

DATE 19/06/2020

EWE FOUNDATION (EUROPEAN WOOL EXCHANGE)

CONSTITUTIONAL ACT AND STATUTES

1. Definitions and Interpretation

1.1 Within these Articles of Association, unless the text requires otherwise, the following expressions shall have the following meaning:

- a. "Assets" means the assets of the Foundation donated by the Founder as described in APPENDIX 4 and any other donation accepted by the Foundation during the existence of the Foundation;
 - b. "Affiliate" means, in relation to a company, any company which is a subsidiary or parent company of that company or a subsidiary of any such parent company and any person, partnership or other unincorporated association or company which directly or indirectly controls that company and any company which is directly or indirectly controlled by any such person, partnership or other unincorporated association or company, and in relation to a person, partnership or other unincorporated association, means any company which is directly or indirectly controlled by such individual, partnership or other unincorporated association;
 - c. "Beneficiaries" means organizations or persons, which meet the criteria of Schedule 2 in relation to the Specific Purposes of the Foundation and are appointed as such to receive distributions from the Foundation in accordance with these Articles, provided that Beneficiaries may be appointed through by name or by class;
 - d. "Business Address" means the business address 1 Diogenous, Emporiko Center Kykkou, Block A, 4th floor, 2404 Engomi, Nicosia as shown in the Register;
 - e. "Business Day" means a day (excluding Saturday or Sunday) on which banks in Cyprus are open for business;
 - f. "AML Criteria" means such information that the Board of Directors may require in order to satisfy its regulatory obligations as well as its compliance obligations under the Law or any other legislation of Cyprus or any codes, directives and regulations issued in in relation thereto by any relevant governmental, regulatory or professional body or authority;
 - g. "Statute" means the Statute of the Foundation as approved by the Registrar upon the registration of the Foundation and as subsequently amended based on article 28 of the Law on Associations and Foundations and other related matters, Law 104(I)/ 2017;
 - h. "company" means any entity (of any kind) incorporated or otherwise established in any jurisdiction or any body corporate and includes without limitation a foundation and a limited partnership
 - i. "Board of Directors" means the board of directors of the Foundation;
 - j. "Member of the Board of Directors" means a member from time to time of the Board of Directors appointed in accordance with these Articles;
 - ya. "Court" means the Nicosia District Court, or the Cypriot Court within whose jurisdiction the Institutions fall under the Law;
 - l. "Directors" means the directors of a company and includes, where applicable, any alternate director;
 - m. "Employees" means all officers, employees, advisers and agents of a person;
 - no. "Excluded Persons" means such persons or classes of persons, who are added to the class of Excluded Persons by virtue of these Articles;
 - yes "Institution" means the institution under the name EWE (EUROPEAN WOOL EXCHANGE) established under the Law in respect of which these Statutes have been adopted;
 - p. "Foundation Information" means all information (whether existing or to be created) relating to the Foundation, the Founders, the Board of Directors or any Beneficiary, whether contained in correspondence, documents, statements and other documents, papers or records or kept on computer disks, tapes, servers, microslides or in photographic, digital or electronic form or other similar storage media;
 - z. "Founders" means the persons specified in clause 8;
 - i. "functions" includes powers and duties;
- Mr. "Incapacity" means:
- (i) in the description of a person, that the person is incapable of managing his own affairs because of his mental condition or infirmity; In relation to the incapacity of a Board Member, the Foundation and/or the other Board Members (as the case may be): (A) undertake to take into account the decision of a court of competent jurisdiction that the person suffers from incapacity while that decision remains in force; (B) subject to (A) they may (but shall not be required to) accept a certificate from a qualified medical practitioner that the person suffers from incapacity; and (C) subject to (A) they may (but shall not be required to) form their own opinion in relation to whether a person suffers from incapacity;

(ii) in the description of a company, that the company: (A) is in liquidation, whether voluntary or involuntary (which is not simply a liquidation for purposes of merger or reorganization) or has ceased to exist; or (B) is unable or admits inability to pay its debts as they appear to be due or is insolvent or has been declared bankrupt or is subject to any similar proceeding, whether permanent or temporary, in any jurisdiction;

Ms. "Document" means any document executed by the party or parties thereto;

kv. "Law" means the Associations and Institutions and Other Related Matters Law, Law 104(1)/2017 of the Republic of Cyprus;

Mrs. "Purposes" means the purposes of the Foundation as set out in the Articles of Association ("Specific Purposes") and as amended from time to time and approved pursuant to the provisions of the Law;

kd. "person" includes not only natural persons but also a company, legal entity, unincorporated association, authority or any legal person;

Mr. "Register" means the register kept by the Registrar for the purposes of the Act;

kst. "Registrar" means the registrar of associations and institutions appointed in accordance with the Cyprus Law on Associations and Institutions and on Other Related Matters Law, Law 104(1)/2017;

Mr. "Specific Purposes" are set out in SCHEDULE 2.

