

Article 11. Reasonable Net Returns and Parent-Funded Programs.

Section 1. Purpose and Permitted Uses

- (a) The Commons Corporation is expressly authorized to retain and deploy consolidated Surplus for parent-funded promotional, pricing, rebate, wage-support, or trial-support programs for Subsidiaries that are designed to facilitate market entry, customer acquisition, long-term customer retention, or defensive responses to competitive pressure, subject to Board-established measurement and sunset policies.
- (b) Programs authorized under this Section are intended to advance the long-term financial strength and stability of the Commons Corporation and its Subsidiaries, and not to provide private returns to any manager, director, officer, or other private stakeholder.
- (c) All programs under this Section shall be structured and administered in a manner that remains consistent with the Corporation's status as a nonprofit entity without private residual claims and with the long-term continuity of the group's operations.

Section 2. Parent Stewardship of Surplus

- (a) The Commons Corporation shall accept and steward consolidated Surplus in a manner that targets only Reasonable Net Returns at the consolidated level rather than maximal consolidation of every dollar of group profit.
- (b) The Commons Corporation shall reallocate excess consolidated Surplus, being the difference between consolidated results and Reasonable Net Returns, to the strategic Permitted Uses authorized in this Article and elsewhere in the governing documents.
- (c) The Board shall adopt, maintain, and periodically review written financial policies for measuring consolidated Surplus, determining Reasonable Net Returns, and prioritizing allocations among Permitted Uses, including but not limited to wage enhancements, benefits, education and training, reserves, and acquisition or conversion of new Subsidiaries.
- (d) In stewarding Surplus, the Board shall consider the long-term liquidity, solvency, and risk profile of the Commons Corporation and its Subsidiaries and shall avoid policies that would reasonably be expected to undermine the group's continued ability to operate in competitive markets.

Section 3. Measurement of Subsidiary Net Profits

- (a) Each Subsidiary shall measure and report its own pre-allocation net profit, defined for purposes of this Article as the Subsidiary's highest achievable net profit subject to applicable legal, contractual, and market constraints and before taking into account any parent-funded programs or allocations of consolidated Surplus.
- (b) Pre-allocation net profit shall be used as the principal operating performance metric for Subsidiary management and for any Subsidiary-level boards or advisory bodies, and it shall be calculated and reported in accordance with the accounting policies adopted by the Commons Corporation.
- (c) The Board shall adopt policies to ensure that the measurement of pre-allocation net profit is consistent across Subsidiaries to the extent practicable, while allowing for justified differences in industry practices or regulatory requirements.

Section 4. Subsidiary Incentives and Performance Signals

(a) Subsidiaries shall retain primary responsibility for generating the highest possible net profits in their respective markets consistent with applicable law, contractual obligations, and the operational standards adopted by the Commons Corporation.

(b) For internal performance measurement, reporting, and managerial incentives, each Subsidiary's financial statements and key performance indicators shall reflect pre-parent-support net profit, being gross or net operating results before the effect of any parent-funded wage premiums, promotional subsidies, rebates, or other programs funded from consolidated Surplus.

(c) Parent-funded programs authorized in this Article shall be accounted for at the Commons Corporation level, or in such other manner as the Board may determine, in order to preserve clean performance signals at the Subsidiary level and to maintain clear accountability of Subsidiary managers to market discipline.

(d) The Commons Corporation may lawfully and contractually provide targeted, time-bound support to Subsidiaries through the programs described in Section 1 while preserving these clean performance signals and shall design such programs so that they do not obscure or dilute the responsibility of Subsidiary management for the underlying economic performance of the Subsidiary.

(e) Nothing in this Article shall be construed to authorize the payment of private returns to managers, directors, officers, or other private stakeholders, and all incentives shall be structured as compensation for services or as internal allocations of Surplus consistent with the nonprofit character of the Commons Corporation.

Section 5. Board Policies on Reasonable Net Returns

(a) The Board shall adopt written policies that specify the method or methods for determining Reasonable Net Returns at the consolidated level, which may include quantitative ranges, qualitative factors, and scenario-based analyses appropriate to the industries and markets in which the Commons Corporation and its Subsidiaries operate.

(b) In establishing Reasonable Net Returns, the Board shall consider at least the following: the need to maintain prudent reserves; the capital and reinvestment requirements of Subsidiaries; foreseeable economic and competitive conditions; and the Corporation's obligations under its other governing documents.

(c) The Board's policies on Reasonable Net Returns shall be reviewed on a regular schedule established by the Board and may be amended from time to time, provided that any amendment shall remain consistent with the principle that the Commons Corporation does not seek to maximize consolidated profit for private distribution but instead targets a level of net return that supports ongoing viability, resilience, and the internal allocation purposes authorized in the governing documents.

(d) The Board shall maintain records of the criteria and reasoning used to determine Reasonable Net Returns for each fiscal period, and such records shall be preserved with the corporate records to support transparency and continuity of practice.

Section 6. Definitions

(a) "Surplus" means the consolidated surplus of the Commons Corporation and its Subsidiaries, being the net operating economic value of the Commons Corporation and its Subsidiaries, defined as consolidated revenues less permitted operating expenses and reasonable reserves, determined in accordance with generally accepted accounting

principles as applied under the Corporation's financial policies and subject to any additional constraints stated in the governing documents.

(b) "Reasonable Net Returns" means the level or range of consolidated net return that the Board determines, consistent with the financial policies adopted under this Article and other governing provisions, is sufficient to cover prudent reserves, ongoing operational viability, and planned internal allocations, without seeking to maximize consolidated profit for private distribution.

(c) "Subsidiary" means any legal entity that is directly and wholly owned by the Commons Corporation and that conducts market-facing operations, and does not include entities that are merely controlled, but not wholly owned, by the Commons Corporation.

Article 12. Establishment of Funds.

ESTABLISHMENT OF FUNDS

Section 1. Purpose.

(a) The Commons Corporation (the Corporation) shall establish and maintain the funds described in this Article for the purposes stated in this Article and any companion Articles on governance and allocations.

(b) Each Fund shall be used only for the purposes expressly authorized in this Article, in accordance with applicable law, the Corporation's mission, and any policies adopted by the Board of Directors (the Board).

(c) The percentage allocations stated in this Article constitute part of the Baseline Allocation Rules for Consolidated Surplus and Net Profits for purposes of the Polycentric Governance Article and the Article establishing the Standing Budget and Allocation Committee. Any temporary variance from these allocations shall be governed by the variance procedures set forth in the Polycentric Governance Article and related Articles.

Section 2. Definitions.

For purposes of this Article:

(a) **Net Profits.** "Net Profits" means the net income of a Subsidiary determined in accordance with generally accepted accounting principles or other accounting standard adopted by the Corporation and applicable law, after provision for taxes to the extent not already reflected in net income, and after reduction for the amount of operating reserves that are required and certified to be retained at that Subsidiary under the Polycentric Governance Article and any companion Articles addressing reserves and funds.

