

Irrevocable Foundation Charter
(Founder(s) hold(s) no powers)

FOUNDATION CHARTER
OF THE
PRIVATE FOUNDATION
NAMED

The undersigned, _____, with domicile at _____, acting as Founder(s) in accordance with the provisions of Law 25 of 12th June 1995 of the Republic of Panama, hereby establish(es) a Private Foundation, a juridical person governed by the laws of the Republic of Panama, having the following characteristics:

FIRST: NAME.

The name of the **FOUNDATION** is _____

SECOND: INITIAL PATRIMONY.

The initial endowment of the Foundation shall be **TEN THOUSAND DOLLARS (US\$10,000.00)**, legal currency of the United States of America. Sums of money or other assets may be added to the Foundation's assets from time to time by the Founder(s), the Foundation Council or third parties. Transfers of assets to the Foundation's assets may be effected by way of a public or private document. The Foundation's assets are exclusively reserved for the purposes mentioned in the present Foundation Charter, and the Foundation Council may therefore not dispose of such assets in any manner differing from or contrary to that established in the present Foundation Charter or the Regulations thereof.

The Foundation shall be irrevocable for its Founder(s).

THIRD: THE FOUNDATION COUNCIL.

- a) The Foundation Council is the governing body of the Foundation.
- b) The Foundation Council may consist of natural and/or juridical persons.
- c) The Foundation Council's tenure of office is not limited to a set period of time, and members of the Foundation Council shall hold office until they are replaced through election by the remaining members of the Council, or by the Protector, if any.
- d) The members of the Foundation Council shall initially be appointed by the Founder(s). In the event of resignation, incapacity or the demise of any member of the Foundation Council, whether a title holder or an alternate, a simple majority of the remaining members may elect a substitute. If there are no further members in the Foundation Council, or if the remaining members are incapable of acting, the right to appoint new Council members shall vest in the Protector, if any. Should the latter be absolutely lacking, such right shall vest in the Principal Beneficiary(ies) reflected in the Regulations or the Foundation's Resident Agent.
- e) The Foundation Council is responsible for the management, administration and representation of the Foundation, and may bind same without restrictions and with power of disposition, vis-à-vis third parties, including national or foreign judicial or governmental authorities.

In the exercise of its administrative powers, the Foundation Council may invest in securities, open bank accounts, borrow and grant loans, receive and make payments, keep accounting records, keep the custody of assets, establish and control subsidiary companies, engage agents, seek consultancy and advisory services and, not being limited to the generality of the foregoing, it may carry out all such acts as may be necessary for the administration of the Foundation in accordance with the provisions of this Foundation Charter and the Regulations.

- f) The Foundation Council may delegate its authority to issue the Regulations as well as the administration and representation of the Foundation for specific or general acts, to one or several of its members or to a third party, providing, when so doing, for the right to sign and bind the Foundation.
- g) The Foundation Council shall meet at the Foundation's domicile or at such other place as may be designated by the Foundation Council.

- h) If the Foundation Council is made up of several persons, whether natural or juridical, its resolutions shall be valid if all the members are present, whether personally or by proxy; and all resolutions approved in a meeting where there is a quorum, all absent members having waived the notice of meeting, shall be valid. The Foundation Council's resolutions shall be approved by a simple majority of the members of the Foundation Council and shall be recorded in minutes that shall be signed by any of the members of the Foundation Council.
- i) The resolutions of the Foundation Council may also be approved by means of a circular letter, but in such cases the signature of the majority of the members shall be required on the respective minutes.
- j) If the Foundation Council is made up of a juridical person, its decisions may be set down in minutes which shall be signed by the President or Secretary of said juridical person, as sole member of the Foundation Council.
- k) The Foundation Council shall be made up by:

NAME	ADDRESS

FOURTH: DOMICILE.

The Foundation's domicile is (ADDRESS IN PANAMA). The Foundation's domicile may by means of a resolution of the Foundation Council be at any time transferred to another place, either in Panama or abroad. All legal relationships arising from the constitution and existence of the Foundation shall be subject to the law in force in the Foundation's place of domicile. The Foundation's competent courts shall be the courts of its domicile. In the event the Foundation's domicile is transferred, the Foundation shall remain subject to the provisions of the Private Foundations Law of the Republic of Panama insofar as compelling provisions at the Foundation's new domicile do not demand otherwise.