1.2 Within this Statute, except where the text requires otherwise:

a. reference to any gender includes the others and words in the singular include the plural and vice versa;

b. where a specific meaning is assigned to a word or phrase, other grammatical forms of that word or phrase have a corresponding meaning;

c. the words "comprising" and "including" shall not be construed to limit the generality of the foregoing words;

d. the rule of interpretation known as ejusdem generis shall not apply to the interpretation of this Statute;

e. a reference to a "term" or "annex" is a reference to a term or annex (as the case may be) of these Articles, and the headings of terms and annexes in these Articles are for convenience of reference only;

f. reference to writing includes typing, printing, telegraph, facsimile, electronic mail or other means of representing or relaying words in visible form;

g. reference to statutory provisions shall be taken as a reference to those provisions as respectively amended or re-enacted or as their application modified by other provisions; and

h. "regulation" includes any regulation, rule, official directive, requirement or guideline (if it does not have the force of law, compliance with which is the usual practice of participants in the relevant field or work) of any governmental, intergovernmental or international body, body, department or any regulatory, self-regulatory or other authority or body.

2. Purposes of the Foundation

2.1 The Foundation is established for the Specific Purposes listed in Schedule 2.

2.2 The Foundation, acting through the Board of Directors, shall be able to exercise all the rights, powers and privileges of a person to dispose of or otherwise utilize the Assets for or to serve the Purposes, subject to the Law and any restriction arising under any enactment or rule of law or this Statute.

2.3 In furtherance of the Purposes the Board of Directors may from time to time add, change or amend the Articles of Association in accordance with the general provisions of clause 20, provided further that such addition, change or amendment complies with Article 28 of the Law and is sanctioned, as applicable, by the Court.

2.4 The Foundation may, by means of a revocable or irrevocable Document, appoint, pay, transfer, apply or handle all or part of the Assets for or for the benefit of all or any one or more of the Beneficiaries to the exclusion of the other or others from the Beneficiaries and in such respective amounts if it concerns more than one and generally in such manner as the Board of Directors may, at its discretion, deem appropriate.

2.5 In addition to and exercising the powers of conditions 2.1 and 2.4 above, the Foundation may (subject to the generality of the foregoing) take or refrain from all other actions and acts which the Board of Directors, in its absolute discretion, determines that it will further or achieve all or any of the Purposes.

2.6 Any income not paid or used in accordance with any of the preceding sub-paragraphs of condition 2 shall be withheld by the Foundation.

2.7 Any payment or transfer to be made to or on behalf of a person who is under the age of eighteen or who has legal incapacity may be made to any parent or guardian of such person or to such other person on behalf of the person, the which the Board of Directors deems correct and the proof of the parent, guardian or other person will constitute a complete release of the Foundation, which will have no further obligation to follow the appropriate implementation thereof.

2.8 In respect of any payment or transfer to be made to or for a charity, the receipt by any trustee thereof (in the case of a trust) or by any director thereof (in the case of a company) or (in any other case) by the treasurer or by such other official thereof as the Board of Directors deems fit, shall constitute a complete release of the Foundation, which shall have no further obligation to follow the proper implementation thereof.

3. Duration and Liquidation

3.1 Subject to the following, the Foundation is established for an unlimited period of time.

3.2 The Board of Directors may apply to the Court for the liquidation and dissolution of the Foundation. Furthermore, the Court may dissolve the Foundation in accordance with article 41 of the Law.

3.3 Subject to and in default of any payment or application of the Assets under clause 2 hereof and to the extent that they have not been fully disposed of for any reason whatsoever, if the Foundation is wound up and dissolved, the Foundation shall transfer or pay any remaining Assets to a trust or charity with or for purposes corresponding or similar to the Purposes of the Foundation as the Board of Directors shall determine.

4. Overriding Exclusions

Notwithstanding anything contained in these Articles of Association:

(a) no power conferred by these Articles of Association or by law on the Foundation or the Board of Directors shall be exercised in such a manner as to:

(i) will prevent or affect any irrevocable payment, application or determination of any Assets which has already been made;

(ii) will authorize any transfer of payment or prepayment of any or all of the Assets to any other institution or the trustees of any trust if any Excluded Person on the date of any such transfer of payment or prepayment is or may become the ultimate beneficiary thereof or is or may become entitled to the benefit thereof under any other circumstances than the payment of remuneration and expenses and compensation to an Excluded Person who is a board member or executor or guardian of such other institution or who is a trustee of such other trust (including, in the case of legal entity that is a board member, enforcer or fiduciary, its Affiliates);

(b) none of the Assets shall be paid or loaned or determined or applied for the benefit, either directly or indirectly, of any Excluded Person under any circumstances whatsoever unless, and for the avoidance of doubt;

(i) in the event that any one or more Members of the Board of Directors (and their respective Associates) are Excluded Persons, then they shall be entitled to remuneration, payment of expenses and compensation pursuant to the relevant provisions of these Articles; and

(ii) an Excluded Person, who enters into a contract with the Foundation or the Directors or the Beneficiaries or any of them, whether directly or indirectly, and benefits in any way whatsoever by reason of such contract, shall not be deemed to have received any benefit from the Foundation, provided that such contract was concluded legitimately and on a commercial basis.