(b) **Subsidiary.** "Subsidiary" has the meaning stated in the Article titled Commons Capitalism Entity Structure and Subsidiaries, including the requirements of one hundred percent (100%) direct ownership, market-facing operations, and affirmative designation by resolution of the Board of Directors. An entity that is controlled but not wholly owned by the Corporation is not a Subsidiary for purposes of this Article or any other Article. An entity that is wholly owned but not designated as a Subsidiary by Board resolution is not a Subsidiary for purposes of this Article or any other Article.

(c) **Board.** "Board" means the Corporation's Board of Directors.

(d) **Four Funds.** "Four Funds" means, collectively, the Reserve Fund, the Education Fund, the Social Benefits Fund, and the Reinvestment Fund established by this Article.

(e) **SPOL.** "SPOL" means the Subsidiary Performance Officer and Liaison established under the Articles of Incorporation (or any successor or replacement office with substantially similar reporting and monitoring duties).

Section 3. Funds Established; Funding Allocations.

The Corporation shall establish and maintain the following separate funds, each of which shall be maintained on the Corporation's books and records and in accounts or instruments permitted by law and corporate policy:

(a) **Reserve Fund.** A Reserve Fund shall be established to provide financial stability and to enable the Corporation to meet unforeseen expenses, obligations, or strategic opportunities. The Reserve Fund shall be funded by an amount equal to the aggregate of

fifteen percent (15 percent) of the Net Profits of each Subsidiary. Withdrawals from the Reserve Fund shall be permitted only as provided in Section 5 and in any companion Articles governing reserves and funds.

(b) **Education Fund.** An Education Fund shall be established to support educational initiatives, training programs, scholarships, and other activities that advance the knowledge, skills, and professional development of employees of each respective contributing Subsidiary. The Education Fund shall be funded by an amount equal to the aggregate of ten percent (10 percent) of the Net Profits of each Subsidiary. The Education Fund shall be administered by the officer or office designated by the Board to administer the Education Fund and shall be used only as provided in Section 5 and any companion Articles governing the Education Fund.

(c) **Social Benefits Fund.** A Social Benefits Fund shall be established to administer workers' benefits including, but not limited to, health and wellness programs, family assistance, housing support, and other initiatives designed to enhance quality of life and workforce security, and to provide benefits related to retirement and disability of employees of each respective contributing Subsidiary. The Social Benefits Fund shall be funded by an amount equal to the aggregate of twenty-five percent (25 percent) of the Net Profits of each Subsidiary. The Social Benefits Fund shall be administered by the Benefits Director and shall be used only as provided in Section 5 and in any companion Articles governing worker benefits.

(d) **Reinvestment Fund.** A Reinvestment Fund shall be established to support the Corporation's growth, expansion, and strategic objectives, including reinvestment in existing operations and the acquisition of new businesses, assets, or technologies. The Reinvestment Fund shall be funded by an amount equal to fifty percent (50 percent) of the Net Profits of each Subsidiary. The Reinvestment Fund shall be managed by the Acquisition Director and shall be used only as provided in Section 5 and in any companion Articles governing acquisitions and reinvestment.

Section 4. Timing of Funding and Accounting.

(a) **Remittances.** Each Subsidiary shall remit its allocated amounts to the Corporation in the form, frequency, and on the timetable established by Corporation policy, consistent with applicable law, the certification of operating reserves, and any applicable Articles on reserves, Consolidated Surplus, and funds.

(b) **Separate Accounting.** All Fund contributions shall be recorded separately in the Corporation's accounting system and maintained with sufficient detail to permit audit, compliance review, and reporting. Contributions and disbursements shall be reflected in the Corporation's financial statements in accordance with applicable accounting standards and any policies adopted under the Polycentric Governance Article and the Article establishing the Standing Budget and Allocation Committee.

Section 5. Use, Disbursement, and Authorization.

(a) **Board Authorization.** No Fund shall be expended, encumbered, or otherwise alienated except upon authorization of the Board and then only for purposes consistent with (1) the express purpose of that Fund as set forth in Section 3, (2) the Corporation's mission, and (3) applicable law and fiduciary duties.

(b) **Procedures and Delegations.** The Board may adopt specific disbursement procedures, thresholds, delegation authorities, and approval processes for each Fund, including processes recommended by the Standing Budget and Allocation Committee.

Disbursements that do not exceed the limits delegated by the Board may be authorized in accordance with those delegation rules.

(c) **Conflict Rule.** In the event of any conflict between a Board-adopted policy and the terms of this Article, the terms of this Article shall control unless and until amended in accordance with applicable law and the Articles of Incorporation.

(d) **Variance Decisions.** Any use or reallocation of Fund assets that would constitute a material deviation from the Baseline Allocation Rules or from stated Fund purposes shall be treated as a variance decision for purposes of the Polycentric Governance Article and shall comply with its supermajority and written findings requirements.

Section 6. Administration, Management, and Investments.

(a) **Fund Administrators.** Each Fund shall be administered by the person or office specified in Section 3 (the Fund Administrator), subject to oversight by the Board and any investment, custody, or spending policies adopted by the Board.

(b) **Investment Policies.** The Board may adopt an investment policy for each Fund that prescribes permitted investments, risk tolerances, and custodial arrangements. All investments shall comply with applicable law and any fiduciary standards applicable to the Corporation.

(c) **Reporting.** Fund Administrators shall report to the Board at such intervals as the Board reasonably requires regarding Fund balances, recent activity, projected needs, and investment performance. Copies of such reports, and such supporting materials as the Board specifies, may also be provided to the SPOL for the limited purpose of performance measurement and reporting, and not for the purpose of spending approval, allocation decisions, benefit design, investment management, or operational direction.

Article 13. Appointment and Election of Directors.

Section 1. Composition of the Board.

The Board of Directors (the “Board”) shall consist of seven (7) directors.

Section 2. Director Categories and Selection Methods.

The seven directors shall be selected as follows:

(a) **Executive Director Appointee.** One (1) director shall be appointed by the Executive Director of the Commons Corporation (the “Executive Director Appointee”).

(b) **Subsidiary Committee Electee.** One (1) director, designated the “Subsidiary Director,” shall be elected by a committee (the “Subsidiary Committee”) composed of the managers of all Subsidiaries of the Commons Corporation. If the total number of managers is an even number, then the manager with the least seniority among the managers shall not be included in the Subsidiary Committee. If two or more managers are tied for least seniority, the Executive Director shall select, by written determination, which of those tied managers shall be excluded from the Subsidiary Committee.

(c) **Acquisition Director.** One (1) director, designated the “Acquisition Director,” shall be elected by a three-member committee comprised of (i) the Executive Director Appointee, (ii) the Subsidiary Committee Electee, and (iii) the director elected by the workers (as described in Section 2(d) below). The Acquisition Director shall have general management and supervisory authority over acquisition strategy and execution as funded through allocations from the Reinvestment Fund, shall exercise such powers as the Board may from time to time delegate with respect to acquisition strategy and execution, and shall report solely to the Board of Directors. The Acquisition Director shall not have unilateral authority to alienate the Commons Corporation’s property or to amend the retained-surplus covenant except as the Board may expressly authorize in writing.

(d) **Benefits Director (Worker-Elected).** One (1) director, designated the “Benefits Director,” shall be elected by the workers of the Commons Corporation and its Subsidiaries. To be eligible to vote in the Benefits Director election a worker must (i) have been continuously employed by the Commons Corporation or a Subsidiary for at least two (2) years immediately preceding the record date for the election, and (ii) not be an elected corporate officer. The Benefits Director shall have general management and supervisory authority over the Social Benefits Fund and shall report solely to the Board of Directors.

(e) **Retiree Electee.** One (1) director shall be elected as follows:

(i) If the Retiree Electorate Threshold is satisfied on the record date for the election, the Retiree Electee shall be elected by the Eligible Retirees.

(ii) If the Retiree Electorate Threshold is not satisfied on the record date for the election, the Retiree Electee shall instead be elected by the Eligible Worker Voters, and the director so elected shall serve as the Retiree Electee for that term.

(iii) The election shall revert automatically to an election by the Eligible Retirees for the first term for which the Retiree Electorate Threshold is satisfied on the applicable record date.

(f) **Independent Directors.** Two (2) directors shall be independent directors (the “Independent Directors”) and shall be elected by the five (5) directors then serving (i.e., the Executive Director Appointee, the Subsidiary Committee Electee, the Acquisition Director,

the Benefits Director, and the Retiree Electee). The five directors shall be presented with a slate of qualified candidates prepared in accordance with Section 5, which slate shall contain exactly four (4) qualified candidates in total and shall include two (2) candidates nominated by the Eligible Worker Voters. The election of the Independent Directors by the five electing directors shall be conducted by cumulative voting in accordance with Section 6(e). Each Independent Director must satisfy the qualifications in Section 3 below.

Section 3. Qualifications of Independent Directors.

To qualify as an Independent Director a candidate must satisfy all the following at the time of election and for the duration of his or her service as a director, unless the Board determines otherwise in accordance with applicable law:

(a) **Financial Ties.** The candidate must not have significant financial ties, recent employment history, or close familial or business relationships with the management of the Commons Corporation or any of its Subsidiaries that could reasonably be expected to compromise independence of judgment.

(b) **Compromising Interest.** The candidate must not hold positions or possess interests (financial, managerial, fiduciary or otherwise) that could reasonably be expected to compromise the candidate's ability to act in the best interests of the Commons Corporation and the purposes set forth in its charter.

Section 4. Terms; Timing of Elections and Appointments.

Unless otherwise provided by the bylaws or by resolution of the Board consistent with applicable law, each director shall serve for a term of three (3) years and until his or her successor is duly elected or appointed and qualified, or until earlier resignation, removal or disqualification. Elections and appointments required by this Article shall occur at the corporation's annual meeting or at a special meeting called for that purpose; provided that initial staggering of terms and the timing of the first elections may be established by Board resolution.

Section 5. Nominations; Slate Procedures for Independent Directors.

The Board shall cause a slate of qualified candidates for the Independent Director positions to be presented in writing to the five electing directors not fewer than thirty (30) days prior to the meeting at which the Independent Directors will be elected. The slate shall be prepared as follows:

(a) **Slate Size; Two Worker-Nominated Candidates Required.** The slate shall contain exactly four (4) qualified candidates in total for the two (2) Independent Director positions. Two (2) of the four (4) candidates shall be candidates properly nominated by the Eligible Worker Voters under subsection (c) and included on the slate, provided that each such nominee satisfies the qualifications in Section 3 and is not excluded under subsection (d).

(b) **Nominating Body and Process.** The slate shall be prepared by a nominating committee established by the Board or by any process set forth in the bylaws; provided that the process shall include reasonable solicitation of candidate suggestions from eligible worker voters and eligible retiree voters.

(c) **Worker Nominations Included on Slate.** The slate shall include two (2) candidates properly nominated by Eligible Worker Voters under procedures established by the Board or set forth in the bylaws, provided that each such nominee satisfies the qualifications in

Section 3. The nomination procedures shall include a reasonable petition or support threshold that is designed to be accessible to the electorate and not unduly restrictive.

(d) **Qualification Screening and Exclusions.** The nominating body shall screen all proposed candidates for compliance with Section 3 and may exclude a proposed candidate only upon a written determination placed in the corporate records that the candidate does not satisfy Section 3 or that the nomination was not properly made under the adopted procedures.

(e) **Backfill if Worker Nominations Are Unavailable or Disqualified.** If the Eligible Worker Voters do not timely nominate two (2) qualified candidates, or if one or both worker-nominated candidates are excluded under subsection (d), then the nominating body shall fill the vacant worker-nomination slot or slots with qualified candidates selected through its search process, and the slate shall still consist of exactly four (4) qualified candidates.

(f) **Candidate Disclosures.** Each candidate included on the slate shall provide written disclosures reasonably sufficient for the electing directors to assess independence and qualifications, including financial ties, positions, and relationships relevant to Section 3, together with any other information reasonably requested by the nominating body.

Section 6. Advisory Ballot and Election of Independent Directors.

(a) **Advisory Ballot Required.** After issuance of the slate and before the meeting at which the Independent Directors will be elected, the Commons Corporation shall conduct an advisory ballot of (i) Eligible Worker Voters and (ii) Eligible Retirees regarding the slate candidates. The advisory ballot shall be limited to the candidates on the slate prepared under Section 5.

(b) **Advisory Only; No Director Election by Workers or Retirees.** The advisory ballot is advisory only and does not constitute an election of Independent Directors and confers no power on workers or retirees to elect, remove, or seat Independent Directors.

(c) **Advisory Ballot Form.** The advisory ballot shall be conducted as a cumulative voting ballot. Each eligible voter shall have a number of votes equal to the number of Independent Director seats to be filled (two (2)). Each voter may allocate such votes among one or more candidates on the slate in any combination (including casting both votes for a single candidate) but may not cast more than two (2) total votes.

(d) **Reporting of Advisory Results.** The worker advisory results and retiree advisory results shall be separately tabulated and reported to the five electing directors not fewer than five (5) days prior to the election meeting, together with participation rates and the method used.

(e) **Election of Independent Directors by Electing Directors; Cumulative Voting.** The five (5) electing directors shall elect the two (2) Independent Directors by cumulative voting as follows:

(i) Each electing director shall have a number of votes equal to the number of Independent Director seats to be filled (two (2)).

(ii) Each electing director may allocate such votes among one or more candidates on the slate in any combination (including casting both votes for a single candidate) but may not cast more than two (2) total votes.

(iii) The two (2) candidates receiving the highest total number of votes from the electing directors shall be elected as the Independent Directors.

(iv) If a tie would affect the election of one or both Independent Directors, the electing directors shall conduct successive reballots among the tied candidates until the tie is resolved.

Section 7. Vacancies and Removals.

(a) **Vacancies.** A vacancy in any director position for any reason may be filled for the unexpired term as follows: (i) a vacancy in the Executive Director Appointee position shall be filled by the Executive Director; (ii) a vacancy in the Subsidiary Committee Electee position shall be filled by the Subsidiary Committee; (iii) a vacancy in the Benefits Director position shall be filled by a special election of the Eligible Worker Voters in accordance with procedures established by the Board; (iv) a vacancy in the Retiree Electee position shall be filled by a special election conducted in accordance with Section 2(e) (i.e., by the Eligible Retirees if the Retiree Electorate Threshold is satisfied on the record date for the special election, and otherwise by the Eligible Worker Voters); and (v) any vacancy in an Independent Director position shall be filled by election of the remaining directors then serving using the cumulative voting method in Section 6(e) as nearly as practicable. A person appointed or elected to fill a vacancy shall serve for the remainder of the unexpired term and until a successor is elected or appointed and qualified.

(b) **Removal.** Directors may be removed only in accordance with the corporation's bylaws and applicable law.

Section 8. Administration; Definitions.

For the purposes of this Article: (i) "managers" means the most senior operating manager of each Subsidiary as defined in the bylaws or as otherwise designated by the Board; (ii) "elected officers" means persons serving as officers elected by the Board under the corporation's bylaws; (iii) "subsidiary officers" means persons serving as officers of a Subsidiary (whether elected or appointed) as defined in the Subsidiary's bylaws or as otherwise designated by the Subsidiary's board; and (iv) any term not defined herein has the meaning given in the corporation's bylaws; and in addition:

(v) **"Retiree"** means a natural person who (A) was employed by one or more Subsidiaries, (B) is not employed by the Commons Corporation or any Subsidiary on the applicable record date, (C) has completed at least ten (10) years of service, whether continuous or aggregate, with one or more Subsidiaries, and (D) is not serving as an officer or director of the Commons Corporation or any Subsidiary on the applicable record date.

(vi) **"Eligible Retiree"** means a Retiree whose current contact information is on file with the Commons Corporation (or its designated administrator) and who has not affirmatively opted out of participation in retiree elections.

(vii) **"Retiree Electorate Threshold"** is satisfied only if the number of Eligible Retirees on the record date is at least one hundred (100).

(viii) **"record date"** means the record date established by the Board (or as provided in the bylaws) for the applicable election or special election.

(ix) **"Eligible Worker Voters"** means those workers eligible to vote under Section 2(d) and any implementing procedures established by the Board or set forth in the bylaws.

Section 9. Conflicts and Recusal.

Directors shall disclose potential conflicts of interest in accordance with the corporation's conflict-of-interest policy and shall recuse themselves from votes where such recusal is required by that policy, by these Articles, or by applicable law.

Article 14. Office of the Ombudsman.

Section 1. Establishment and Purpose.

(a) There is hereby established the Office of the Ombudsman (the Office). The Office shall exist to provide workers and other internal stakeholders with a confidential, independent channel for raising concerns; to act as an impartial liaison between workers and management of the Commons Corporation and its Subsidiaries; and to examine, evaluate, and report on financial, governance, compliance, and stewardship matters relevant to the Corporation and its Subsidiaries.

(b) The Office shall advise the Board of Directors on systemic risks, remedial measures, and compliance with the Corporation's charter, bylaws, and policies, including those implementing polycentric governance, the Standing Budget and Allocation Committee, and the Four Funds.

(c) The Office shall assist in the functioning of polycentric governance by monitoring how Governance Centers interact, identifying bottlenecks and failures in coordination, and recommending adjustments to preserve the effectiveness of nested, overlapping centers of authority.

(d) The Office shall assist in the operation of workers' veto rights established in the Article on Worker Veto over Alienation, including providing mediation, written recommendations or decisions, and records required under that Article, while remaining impartial between Worker Committees, managers, and boards.

Section 2. Appointment, Term, and Reporting.

(a) The Ombudsman shall be appointed by the Board and shall report directly to the Board as an independent officer of the Corporation. The Ombudsman shall not report to any other officer, director, or Subsidiary manager for purposes of the Ombudsman's duties.

(b) The Ombudsman shall serve for a term specified in the bylaws and may be removed by the Board only for cause, including substantial neglect of duties, misconduct, or incapacity, as determined by a supermajority vote of the Board.

(c) The Ombudsman shall have the right to meet in executive session with the Board, with or without the presence of management, to discuss findings, concerns, or recommendations.

Section 3. Independence and Conflicts of Interest.

(a) The Ombudsman shall not simultaneously serve as a director, officer with line-management authority, or manager of any Subsidiary. The Ombudsman shall not hold a role that would reasonably be perceived as compromising independence.

(b) The Ombudsman shall disclose to the Board any potential conflicts of interest that may arise in the performance of duties, including prior relationships with parties to a dispute, and shall recuse from particular matters where the Board determines that impartiality could reasonably be questioned.

(c) The Board shall take reasonable measures to preserve the Ombudsman's independence, including protection against retaliation and undue interference with investigations or reporting.

Section 4. Powers and Authority.

(a) The Ombudsman is vested with plenary power to examine and make copies of, or receive certified extracts from, all books, records, accounts, contracts, financial statements, invoices, ledgers, audit reports, board minutes, internal audit work papers, management correspondence, and other documents of the Commons Corporation and each of its Subsidiaries that the Ombudsman reasonably deems necessary to discharge duties.

(b) The Ombudsman shall have the authority to interview any current or former officer, director, employee, contractor, or agent of the Corporation or any Subsidiary and to require submission of information and documents relevant to an inquiry, subject to applicable legal protections and privileges.

(c) The Ombudsman shall have access to budgets, allocation proposals, reserve calculations, fund statements, and variance analyses prepared for the Standing Budget and Allocation Committee, the Board, or any other Governance Center involved in polycentric decision-making.

(d) For matters arising under the Article on Worker Veto over Alienation, the Ombudsman shall have access to Proposed Alienation Action notices, Worker Committee communications, mediation materials, and board or manager responses, to the extent necessary to perform mediation, recommendation, and reporting duties described in that Article and in this Article.

Section 5. External Reviews and Advisors.

(a) When the Ombudsman, in the Ombudsman's professional judgment, determines that specialist expertise is required or that a matter may materially affect the Corporation's stewardship obligations, the Ombudsman may, with notice to the Board Chair or such Board committee as the Board directs, retain independent external advisors, auditors, forensic accountants, or legal counsel at the Corporation's expense.

(b) The Ombudsman shall oversee any such engagements and shall ensure the Board has access to any resulting reports or opinions, subject to applicable legal privileges and confidentiality obligations.

(c) External advisors retained under this Section may be requested to examine matters with particular relevance to polycentric governance, including the robustness of monitoring systems, the design of reserve policies, and the fairness and consistency of worker-facing processes.

Section 6. Intake, Investigation, and Confidentiality.

(a) The Ombudsman shall maintain procedures for confidential intake, assessment, and investigation of disclosures and complaints from workers, directors, officers, managers, and other internal stakeholders. These procedures shall be readily accessible and shall permit both identified and, where appropriate, anonymous submissions.

(b) Information received by the Ombudsman shall be held in strict confidence to the maximum extent permitted by law. Confidentiality may be breached only where required by statute, regulation, court order, or where nondisclosure would present an imminent risk of substantial harm to persons or to the Corporation; in such instances the Ombudsman shall promptly notify the Board.

(c) The Ombudsman shall give particular attention to disclosures that allege (1) misuse or arbitrary application of Worker Veto rights, (2) suppression or retaliation against Worker

Committees or participants in polycentric governance processes, or (3) manipulation of budgets, reserves, or fund allocations to circumvent worker protections or charter commitments.

(d) The Ombudsman shall maintain records of complaints, investigations, and outcomes in a manner that protects confidentiality while permitting trend analysis and reporting on systemic issues.

Section 7. Role in Polycentric Governance.

(a) The Ombudsman shall monitor the functioning of the Corporation's polycentric governance system, including the interactions among the Board, Subsidiary boards and managers, the Standing Budget and Allocation Committee, fund directors or offices, Worker Committees, and other Governance Centers identified in the Articles.

(b) The Ombudsman may attend meetings of the Standing Budget and Allocation Committee and other committees designated by the Board as a non-voting participant, for the limited purpose of observing processes, providing independent perspective, and identifying systemic risks or governance failures.

(c) The Ombudsman shall periodically review the use of Baseline Allocation Rules, any variances approved under the Polycentric Governance Article, and the application of graduated sanctions, to assess whether the system operates consistently with the Corporation's commitments to workers, long-term reserves, and fair internal allocation of resources.

(d) The Ombudsman shall issue to the Board, at intervals determined by the Board, written reports on the overall health of polycentric governance, including recommendations for policy changes, adjustments to committee structures, or enhanced monitoring where recurrent issues are identified.

(e) The Ombudsman may, where appropriate, recommend to the Board that Education Fund resources be used to provide training or capacity building to Governance Centers whose performance is materially affecting the functioning of polycentric governance.

(f) The Ombudsman may, but is not required to, serve as mediator or facilitator in disputes among directors concerning allocation or funding of the Four Funds, as contemplated in the Article on dispute resolution among directors. In deciding whether to accept such a role, the Ombudsman may consider workload, independence, potential conflicts of interest, and the need to preserve capacity for Worker Veto processes and other core responsibilities. The Ombudsman may recommend that directors retain an independent third-party mediator instead of, or in addition to, the Ombudsman's involvement.

Section 8. Role in Worker Veto Processes.

(a) The Ombudsman shall perform the mediation and related functions assigned under the Article on Worker Veto over Alienation, including serving as mediator or selecting a mediator in the circumstances specified in that Article and commencing mediation as soon as reasonably practicable. The Ombudsman's participation in disputes among directors concerning the Four Funds shall not diminish or delay the Ombudsman's availability for matters arising under the Worker Veto Article.

(b) At the conclusion of any mediation undertaken in connection with a Proposed Alienation Action, the Ombudsman shall provide a written statement summarizing any agreement reached or, if no agreement is reached, the Ombudsman's recommendation or

decision regarding the Proposed Alienation Action, as required under the Worker Veto Article. The Ombudsman shall transmit this written statement to the applicable Worker Committee and manager or board.

(c) The Ombudsman shall ensure that the written statement clearly identifies the date of transmission, and the applicable parties, so that any appeal period specified in the Worker Veto Article can be calculated and observed.

(d) The Ombudsman shall provide impartial procedural guidance to Worker Committees, managers, and boards regarding the steps, timelines, and documentation required to exercise or respond to Worker Veto rights, without acting as an advocate for any party in the underlying dispute.

(e) The Ombudsman shall track and report, in aggregate and without compromising confidentiality, recurring patterns in the use of Worker Veto rights, including evidence of abuse of process, repeated failures to give timely notices, or structural impediments to the effective exercise of the veto. The Ombudsman may recommend to the Board remedial measures, including policy changes or training, to address such patterns.

(f) Where the Board has authority under the Worker Veto Article to limit or suspend a Worker Committee's powers due to abuse, the Ombudsman may provide the Board with independent findings and recommendations, including assessment of whether such action is necessary and proportionate.

Section 9. Reports and Recommendations.

(a) The Ombudsman shall provide at least one comprehensive written report to the Board each fiscal year describing significant activities, systemic issues identified, recommendations made, and the status of prior recommendations, with particular emphasis on polycentric governance and Worker Veto processes.

(b) The Ombudsman may submit special reports to the Board or relevant committees when urgent issues arise, including suspected material breaches of charter obligations, serious threats to fund integrity or reserves, or substantial impairments in Worker Veto functioning.

(c) The Ombudsman's reports may include recommended changes to policies, committee charters, reserve rules, or fund allocation practices; such recommendations shall be advisory and shall not bind the Board or any Subsidiary, but the Board shall consider them in good faith.

Section 10. Cooperation and Limits.

(a) Subsidiary boards, officers, managers, and employees shall cooperate fully with the Ombudsman in investigations and shall provide access to records, personnel, and information reasonably requested for the performance of duties.

(b) Nothing in this Article shall be construed to grant the Ombudsman authority to direct the day-to-day operations of any Subsidiary, to overrule decisions of the Board or Subsidiary boards, or to supersede the lawful responsibilities of directors, officers, or managers.

(c) The Ombudsman's role is investigative, advisory, facilitative, and reporting. Any remedial, disciplinary, or transactional decision shall be taken by the appropriate corporate body consistent with the charter, bylaws, and applicable law, including the Polycentric Governance Article and the Worker Veto Article.

(d) The Ombudsman shall not exercise or compel the exercise of Worker Veto rights, but shall support the fair and timely operation of those rights as prescribed in the Worker Veto Article.

Section 11. Charter, Procedures, and Protections.

(a) The Board shall adopt an Ombudsman charter and related procedures implementing this Article, including intake protocols, thresholds for escalation, retention of records, confidentiality safeguards, and performance metrics for the Office. The Ombudsman charter may be amended only by Board action.

(b) The Corporation shall furnish the Ombudsman with adequate staff, office space, secure communications, and technical support required to perform duties effectively, including duties related to polycentric governance monitoring and Worker Veto processes.

(c) The Corporation shall adopt and enforce protections against retaliation for persons who make good faith disclosures or participate in investigations or mediations conducted by or under the supervision of the Ombudsman.

(d) The Board shall periodically review the Ombudsman charter and related procedures to ensure that they remain consistent with the evolution of the Corporation's polycentric governance structures and the practical operation of Worker Veto rights.

Article 15. Standing Budget and Allocation Committee.

Section 1. Purpose.

There shall be a standing committee of the Commons Corporation (the “Committee”) whose purpose is to (a) review and formulate budgets and cash-flow plans for recommendation to the Board of Directors (the “Board”) for the Commons Corporation and for each subsidiary of the Commons Corporation (each a “Subsidiary”), and (b) develop recommended allocations of corporate surplus among the Reinvestment Fund, the Social Benefits Fund, the Education Fund and the Reserve Fund, all in accordance with this Article.

Section 2. Committee Authority; Recommendations to the Board.

(a) **Budgets and Cash Flow.** The Committee shall review, formulate and recommend to the Board for approval (1) annual budgets for the Commons Corporation and for each Subsidiary, and interim or quarterly budgets when necessary, and (2) all necessary cash-flow requirements for the Commons Corporation and for each Subsidiary.

(b) **Fund Allocations.** The Committee shall review, formulate and recommend to the Board for approval the allocation of available net profits to the following funds: the Reinvestment Fund, the Social Benefits Fund, the Education Fund and the Reserve Fund.

(c) **Baseline Allocation.** Except as otherwise recommended in accordance with Section 2(d), the Committee shall use the following baseline proportions of Subsidiary net profits as the starting point for its recommendations: (1) Reinvestment Fund: 50% of Subsidiary net profits; (2) Social Benefits Fund: 25% of Subsidiary net profits; (3) Education Fund: 10% of Subsidiary net profits; and (4) Reserve Fund: 15% of Subsidiary net profits.

(d) **Deviations.** The Committee may, in its discretion, recommend deviations from the baseline proportions set forth in Section 2(c) where, based upon facts and circumstances (including but not limited to liquidity needs, extraordinary capital opportunities, regulatory or contractual obligations, actuarial funding requirements, or extraordinary risks), the Committee reasonably determines that a different allocation is warranted. Any such deviation shall be documented in the Committee’s written recommendation to the Board with supporting rationale and any relevant financial projections or analyses.

(e) **Submission to the Board.** All recommendations of the Committee under this Section 2 (including baseline allocations and any proposed deviations therefrom) shall be submitted to the Board for review and action in accordance with Section 5.

Section 3. Composition; Chair; Voting.

(a) **Membership.** The Committee shall be comprised of the following persons (each, a “Committee Member”): (1) the Ombudsman of the Commons Corporation (the “Ombudsman”), who shall serve as a non-voting member of the Committee; (2) the Executive Director of the Commons Corporation (the “Executive Director”) or the Executive Director’s appointee; (3) the Benefits Director or the Benefits Director’s appointee; (4) the Subsidiary Director or the Subsidiary Director’s appointee; and (5) the Acquisition Director or the Acquisition Director’s appointee.

(b) **Chair.** The Executive Director (or the Executive Director’s appointee) shall serve as Chairperson of the Committee and shall preside over Committee meetings. In the absence

of the Chair, the Committee may designate from among the voting Committee Members an acting chair for that meeting.

(c) **Voting Rights; Quorum.** Except for the Ombudsman, all Committee Members shall have equal voting rights. A quorum for the transaction of Committee business shall consist of a majority of the voting Committee Members. Except as otherwise provided in this Article, action of the Committee requires the affirmative vote of a majority of the voting Committee Members present at a meeting at which a quorum is present. The Ombudsman shall participate in deliberations and shall provide independent reports and recommendations to the Committee and to the Board, but shall not vote.

Section 4. Meetings; Records; Reports.

(a) **Meetings.** The Committee shall meet at such times as necessary to fulfill its responsibilities under this Article, but no less frequently than quarterly. Meetings may be called by the Chair or by a majority of the Committee Members. Meetings may be held in person or by electronic means permitted by the Corporation's bylaws.

(b) **Records.** The Committee shall cause minutes to be prepared for each meeting and shall maintain written records of its recommendations, analyses, and supporting documentation. Copies of minutes and written recommendations shall be delivered to the Board and retained as corporate records.

(c) **Reports.** The Committee shall report its recommendations and the basis therefor to the Board in advance of any Board action on budgets, cash-flow plans, or fund allocations. The Committee shall also provide such periodic reports to the Board as the Board may request.

Section 5. Board Review; Board Discretion; Worker Veto.

(a) **Board Review and Discretion.** The Board shall review the Committee's recommendations described in Section 2. The Board is not bound by the Committee's recommendations and may approve, modify, or reject any recommendation in the Board's sole discretion, except as otherwise provided in Section 5(b). Nothing in this Article limits the Board's authority under applicable law or the Corporation's governing documents to adopt budgets, approve allocations, or take other corporate actions.

(b) **Workers' Veto; Limited Scope; Exercise and Effect.** Notwithstanding Section 5(a), upon submission to the Board of any recommendation concerning budgets or related matters, the workers' veto power described in this Section 5(b) shall be exercised and applied as follows:

1. **Scope Limitation.** The workers' veto may be exercised only with respect to budget provisions (or budget items) that materially and directly affect worker wages, worker benefits (including matters funded through the Social Benefits Fund), working conditions, training and education funded through the Education Fund, staffing levels, layoffs, and the implementation of employment standards and termination protections. The workers' veto shall not apply to, and shall not be used to delay, refuse, condition, or impair: (1) allocations to, or deployments from, the Reinvestment Fund; (2) acquisition, conversion, integration, or reinvestment budgets, capital expenditures, or financing arrangements; (3) any transaction approval process governed by the Reinvestment and Acquisitions Committee Article or any successor provision; or (4) other matters where application of the veto would reasonably be

expected to materially impair a Subsidiary's operational efficiency, competitiveness, or ability to pursue lawful business objectives.

2. **Exercise of Veto.** The workers' veto power shall be exercised by the Benefits Director after consultation with the Workers' Representative of each Subsidiary's Budget Committee, as required by Section 6(d). Following such consultation, the Benefits Director may exercise a veto with respect to any covered budget provision or covered budget item, in whole or in part. The exercise of a veto shall be made in writing and delivered to the Board and recorded in the minutes of the Board meeting at which the budget or related matter is considered.
3. **Binding Effect; No Expansion by Interpretation.** A valid veto exercised within the Scope Limitation above shall be binding on the Board with respect to the covered provision or covered item. The Board shall not adopt, apply, or enforce any covered provision or covered measure that has been validly vetoed consistent with this Section 5(b). The veto shall be construed narrowly to the Scope Limitation above and shall not be interpreted to reach Reinvestment Fund, acquisition, or reinvestment matters by indirect effect, bundling, or characterization. A veto is not effective to the extent it is inconsistent with applicable law or is set aside by a final order of a court of competent jurisdiction.

Section 6. Subsidiary Budget Committees; Establishment and Duties.

(a) **Establishment.** The Board shall cause the Commons Corporation and each Subsidiary to establish and maintain a standing Budget Committee (each a "Subsidiary Budget Committee") charged with preparing and presenting budgets and cash-flow projections for the applicable entity to the standing Committee established by this Article.

(b) **Composition.** Each Subsidiary Budget Committee shall be composed of the following personnel (or their appointees): (1) the Subsidiary's manager (or the manager's appointee); (2) the Workers' Representative of the Subsidiary (the "Workers' Representative"); and (3) the Subsidiary's comptroller or person with comparable duties.

(c) **Duties.** It shall be the duty of each Subsidiary Budget Committee to (1) prepare and present to the standing Committee an annual budget for the applicable Subsidiary (or an interim quarterly budget if circumstances so require), and (2) prepare and present to the standing Committee any cash-flow projections or cash-flow needs not anticipated by the Subsidiary's budget, including projections required to support recommendations to the Board under Section 2(a)(2).