FIFTH: RESIDENT AGENT

The Foundation's Resident Agent is the law firm of (NAME OF FIRM), with offices at (ADDRESS OF LAW FIRM)

FIFTH AIMS.

The Foundation's aim is to defray the costs for the education, upbringing, training and assistance, as well as the general maintenance or other similar aims of one or more members of one or several families as established in the Regulations. In addition to the members of one or several families, the Foundation may benefit other natural or juridical persons or institutions of any nature and make all necessary provisions for the orderly succession to its assets. To achieve its objectives, the Foundation shall preserve, manage and invest its assets in an appropriate manner. The Foundation may not be profit oriented; however, it may carry on commercial activities in a non habitual manner or exercise the rights deriving from the titles representing the capital of business companies that are held as part of the Foundation's assets, provided the economic result or proceeds of these activities are used exclusively towards this Foundation's objectives. It may also engage in any other lawful activity allowed to this kind of institutions as the Foundation Council may determine.

SIXTH: BENEFICIARIES.

- (A) The Founder(s), upon creation of the Foundation, or the Foundation Council, subsequently thereto, may create a private document known as the "Regulations" whereby they designate and set down all that relates to the Beneficiaries. The Foundation Council shall assign the Foundation's assets, in full or in part, to one of the Beneficiaries or to several of them, in accordance with the provisions of the Regulations.
- (B) The distributions to one or several of the Beneficiaries so designated as well as the dates and amounts of such distributions shall be subject to the provisions of the Regulations.
- (C) It is expressly stipulated that the Beneficiaries are neither the owners nor creditors of the Foundation, and thus may not validly claim vis-à-vis the Foundation any rights other than those envisaged in the Foundation Charter, the Regulations and/or the resolutions passed by the Foundation Council.

SEVENTH: AMENDMENTS TO THE FOUNDATION CHARTER.

The Foundation Council is authorized to amend this Foundation Charter. The Foundation Council may amend, remove or declare any one or more provisions of the present Foundation Charter to be inapplicable, change or remove any or all of the Beneficiaries, name or add new Beneficiaries, increase, decrease or in any other way

alter the benefits of all or any of the Beneficiaries, add new assets to the Foundation's assets, or in any other way amend the Foundation Charter, subject to countersignature by the Protector, if any.

EIGHTH: DURATION.

This Foundation shall have a perpetual duration and may only be dissolved by a decision of the Foundation Council, subject to countersignature by the Protector, if any, without prejudice to the provisions of the Fifteenth Clause of the present Foundation Charter.

NINTH: DISTRIBUTION OF THE BENEFITS.

The Foundation Council may distribute this Foundation's capital or interest in accordance with the Foundation's Regulations, which Regulations may be amended at any time by the Foundation Council, subject to countersignature by the Protector, if any.

ELEVENTH: ANNUAL ACCOUNT.

The Foundation Council shall render account of its administration with such periodicity as the Protector, if any, and the Beneficiary(ies) may require.

If no objections to the report rendered are raised within a term of (90) days as from the day on which it is received, same shall be considered to have been approved. Once such term has elapsed or the report has been approved, the members of the Foundation Council shall be exempt from any liability for their administration, but such approval shall not also exempt them vis-à-vis the Beneficiaries or third parties having an interest in the Foundation with regard to any damages caused by gross negligence or fraud in the administration of the Foundation.

TWELFTH: REMOVAL OF THE FOUNDATION COUNCIL.

The members of the Foundation Council may be removed by the Protector, if any. Likewise, the Protector may designate or add new members to the Foundation Council, without prejudice to the provisions of the Third Clause of this Foundation Charter.

THIRTEENTH: OBLIGATIONS AND DUTIES OF THE FOUNDATION COUNCIL

The Foundation Council shall have the following obligations and duties:

- a. To manage the assets of the Foundation in accordance with the present Foundation Charter and its Regulations.
- b. To carry out such acts, contracts or business as may be expedient or necessary to fulfill the Foundation's objectives and to include in such contracts, agreements and other instruments or obligations, all such clauses and conditions as may be necessary or expedient, being consistent with the Foundation's aims and not contrary to law, morality, good mores or public order.
- c. To inform the Foundation's Beneficiaries or the Protector, if any, of the Foundation Assets as provided for by the Foundation Charter or the Regulations.
- d. To hand over to the Beneficiaries of the Foundation the assets or benefits settled in their favor in the Foundation Charter or the Regulations.
- e. To fully comply with all requirements and countersignatures required by the supervisory entity, if any.
- f. To carry out all such acts or contracts as the Foundation may be permitted to carry out by Law No.25 of 12th June 1995 and other applicable legal or regulatory provisions.