5. Addition of Beneficiaries

The Foundation shall have the power, by means of a revocable or irrevocable Document, to add as a Beneficiary such person or class of persons (not being Excluded Persons) as the Board of Directors, in its sole discretion, shall determine and provided that such addition of a Beneficiary shall fall within the Purposes of the Foundation and any such Document shall:

(a) name and describe the person or class of persons to be added thereby as Beneficiaries; and

(b) specify the date (which may not be earlier than the date of such Document) from which such person or class of persons shall be added as Beneficiaries.

6. Exclusion of Beneficiaries

The Foundation shall have power, by revocable or irrevocable Instrument, to declare that any person or class of persons who is, would be or could but for this condition be or become a Beneficiary like the Board of Directors, in its absolute discretion, shall determine:

(a) will be partially excluded from future benefit by the Foundation;

(b) will cease to be a Beneficiary; or

(c) will be an Excluded Person (and for the avoidance of doubt any Beneficiary who becomes an Excluded Person will also automatically cease to be a Beneficiary for such period during which the Beneficiary is an Excluded Person)

and any such Document shall have such effect in relation to that person from the date specified in the said Document (which may not be earlier than the date of such Document) or on the happening of some future event specified in the said Document, provided that such power shall not be so exercised as to derogate from any interest to which any Beneficiary has a prior inalienable right.

7. Waiver by Beneficiary

7.1 Any person who is not a minor to whom or for whose benefit any of the Assets are or may, whether directly or indirectly, be paid, transferred or applied in any way whatsoever by or in consequence of the exercise of any power conferred to the Foundation or to any other person, may by irrevocable or revocable Document either:

(a) divest all or part of his interest

(b) declare that he will cease to be a Beneficiary either permanently or for such period of time as may be specified therein; or

(c) declare that he will be an Excluded Person either permanently or for such period of time as may be specified therein (and for the avoidance of doubt any Beneficiary who becomes an Excluded Person shall also automatically cease to be a Beneficiary for such period during which the Beneficiary is an Excluded Person)

and so that such Document shall be valid, whether the Beneficiary has received any benefit from his interest or not.

7.2 No person who has waived his interest under condition 7.1 hereof shall be entitled to receive any benefit from the Foundation to the extent that his interest has been waived.

8. The Founder and Donations

8.1 The Founder is the person named in APPENDIX 1.

8.2 The Founder shall have no rights over the property of the Foundation.

8.3 The Foundation may accept donations from any person upon the establishment of the Foundation but any donation to the Foundation made by any person other than the Founder shall not make the sponsor of such donation a founder of the Foundation and shall not have the effect of conferring upon the sponsor any of such donation of any rights, powers or duties, which are attributed to the Founder by the Law or by this Statute. Any donation will be nominal and will not be accompanied by conditions, which may undermine the independence of the Foundation.

9. Management of the Foundation

9.1 Subject to Article 32 of the Law, the Foundation acting through the Board of Directors is capable of exercising all the functions of an incorporated body, and with respect to the management of the Assets, the Board of Directors shall have unlimited powers (to the extent that this Statute and Law permit) and the Foundation will be able to act as the absolute owner of the Assets.

9.2 The Board of Directors may determine as it deems in its discretion proper and to the extent permitted by law whether any money for the purposes of the Foundation shall be deemed to be capital or income and whether, out of the capital or income, any taxes, costs, expenses or damages should be paid or incurred. Unless the Board of Directors determines otherwise all dividends and other income received by the Foundation shall be treated as income on the date of receipt, whether or not such dividends or other income has been earned in whole or in part with respect to a period prior to the date of receipt.

10. The Board of Directors

10.1 The Foundation shall have a Board of Directors to manage the Assets and carry out the Purposes. The Board of Directors shall have the duty to manage the affairs and Assets of the Foundation with care and diligence and shall have the right to represent the Foundation in Court and elsewhere.

The Board of Directors shall consist of no less than three and no more than five Board Members.

This Board of Directors will be composed of the persons named in APPENDIX 1.

10.2 The affairs of the Foundation shall be conducted by or under the direction and supervision of the Board of Directors.

10.3 The Board of Directors may pay all expenses incurred in advance and in connection with the establishment of the Foundation.

10.4 All cheques, promissory notes, payment orders, bills of exchange, and other negotiable instruments, and all receipts for money paid to the Institution shall be signed, issued, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board of Directors may from time to time determine.

10.5 Any written contract, deed, Document, power of attorney or other document may be made or executed on behalf of the Foundation by any person acting under the authority of the Board of Directors.

10.6 The person or persons specified in SCHEDULE 3 in order of priority and subject to such conditions (if any) specified therein shall have power at any time by Document delivered to the Foundation to appoint any person as a Member of the Board of Directors either for to pay an emergency vacancy equal position that arose or was expected to arise or as an additional Member of the Board of Directors.

10.7 The Foundation may, by power of attorney or otherwise, appoint any person as an agent or representative of the Foundation for such purposes and under such conditions as the Board of Directors determines, including power to the agent to delegate all or any of his powers .

10.8 Each Member of the Board of Directors shall have the rights and functions assigned by the Law and this Statute, and which rights may be imposed by said Board of Directors against the Foundation.

10.9 A Board Member may request in writing that financial statements be prepared by the Foundation for the period beginning at the end of the accounting period to which the previous financial statements relate (or, if there are no previous financial statements, for the period begins on the date of establishment of the Foundation) and ends on the date specified in the request (which must not be later than the date of the request), and the Foundation will comply with such request within six months. Provided that the Foundation must and ensures the preparation of accounts at the end of each financial year based on the provisions of subsection 1 of article 49 of the Law, which are audited by an approved auditor in accordance with the provisions of subsection 2 of the same article and submitted with a relevant report of the auditor, to the Registrar based on the provisions of subsection 3 of the said article.

10.10 In accordance with the provisions of Article 26(2) of the Law, no Member of the Board of Directors shall be entitled to receive any remuneration (of any nature) for or in return for the services rendered to the Foundation.

11. Delegation of functions of the Board of Directors

11.1 The Board of Directors shall have power to delegate to any person (including any one or more Members of the Board of Directors) at any time for any period of time and in any manner (including without limitation as to the generality of the foregoing by proxy) and by any conditions, any of the functions of the Board of Directors in order to ensure the well-meaning interests of the Foundation. Each such person is subject to accountability and control by the Board of Directors for each of their actions.

11.2 Any assignment by the Board of Directors may be subject to any conditions, which the Board of Directors may impose and may be revoked or changed.

11.3 The meetings and proceedings of any committees of the Board of Directors consisting of two or more Members of the Board of Directors shall be governed mutatis mutandis by the provisions of these Articles of Association governing the proceedings of meetings of the Board of Directors to the extent that they do not supersede any provisions of the resolution of Board of Directors that established the committee.

12. Proceedings of the Board of Directors

12.1 Except as otherwise provided by Law or by these Bylaws, the exercise by the Board of Directors of the power hereby granted shall be effected by resolution passed at a meeting, or taken by written consent of the Board of Directors or any committee thereof Board of Directors.

12.2 Subject to any contrary provisions in these Articles of Association, a resolution of the Board of Directors is approved if it has been accepted by all or all but one of the Members of the Board of Directors, whether they are present at the meeting or not.

12.3 Subject to clause 12.10 any decision, resolution or exercise of power required to be made or capable of being made by the Board of Directors shall be valid if made by all but one of the Members of the Board of Directors and any instrument executed in accordance with any such decision, resolution or exercise shall have binding legal effect (as if executed by all the Directors) if executed by all but one of the Directors but not so as to render any of the Directors Council liable for any act or deed done or omitted without its consent by reason of this subsection.

12.4 A written resolution signed by all the Members of the Board of Directors shall be as valid and effective as if passed at a meeting of the Board of Directors duly convened and constituted and any such resolution may consist of one or more documents in similar form each of which it has been signed by one or more Members of the Board of Directors.

12.5 Subject to the provisions of this Statute and the Law, the Board of Directors may regulate its procedures as it deems appropriate.

12.6 Any Member of the Board of Directors may call a meeting of the Board of Directors by sending a notice to each of the other Members of the Board of Directors.

12.7 A Board Member shall be given at least 3 days' written notice of a Board meeting unless such Board Member waives such notice either before, during or after such meeting.

12.8 The Board of Directors may meet at such time and in such manner and in such places within or outside Cyprus as the Board of Directors may determine as necessary or desirable.

12.9 A Board Member is deemed to be present at a meeting of the Board or at a meeting of any committee of the Directors of the Board if such Board Member participates by telephone or other electronic means and all Board Members participating in the meeting may to hear and see each other.

12.10 A meeting of the Board of Directors is duly convened and a quorum for all purposes if at the commencement of the meeting all but one of the Members of the Board of Directors are present either in person (in the case of a Member of the Board of Directors who is an individual) or through a duly appointed representative (in the case of a Board Member who is a company). In case the Members of the Board of Directors are 3 (three), the quorum consists of all 3 (three) Members of the Board of Directors.

12.11 Board Members may act despite any vacancies in their number but if the number of Board Members is less than the number herein specified as the minimum number of Board Members, the Board Members may act only for the purpose of filling vacancies, and shall to act unanimously.

12.12 The Board of Directors may appoint one of its number as chairman of the Board of Directors for a three-year term with the possibility of re-appointment after the end of his term.

12.13 At meetings of the Board of Directors, at which the chairman of the Board of Directors is present, such person shall preside as chairman of the meeting. If there is no chairman of the Board of Directors for any reason, the present Members of the Board of Directors will select one of them to chair the meeting. In case of a tie, the chairman of the Board of Directors will have the winning or second vote.

12.14 All acts carried out by the meeting of the Board of Directors or by a committee duly authorized by the Board of Directors, even if it is subsequently discovered that there was an inability to appoint any Member of the Board of Directors or a member of such committee or that any of them had been disqualified from holding office, or had vacated the office, or had not been entitled to vote, shall be as valid as if each such person had been duly appointed and qualified and continued to be a Member of the Board of Directors or a member of such committee and had the right to vote.

12.15 A Board Member shall, as soon as he becomes aware of the fact that he has an interest in a transaction entered into or to be entered into by the Foundation, disclose the interest to the Board of Directors.

12.16 For the purposes of clause 12.14, disclosure to the Board that a Board Member is also a member, director, officer, board member or trustee of a particular company or any other arrangement and will be deemed to have an interest in any transaction in which may, after the date of disclosure, enter into the Institution and that other company or arrangement, is a sufficient disclosure of interest in relation to that transaction.

12.17 A disclosure made under clause 12.14 shall be made or communicated to each Member of the Board of Directors, provided that the disclosure shall be deemed to have been made if made at a meeting of the Board of Directors at which the transaction was first considered or if such disclosure A Board Member did not have an interest in the transaction on the date of that meeting, or did not know that it had such an interest, at the first meeting of the Board of Directors held after such awareness or such interest by the Board Member (as the case may be).

12.18 A Member of the Board of Directors who has an interest in a transaction in which the Foundation enters or is about to enter may NOT:

- (a) to vote on a matter relating to the transaction;
- (b) attend a meeting of the Board of Directors at which a matter relating to the transaction arises and be included among the Members of the Board of Directors present at the meeting for quorum purposes; and
- (c) sign a document on behalf of the Foundation or do anything else in that person's capacity as a Board Member, related to the transaction.

13. Companies acting with Agents

Any company which is a Member of the Board of Directors may, by resolution of its directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Board of Directors, and the person to be authorized with the in this way, he will be entitled to exercise on behalf of the company he represents all the powers that the company itself could exercise if he were a natural person Member of the Board of Directors. A company present at any meeting through such proxy shall be deemed for the purposes of these Articles to be present in person.

14. Dismissal and resignation of Board Members

14.1 Subject to condition 14.2, the office of a Board Member, which is held until the Board Member is replaced or terminated, shall vacate if:

- (a) be removed by the Founder by notice in writing, and the removal shall take effect either immediately or at such later date as shall be specified in such notice;

(b) ceases to be a Member of the Board of Directors by virtue of Article 32(2) of the Law or is disqualified or disqualified by law from being a Member of the Board of Directors;

(c) as a natural person (i) dies; (ii) suffers from Incapacity; (iii) becomes insolvent or is declared bankrupt or bankrupt or is subject to any similar proceedings, whether permanent or temporary, in any jurisdiction; or (iv) make a settlement or compromise with his creditors generally;

(d) as a company: (i) is placed in liquidation, whether voluntary or involuntary (which is not simply a liquidation for purposes of merger or reorganization) or otherwise ceases to exist; or; (ii) becomes insolvent or is declared bankrupt or bankrupt or is subject to any similar proceedings, whether permanent or temporary, in any jurisdiction; or (iii) make a settlement or compromise with its creditors generally; or

(e) he or she resigns from office by giving notice to the Foundation in accordance with condition 14.2.

14.2 A Board Member may resign from the office of Board Member by giving written notice to that effect to the Foundation, which notice shall be effective from such date as may be specified in such notice, and in the absence of the delivery.

15. Dismissal, remuneration and compensation of the Members of the Board of Directors

15.1 A Board Member shall not be liable for any loss or damage which the Foundation or its Assets or any part thereof or its income may suffer at any time or from any cause unless such loss or damage is caused by their own fraud, willful misconduct or gross negligence. No Associate Board Member shall be liable for any loss or damage which the Foundation or the Assets or any part thereof or the income thereof may suffer at any time or from any cause, but this shall not relieve any such Partner from liability (if any) of his own actual fraud.

15.2 Any duties or obligations of a Board Member in relation to the Foundation (whether arising from the Law or these Articles of Association) are owed to the Foundation alone and to no other person.

15.3 In the performance by a Member of the Board of Directors of his functions (or in the performance by the Board of Directors of his functions) in relation to the Foundation, the Member of the Board of Directors (or, as the case may be, the Board of Directors) shall not owe any duty (whether confidential or otherwise) to any person other than the Foundation.

15.4 No Member of the Board of Directors shall be entitled to any remuneration (of any nature) for his services to the Foundation but shall be entitled to:

(a) payment and indemnification by the Foundation in respect of all actual and extraordinary costs, expenses and liabilities incurred in connection with the functions of the Members of the Board of Directors or generally in relation to the Foundation, arising before and after the departure; or removal as a Board Member except as a result of that Board Member's fraud, willful misconduct or gross negligence;

15.5 Expenses, including legal fees, incurred by a Board Member or former Board Member in the defense of any legal, administrative or investigative proceedings may be paid by the Foundation prior to the final disposition of such proceedings upon receipt of proof of employment issued by or from part of the Governor's Member Board Member or former Board Member to repay the amount if it is ultimately determined that the Board Member or former Board Member is not entitled to compensation from the Foundation in accordance with condition 15.4.

15.6 The Board of Directors may authorize the purchase or retention by the Foundation for any person appointed under these Articles of Association of the Foundation or any such person previously so appointed

of any such security not prohibited by Law in respect of any liability incurred by such person and arising from such appointment at the request of the Foundation.

16. Accounting Books and auditor

16.1 The Foundation shall comply with Article 49 of the Law and must keep reliable accounting records in its Operations Division or in such other place as the Board of Directors deems appropriate which:

- (a) properly explain the transactions of the Foundation;
- (b) enable the financial condition of the Foundation to be determined with reasonable accuracy at any time; and
- (c) enable the preparation of financial statements.

16.2 The accounting records must be kept for a period of six years from the end of the accounting period to which they relate or for such longer period as the Board of Directors determines.

16.3 The Foundation's financial statements will be prepared. Such financial statements shall include:

- (a) a written statement setting out the Foundation's assets and liabilities at a specified date;
- (b) a written statement recording the receipts, payments and other financial transactions made by the institution during the period ending on that date; and
- (c) such notes as are necessary for a reasonable understanding of each such written statement.

16.4 The financial statements will be examined by an approved auditor, who is appointed by the Board of Directors. The auditor may be removed from the Board of Directors. No Member of the Board of Directors is entitled to be an auditor of the Foundation. The remuneration of the Foundation's auditor may be determined by the Board of Directors. The auditor will review the financial statements and state in a written report whether or not:

- (a) in the auditor's opinion, the financial statements give a true and fair view in respect of the receipts, payments and other transactions made by the Foundation for the period covered by the financial statements, and in respect of the assets and liabilities of the Foundation at the end of that period; and
- (b) all information and explanations required by the auditor have been obtained.

16.5 The auditor shall have the right to have access at any time to the Foundation's accounting records and supporting documents of expenditure and shall be entitled to demand from the Board of Directors and each of the Members of the Board of Directors such information and explanations as the auditor deems necessary for the performance of the auditor's duties.

17. Documents and records to be kept in the Works Directorate

The Foundation must keep at its Head Office or at such other place, within Cyprus, as the Board of Directors determines:

- (a) a copy of these Articles of Association as from time to time in force;
- (b) a register showing the names and addresses of the Members of the Board of Directors;
- (c) the accounting records of the Foundation;

- (d) statements which disclose, with reasonable accuracy, the financial condition of the Foundation; and
- (e) a register of the names and addresses of those who have donated to the Foundation.
- (f) such other documents or records as may be required by Law.

18. Information

18.1 The provisions of these Bylaws are subject to any disclosure required by Law, and any other legislation binding on the Foundation, any order of a court of competent jurisdiction in relation to the Foundation.

18.2 The Foundation is not obliged to provide a copy of all or part of the Statute to any person other than a Member of the Board of Directors.

18.3 The Foundation is not obliged to provide any person other than the person listed in condition 18.2 with any information of the Foundation, specifically information about:

- (a) the management of the Foundation and the Assets;
- (b) the nature, location and value of the Assets; or
- (c) the manner in which the Foundation carries out the Purposes;

18.4 Notwithstanding the foregoing sub-paragraphs the Foundation may disclose such information and documents (including without limitation disclosure of the identity of the person listed in clause 18.2, the nature and degree of their interest in the Foundation and the Purposes) as the Board of Directors may deem necessary or desirable for the proper management of the Foundation and the Assets, and in particular such disclosure may extend to disclosure in accordance with anti-money laundering legislation and practices as well as legislation and rules regulating securities transactions in any jurisdiction within the in which the Foundation has operations or where the Assets are located or managed.