(d) **Consultation for Veto.** The Workers' Representative of each Subsidiary's Budget Committee shall timely consult with the Benefits Director, upon request, for purposes of considering whether the workers' veto described in Section 5(b) should be exercised with respect to budgets or budget items for that Subsidiary.

Section 7. Miscellaneous.

(a) **Conflicts.** If any provision of this Article conflicts with any provision of the Corporation's certificate of incorporation, bylaws, or applicable law, the conflicting provision shall be interpreted and applied to give effect to the maximum extent possible to the intent and purposes of this Article and to the protection of workers' veto rights as set forth in Section

5(b); provided, however, that in no event shall this Article be construed to authorize actions contrary to mandatory requirements of applicable law.

(b) **Amendment.** This Article may be amended by the Board in accordance with the Corporation's governing documents; provided, however, that no amendment shall diminish or eliminate, without the affirmative vote of the Board and written consent of the Benefits Director, the workers' veto right established in Section 5(b) as to any budgets or budget items in existence at the time of such amendment.

Article 16. Permitted Uses Committee and Surplus Stewardship.

Section 1. Establishment and Purpose.

- (a) **Establishment.** A standing Committee on Permitted Uses is established as a committee of the Board of Directors.
- (b) **Purpose.** The Committee shall support the Board's stewardship of consolidated Surplus through disciplined, documented prioritization of Permitted Uses, including parent-funded programs for Subsidiaries and other internal allocation purposes authorized in the governing documents.
- (c) **No Private Return Objective.** Committee activities and recommendations shall be carried out on the basis that parent-funded programs and other Permitted Uses exist to strengthen the long-term financial stability of the Commons Corporation and its Subsidiaries and are not designed to provide private returns to any manager, officer, employee, worker, or other private stakeholder.

Section 2. Definitions for This Article.

- (a) **Committee Member.** "Committee Member" means a member of the Board of Directors who serves on the Committee pursuant to Section 9 of this Article. Only Committee Members may vote or act for the Committee.
- (b) **Committee Participant.** "Committee Participant" means any officer, employee, worker representative, Subsidiary representative, advisor, or other person who attends a Committee meeting or provides information to the Committee in a nonvoting capacity. A Committee Participant is not a Committee Member and has no Committee decision authority.
- (c) **Executive Director.** "Executive Director" includes any individual serving as Executive Director, Chief Executive Officer, President, or in any substantially equivalent senior executive role of the Commons Corporation.
- (d) **Executive Director Appointee.** "Executive Director Appointee" means any director whose position on the Board of Directors results from appointment by the Executive Director under the Articles of Incorporation, bylaws, or any Board policy or resolution establishing an Executive Director appointment power.

Section 3. Authority and Relationship to Board.

- (a) **Advisory and Delegated Functions.** The Committee shall perform advisory functions and any delegated functions authorized by Board resolution, subject to the Board's continuing authority and applicable nonprofit corporation law.
- (b) **No Dilution of Board Duties.** Nothing in this Article limits the Board's authority or fiduciary duties to adopt, amend, or implement financial policies governing consolidated Surplus, Reasonable Net Returns, or allocations among Permitted Uses.
- (c) **Requests for Information.** The Committee may request information from Subsidiary boards, officers, and Committee Participants relevant to permitted-use planning and monitoring, including information necessary to preserve clean performance signals and accountability to market discipline.

Section 4. Scope of Permitted Uses Overseen by the Committee.

(a) **Parent-Funded Programs.** The Committee shall oversee and recommend policies for parent-funded promotional, pricing, rebate, wage-support, and trial-support programs for Subsidiaries designed to facilitate market entry, customer acquisition, long-term customer retention, or defensive responses to competitive pressure, subject to measurement and sunset policies.

(b) **Allocation Priorities and Internal Uses.** The Committee shall review and recommend priorities for allocations among Permitted Uses, including wage enhancements, benefits, education and training, reserves, and other authorized internal allocation purposes, with allocations structured to preserve long-term liquidity, solvency, and resilience.

(c) **Consistency with Nonprofit Constraints.** The Committee shall ensure that recommendations remain consistent with the nonprofit character of the Commons Corporation and the prohibition on private residual claims, including the requirement that incentives and internal allocations not be construed as private returns.

Section 5. Exclusion From Acquisition Evaluation and Limited Conflict Review.

(a) **No Acquisition Evaluation Role.** The Committee shall not review, evaluate, recommend, approve, veto, delay, or otherwise participate in the selection, negotiation, diligence, valuation, structuring, or approval of any proposed acquisition, conversion, or other transaction intended to add, acquire, or reorganize a Subsidiary, except as expressly provided in this Section 5.

(b) **Limited Conflict Review.** If the Board, the Reinvestment and Acquisitions Committee, or any officer authorized to pursue acquisitions identifies a reasonable and specific basis to believe that a proposed acquisition would materially conflict with an existing or proposed permitted-use allocation policy, parent-funded program, or Reasonable Net Returns policy, the Committee may provide a limited written analysis addressing only the nature of the conflict, the projected effect on existing permitted-use commitments, and available mitigation options.

(c) **No Substitution of Judgment.** Any limited conflict review under this Section 5 shall not include recommendations regarding whether the acquisition should proceed, pricing or negotiation positions, diligence scope, target selection, or timing, all of which remain outside the Committee's jurisdiction and within the authority of the Board and any authorized acquisition body.

(d) **Timeliness.** Any conflict review request shall specify the decision deadline, and the Committee shall respond within a time frame reasonably necessary to avoid impairing lawful acquisition activity and competitiveness.

Section 6. Parent-Funded Program Approval Framework.

(a) **Program Charter and Sunset.** For each parent-funded program category, the Committee shall recommend written criteria addressing eligibility, targeting, measurement, reporting, and sunset triggers, including time-bound design appropriate to the competitive purpose served.

(b) **Measurement Standards.** The Committee shall recommend and periodically review measurement standards suitable to evaluate market entry, acquisition, retention, and defensive-response outcomes, and shall require documentation sufficient to support comparability across programs and time periods.

(c) **Accounting Treatment and Performance Clarity.** The Committee shall recommend accounting and reporting practices that preserve clean Subsidiary performance signals by reflecting pre-parent-support net profit in Subsidiary internal metrics and by accounting for parent-funded programs at the Commons Corporation level, or in another manner determined by the Board to preserve accountability.

Section 7. Reasonable Net Returns Policy Oversight.

(a) **Targeting Reasonable Net Returns.** The Committee shall assist the Board in adopting and maintaining policies that target Reasonable Net Returns at the consolidated level, rather than maximal consolidation of every dollar of group profit, and in reallocating excess consolidated Surplus to strategic Permitted Uses authorized in the governing documents.

(b) **Policy Content and Factors.** The Committee shall recommend written methods for determining Reasonable Net Returns, which may include quantitative ranges, qualitative factors, and scenario-based analyses, and shall ensure consideration of prudent reserves, reinvestment requirements, foreseeable economic and competitive conditions, and obligations under other governing documents.