FOURTEENTH: PROTECTOR - PROFESSIONAL ADVISOR - AUDITORS.

The Founder(s), upon creation of the Foundation, or the Foundation Council, subsequently thereto, may appoint, in the Regulations, a supervisory entity which may be comprised of natural or juridical persons and which may be called the Protector, Professional Advisor, Auditor or any similar name, and which may have any of the following powers:

- a) To ensure compliance with the aims of the Foundation on the part of the Foundation Council and to safeguard the rights and interests of the Beneficiaries;
- b) To demand a rendering of account by the Foundation Council;

- c) To modify the aims or objectives of the Foundation where their attainment becomes impossible or burdensome;
- d) To appoint new members for the Foundation Council to replace the existing members in the event of a temporary or definite absence; and to increase or reduce the number of members of the Foundation Council;
- e) To endorse actions taken by the Foundation Council pursuant to the Foundation Charter or its Regulations;
- f) To safeguard the Foundation's assets and to ensure that such assets are used for the objectives or purposes stated in the Foundation Charter; and
- g) To exclude Beneficiaries from the Foundation and to add other Beneficiaries in accordance with the provisions of the Foundation Charter or its Regulations.

FIFTEENTH: DISSOLUTION AND LIQUIDATION.

- (A) The Foundation Council has the authority to dissolve the Foundation and to appoint one or more liquidators if it deems it necessary, subject to countersignature by the Protector, if any. If there are no members of the Foundation Council, or if same are incapacitated, the Foundation may be dissolved by the Protector, if any. Should the latter be absolutely lacking, such right shall vest in the Foundation's Resident Agent or in the Principal Beneficiary(ies) reflected in the Regulations.
- (B) In the event the Foundation is dissolved, and after payment of all its debts or obligations, the liquidation shall proceed in accordance with the provisions established in the Regulations with regard to Beneficiaries. Should there be no beneficiaries, the Foundation Council shall decide the ultimate use to be made of the Foundation's assets. The Foundation Council's resolution to dissolve the Foundation shall be duly registered at the Public Registry of the Republic of Panama.

The Foundation may also be dissolved for the following reasons, upon request by the interested party:

- a) Achievement of the aims for which it was created or because their fulfillment becomes impossible.
- b) Its insolvency, cessation of payments, or upon adjudication of bankruptcy.

- c) Loss or total extinction of the Foundation's assets.

SIXTEENTH: REGULATIONS.

The Founder(s) or the Foundation Council shall, upon creation of the Foundation, have the authority to issue the Foundation's Regulations. Subsequently, only the Foundation Council may amend the Foundation's Regulations, or issue same if they were not determined upon creation of the Foundation, subject to countersignature by the Protector, if any. Such Regulations shall include:

1. The assets making up the Foundation Assets.
2. The Foundation Council's powers in accordance with the provisions of the Thirteenth Clause of the present Foundation Charter.
3. The manner in which the Foundation's assets shall be managed.
4. The Beneficiaries of the Foundation.
5. The benefits corresponding to the Beneficiaries.
6. The rules on distribution of the benefits of the Foundation.
7. How the Foundation Council shall render account.
8. How the Beneficiaries may be substituted, removed or added.
9. Rules on remunerations.
10. The appointment of the Protector or of any supervisory entities, as well as their powers, in accordance with the provisions of the Fourteenth Clause of this Foundation Charter.
11. The manner in which the Foundation's assets shall be liquidated in the event the Foundation is dissolved.
12. Any lawful articles not contrary to the Law or the Foundation Charter.

SEVENTEENTH: NOTICES.

Notices to meetings of the Foundation Council shall be made by personal delivery thereof or by mail, or by publication in a daily having a circulation throughout the Republic of Panama.

EIGHTEENTH: CHANGE OF JURISDICTION.

Where the Foundation Council or the Protector, if any, should deem it necessary, they may at their entire and absolute discretion transfer the Foundation to the jurisdiction of another country.

NINETEENTH: SEAL.

The Foundation may, if the Foundation Council should deem it expedient, adopt its own foundation seal.

The present document has been executed by the Founder(s) in the City of _____ on the _____ day of the month of _____ nineteen hundred and ninety _____ (199___).

Founder

Founder

Countersigned by the Resident Agent:
