General Assembly meets once annually, not later than six months after the end of the operating year.

An extraordinary General Assembly can be called when the Board or the Comptrolling Body deem necessary, or when 20% of members request such an Assembly in writing to the Board.

#### Art. 11

<sup>1</sup> The General Assembly is convened by the Chairman by letter or by e-mail at least three weeks before the meeting. The letter outlines the items of the Agenda and, if applicable, the content of the proposed statutory amendments.

<sup>2</sup> Members unable to take part personally in the General Assembly, notably due to geographical distance, or to be represented by another member, may vote in writing (letter, or e-mail), notifying the Chairman of their position on the Agenda items. A notification arriving after the holding of the Assembly is considered void.

#### Art. 12

<sup>1</sup> Each member has one vote, irrespective of the number of shares held.

<sup>2</sup> Each member may be represented by another member to whom he has given written proxy.

<sup>3</sup> The General Assembly takes decisions and carries out elections by absolute majority of members present, represented or having stated their position in writing. In case of a tie, the voice of the Chairperson person of the Board decide.

<sup>4</sup> A two-thirds majority of votes is necessary in order to change the Articles of Association. The provisions of Art. 22 will be applied in the case of dissolution of Philea or merging.

<sup>5</sup> Voting will take place by secret ballot for elections and by a show of hands for other decisions.

### **B. The Board of Directors (BoD)**

#### Art. 13

<sup>1</sup> The Board of Directors is composed of three to eleven members. The Board is elected by the General Assembly for a three-year term. Serving members can be re-elected.

<sup>2</sup> The General Assembly appoints the Chairperson of the Board.

## Art. 14

<sup>1</sup> The Board of Directors meets at the call of its Chairman as often as necessary and at least once a year.

<sup>2</sup> Its primary role is to manage and oversee Philea. In particular, it

- a) decides on membership applications and transfers of shares;
- b) decides on the issuing and modification of financing given within the framework laid down by the Statutes and the policies approved by the General Assembly;
- c) discharges the duties set out in the contract with the management organisation;
- d) prepares the discussions of the General Assembly and implements its decisions;
- e) proposes the orientations and guidelines of Philea;
- f) drafts, if appropriate, Philea Internal Rules;
- g) appoints the committees deemed necessary for the smooth running of Philea;
- h) organises its own activity;

<sup>3</sup> The Board of Directors can delegate its powers in certain areas to a designated board within its own organization according to an organizational regulation, whilst retaining full responsibility.

<sup>4</sup> The Board of Directors may entrust a management chosen by it with the operational management of the cooperative.

## C. THE COMPTROLLING BODY

### Art. 15

The Comptrolling body is appointed by the General Assembly for a renewable three-year term. It assures the inspection of the annual accounts and Philea external audit.

## VI. FINANCE

### Art. 16

<sup>1</sup> ~~the ICF~~ Philea registered capital is made up of:

- a) The shares subscribed by the members, be they physical or legal persons;
- b) An endowment fund subscribed by individuals, companies, international cooperation agencies or any other organisation.

<sup>2</sup> A reserve fund is established and provisioned by the end-year surpluses.

<sup>3</sup> The registered capital and reserve fund must be safely invested and adhere strictly to Philea company ethics and the ethical investment guidelines approved by the General Assembly.

<sup>4</sup> Philea Board may borrow, receive loans, grants or gifts, as long as these are in conformity with Philea ethics.

<sup>5</sup> The registered capital, reserve fund and loans subscribed serve as guarantees for Philea commitments to beneficiary partners. The total amount of current pledges in the form of financing should not, in principle, be higher than the total registered capital, reserve funds and loans.



Art. 17

Operating costs are covered by:

- a) Interest and commissions resulting from the grant of financing to its members;
- b) Interest earned from capital investments on local or international markets;
- c) Grants and gifts from private persons, foundations, enterprises, governments or international development agencies;
- d) Fees received for services rendered;
- e) All other revenues accepted by the Board.

Art. 18

<sup>1</sup> The operating year begins on 1 January and ends on 31 December. Philea balance sheet and accounts are established according to legal provisions.

<sup>2</sup> At the end of each year, the operating surplus is transferred to the reserve fund. Under no circumstances can it be distributed to members.

Art. 19

<sup>1</sup> If losses cannot be covered by the current year results, they are first paid off by drawing on the reserve fund.

<sup>2</sup> If the reserve fund is exhausted by previous losses, Philea commitments will be covered by the endowment fund, and then by the share capital.

## VI. FINAL PROVISIONS

### Art. 20

Communication with members is made by circular letter. All publications required by law will be printed in the Official Swiss Trade Bulletin (Feuille Officielle Suisse du Commerce).

### Art. 21

~~IGF~~ Philea dissolution and merger may be decided by the General Assembly if at least two-thirds of those members present or represented, or who have sent their vote in writing to the Chairperson, vote in favour of dissolving or merging Philea.

### Art. 22

<sup>1</sup> Liquidation of Philea is undertaken by liquidators appointed by the General Assembly. Any losses will be covered by the reserve fund, then by the endowment capital and lastly by the share capital.

<sup>2</sup> Once liquidation is completed, the balance is disposed of as follows:

- a) Shares are reimbursed to members in proportion to the quantities held, but never exceeding their nominal value.
- b) The General Assembly allocates the balance deriving from endowments and the reserve fund to organisations pursuing the same aims as Philea.
- c) Under no circumstances can members benefit, totally or partially, from these surpluses.

Art. 23

Only the French version of this text is authentic. In case of dispute regarding the present Articles of Association or any other rules or regulations of Philea, sole competence belongs to the courts of law of the Foundation's registered office.

Art.24

Each share of 1,200.- Swiss francs subscribed by the members before the modification of the article of association of 4 September 2018 will entitle to 6 shares of Philea.

Art. 25

<sup>1</sup> These Statutes have been approved by the General Assembly on 4 September 2018. As from this day, they cancel and replace those registered on-29 August 2011.

<sup>2</sup> They come into effect upon registration in the Trade Register.

Geneva, 4 September 2018