19. Notices

19.1 Subject to condition 19.2, any notice given to or by any person under the Law or these Articles of Association shall be in writing and may be given by electronic message or any other electronic method, provided that a notice to convene a meeting need not be it is written.

19.2 Any notice or other communication to be given to the Foundation under the Act or these Articles of Association shall be delivered by hand or sent by ordinary post or sent by pre-paid first class post to the Department of Labor or by facsimile or electronic message to a valid number facsimile transmission or electronic address, which is used by the Board of Directors.

19.3 Any notice or other communication to be given to a Board Member under the Act, or these Bylaws or any Board Member Agreement delivered by hand shall be sent by pre-paid first class post (or ordinary post if there is no first class post, or registered airmail in the case of a sender outside Cyprus) to the Board Member's residential address as recorded in the Register or by facsimile or electronic message to a valid facsimile transmission number or electronic address used by that Member of Board of Directors or on its behalf.

19.4 Any notice, in the absence of proof previously received, shall be deemed to have been received as follows:

- (a) if delivered by hand, at the time of actual delivery;

(b) if posted as aforesaid, on the second clear Business Day (or, in the case of airmail, the fifth clear Business Day) following the day of dispatch by post, or as the case may be, by registered post;

(c) if sent by facsimile, with proof of transmission of the machine receiving the notice, on the day on which it was sent; or

(d) if sent by electronic mail, upon receipt by the sending party of an acknowledgment of receipt;

provided that notice given in accordance with the foregoing but received on a day which is not a Business Day or after business hours at the receiving party shall be deemed to have been received on the next Business Day at the beginning of normal business hours at place of receipt.

20. Power to amend Articles of Association

20.1 The Foundation may, by Document and by decision of the Board of Directors and with the approval of the Court, if applicable, make any amendments, additions, changes or deletions to these Statutes.

20.2 In relation to these Articles, any such Document shall specify the date from which such amendment, addition, change or deletion shall take effect in a manner fully consistent with the provisions of the Law.

20.3 The Foundation must notify the Registrar of any amendment, addition, change or deletion it proposes to make in these Statutes and such amendment, addition, change or deletion will take effect after a relevant decision of the Court in accordance with the provisions of article 28 of the Law .

20.4 No amendment, addition, alteration or deletion of any provision of these Articles shall invalidate any prior act which would have been valid but for such amendment, addition, alteration or deletion.

21. In general

21.1 In the event that any or more of the words, clauses, phrases, clauses, conditions or sections of these Articles shall be declared invalid or unenforceable by virtue of any order, decree or decision of any court having jurisdiction, or shall be or become invalid or unenforceable under any applicable law, the remaining provisions of these Bylaws shall be construed as if such words, clauses, phrases, clauses, terms or sections had not been inserted.

21.2 The provisions of these Articles of Association and any rights, obligations, duties, powers or responsibilities arising from or in connection with them shall be governed by Cypriot law.

APPENDIX 1

(Officials of the Foundation)

Part 1 Founder

Name: Alberto

Ferdinand Antonio

Costa

Passport: YB2554700

Residence: 17 Via Civra,

Montagnola, Switzerland

Email Address: costalalberto@bluewin.ch

Part 2 Members of the Board of Directors

1. Name: Alberto

Ferdinand Antonio

Costa

Passport

of Italy: YB2554700

Residence: 17 Via Civra,

Montagnola, Switzerland

Email Address: costalalberto@bluewin.ch

2. Name: Isabella Kailidis

Passport: K00143021

Residence: Hefaestou 9,

2202 Geri, Nicosia, Cyprus

Email Address: isabelladou19@gmail.com

3. Name: Andreas

Leonidas Papadopoulos

ADT: 0000710057

Address: Dramas 18, Apartment 3

1077, Nicosia

Cyprus

Email Address: andreas.papadopoulos@gmail.com

APPENDIX 2

(Specific Purposes)

The Specific Purposes of the Foundation are:

1. to inform about the issue of wool in Europe and to draw the attention of the authorities to the urgent need to regulate this sector and reduce wool waste to a minimum, in accordance with the Malpenga Declaration, attached hereto as Annex 6.

2. to promote locally, the use of indigenous wool in therapeutic knitting, crocheting, pressed wool knitting for ketches in health programs and other social programs.
3. to promote, support and develop public benefit purposes such as indicatively and without limitation the wool problem in Europe, health issues, social, humanitarian, educational cultural, environmental and health purposes.
4. to support commercial and non-commercial development projects and products, which adopt a philosophy of social and environmental responsibility.
5. to support research and development related to wool in Europe and the charitable purposes and development projects as mentioned above.
6. to financially support through loans or donations individuals or groups of individuals who work or have worked or contributed to similar purposes as mentioned above and such support may specifically, but not exclusively, cover specific expenses, such as health expenses, care expenses, legal expenses, accommodation expenses, cultural expenses, education and training expenses, giving emphasis and priority to individuals and groups of individuals who work or worked or contributed to functions and purposes similar to the purposes as mentioned above.

APPENDIX 3

(Appointment of new or additional Members of the Board of Directors)

The following persons, in the following order of precedence shall have the power to appoint new or additional Members of the Board of Directors:

1. The Founder shall appoint new or additional Members of the Board of Directors, and-
2. Subject to the above, in the event of the Founder's death, the other Members of the Board of Directors during that time are automatically covered by the powers of appointment of Members of the Board of Directors, which the Founder (as stated above) hereby has, and then in perpetuity the appointed Members of the Board of Directors.

APPENDIX 4

(Initial Donation)

Made by: Alberto Ferdinando Antonio Costa being the Founder, for the sum of €6,000 (Six Thousand Euros).

APPENDIX 5

EWE – European Wool Exchange

It was founded in 2020 to seek solutions to the problem of wool waste across Europe with a focus on the health and well-being of individuals and society.

THE MALPENGA PROCLAMATION

Signatories to the Malpenga Declaration met in Biella, Italy, on October 10, 2019, hosted by the Panza di Biumo family at their historic home, La Malpenga, to share their experiences of using local, indigenous wool in therapeutic knitting, knitting crochet, pressed wool knitting for ketches in health programs and other social programs.

Wool represents only 1% of the fibers used for fabric worldwide, 30% consists of other natural fibers, cotton and 69% of synthetic fibers. However, wool represents a major issue for our society because of its animal origin and its relationship with two other important products, meat and cheese. There are currently more than 100 million sheep living in the geographical area of Europe and raised mainly for their meat and milk. They naturally produce almost 200,000 tons of wool every year.

This wool has different levels of quality depending on the species and genetic characteristics of the sheep, the climate, the environment and the quality of the diet. Only a limited amount is used locally by the textile industry, which prefers high-quality wool such as merino and cashmere, or much cheaper wool mixed with synthetic fibers. As sheep have to be sheared anyway, and this comes at a cost, farmers and local communities suffer from this unbalanced economy.

To find solutions to this problem, lower quality wool is now used by the building industry for environmentally friendly home insulation and for knitting with pressed wool for machine ketches. Some experiments have been done to use wool as fertilizer or as an effective absorbent sponge to clean up the sea from oil spills. However, the lack of value attributed to wool makes it considered a waste product.

It is estimated that almost half of Europe's annual volume of wool is destroyed, buried or burned, with negative consequences for the environment. In addition, the increasing use of synthetic fibers has serious polluting effects in marine waters due to micro-textiles entering our waterways and seas.

The signatories of this Declaration have experienced the promising possibilities of using wool for health and well-being. Research shows that the activity of knitting and crocheting has the potential to calm the mind, relieve stress and pain, and facilitate social engagement, with the added value of producing hand-made items that can be handed down to benefit others who have need.

This creates a circular economy and improves the climate, environment, communities and local industry.

The signatories wish to raise awareness of the wool problem in Europe and draw the authorities' attention to the urgent need to regulate this sector and minimize wool waste. The signatories represent a network of socially committed end-users of wool and have therefore founded the interest group called EWE, which stands for ewe and, in this case, the acronym stands for European Wool Exchange.

In alphabetical order:

Nina Arnus, Zavod Tri, (knitting community Breja preja), Škofja Loka, Slovenia

Alberto Azario, Green Holding, Milano, Italy

Kyriaki Christofi, Americanos Law, Nicosia, Cyprus

Betsan and Steve Corkhill, Stitchlinks, Bath, UK

Alberto Costa, Ivana Appolloni, Claudia Du Bessé, Gomitolorosa, Rome, Italy

Isabella Kailidou, The Breast Center, Nicosia, Cyprus

Sandra Kerovec, Ozana, Zagreb, Croatia

Dora Kaszas, KotES, Budapest, Hungary

Mira Klicek, Ozana, Zagreb, Croatia

Alexandros Michaelides, Talos, Nicosia, Cyprus

Emanuele Panza, Gomitolosa, Biella, Italy

Anka Pintar, Zavod Tri, (knitting community Breja preja), Škofja Loka, Slovenia

Franco Piunti, Tessile e Salute, Biella, Italy

Conception Rey Mejias, Asociacion Iaia, Madrid, Spain

Patrizia Tempia, Ospedale degli Infermi, Biella, Italy

For the purpose of validating the Malpensa Declaration or for further enquiry: ewe@ewe.network