(c) **Records of Criteria and Reasoning.** The Committee shall require maintenance of records describing the criteria and reasoning used in determining Reasonable Net Returns for each fiscal period to support continuity of practice and transparency within the corporate record system.

Section 8. Subsidiary Profit Measurement and Reporting Standards.

(a) **Pre-Allocation Net Profit Metric.** The Committee shall require that each Subsidiary measure and report its pre-allocation net profit as its highest achievable net profit subject to applicable legal, contractual, and market constraints and before taking into account parent-funded programs or consolidated Surplus allocations.

(b) **Consistency Across Subsidiaries.** The Committee shall recommend policies to promote consistent calculation and reporting across Subsidiaries to the extent practicable, while allowing justified differences based on industry practice or regulatory requirements.

(c) **Preservation of Accountability.** The Committee shall ensure that parent-funded programs are designed and administered so that they do not obscure or dilute Subsidiary management responsibility for underlying economic performance and market discipline.

Section 9. Committee Composition, Automatic Membership, and Voting.

(a) **Committee Automatically Constituted.** The Committee is hereby constituted as a standing committee of the Board of Directors. The following directors, by virtue of holding the indicated Board seats, shall be the Committee Members and shall serve on the Committee automatically and without further Board action: (1) Benefits Director; (2) Subsidiary Director; (3) Independent Director One; (4) Independent Director Two; and (5) Retiree Director.

(b) **Chair.** The Benefits Director shall serve as chair of the Committee.

(c) Ineligibility of Executive Director and Executive Director

Appointees. Notwithstanding subsection (a), the Executive Director and any Executive Director Appointee are ineligible to serve as a Committee Member and shall have no vote on any matter before the Committee. If any person described in the preceding sentence holds one of the seats listed in subsection (a), that person shall be deemed disqualified from Committee service.

(d) **Vacancies, Disqualification, and Continued Operation.** If any seat listed in subsection (a) is vacant, or if the occupant is disqualified under subsection (c), or if the occupant is unable or unwilling to serve on the Committee, the Committee shall continue to operate with the remaining eligible Committee Members. No vacancy or disqualification shall require, authorize, or imply appointment of a substitute Committee Member for that seat, and the Board shall not fill any such vacancy on the Committee by designating another director to serve in place of the absent or disqualified Committee Member.

(e) **Quorum, Voting, and Tie Votes.** A majority of the then-serving eligible Committee Members shall constitute a quorum for the transaction of Committee business, provided that the quorum shall not be fewer than three Committee Members. The affirmative vote of a majority of the Committee Members present at a meeting at which a quorum is present shall be required for Committee action. If a vote results in a tie, the motion shall fail, the Committee shall be deemed to have made no recommendation, and the matter may be referred to the Board of Directors for determination together with a written report describing the competing views and the reasons for each position.

(f) **No Voting by Committee Participants.** No Committee Participant may vote.

Section 10. Committee Participants and Documentation Support.

(a) **Regular Nonvoting Participants.** The Board may designate one or more Committee Participants to attend Committee meetings in a nonvoting capacity to provide data and operational input, which may include the Treasurer, the chief financial officer or controller, the benefits or workforce systems lead, an officer responsible for Subsidiary performance oversight, the Ombudsman or a delegate, and rotating representatives from Subsidiary management and worker governance for factual presentations. Nonvoting participation shall not confer Committee membership or decision authority.

(b) **Documentation and Record Support.** Committee Participants shall provide, or cause to be provided, the documentation, analyses, summaries, and supporting records reasonably requested by the Committee to allow Committee Members to make informed decisions and recommendations, including financial summaries, program descriptions, performance metrics, risk analyses, and proposed sunset or continuation rationales.

(c) **Duty to Cooperate.** Officers and employees of the Commons Corporation shall cooperate with the Committee and Committee Participants in the preparation and production of documentation reasonably necessary for the Committee's work, subject to lawful confidentiality constraints and privilege protections.

(d) **No Delegation of Committee Judgment.** Documentation and analyses supplied by Committee Participants are informational and shall not be construed as substituting for the Committee's judgment, nor as conferring decision authority on any Committee Participant.

Section 11. Conflicts and Recusal.

(a) **Conflicts.** A Committee Member shall recuse from deliberation and voting on any matter in which the Committee Member has a material personal interest or a material relationship with a program beneficiary.

(b) **Employment and Compensation Conflicts.** Any Committee Participant, and any Committee Member, whose compensation is materially tied to a Subsidiary's short-term financial performance shall not participate in Committee deliberations on parent-funded

programs materially benefitting that Subsidiary except to provide factual information requested by the Committee.

(c) **Record of Recusals.** The Committee shall maintain in the corporate records a written record of recusals and the general basis for each recusal.

Section 12. Direct Reporting to Board of Directors.

(a) **Direct Reporting Line.** The Committee reports directly to the Board of Directors and shall not report through the Executive Director or any other officer.

(b) **Committee Reports.** The Committee shall deliver its reports, recommendations, and any dissenting views directly to the Board of Directors in written form or by presentation at a Board meeting.

(c) **Agenda Access.** The chair of the Committee is authorized to place Committee matters on the Board agenda and to request Board action on Committee recommendations. No officer shall have authority to veto, delay, or condition the Committee's communications to the Board.

(d) **Information Requests.** The Committee may request information, documentation, and analyses from officers, employees, Subsidiary representatives, and advisors as reasonably necessary for Committee work. Such requests shall be satisfied promptly, subject to lawful confidentiality constraints and privilege protections.

(e) **Executive Sessions.** The Committee may meet in executive session without the Executive Director or other management present and may report the results of any executive session directly to the Board.

Section 13. Reporting to the Board.

(a) **Regular Reports.** The Committee shall report to the Board on permitted-use allocations, program performance, sunset decisions, and Reasonable Net Returns determinations at intervals established by the Board, and shall present recommendations for modifications to policies when supported by documented results and risk considerations.

(b) **Escalation of Material Risks.** The Committee shall promptly elevate to the Board any material risk indicators suggesting that permitted-use allocations or program structures could reasonably be expected to undermine long-term liquidity, solvency, or continued ability to operate in competitive markets.

Section 14. Definitions and Construction.

(a) **Surplus and Reasonable Net Returns.** For purposes of this Article, "Surplus" and "Reasonable Net Returns" shall have the meanings assigned in the governing documents defining consolidated Surplus and the Board-determined level or range of consolidated net return sufficient for prudent reserves, viability, resilience, and planned internal allocations without seeking maximum profit for private distribution.

(b) **Subsidiary.** For purposes of this Article, "Subsidiary" means a legal entity, whether organized as a corporation, limited liability company, partnership, or other form recognized by applicable law, that: (1) is directly owned by the Commons Corporation in the amount of one hundred percent (100%) of the equity or ownership interests; (2) conducts market-facing operations; and (3) has been affirmatively designated as a Subsidiary by resolution of the Board of Directors in accordance with the Articles of Incorporation.

(c) **Construction.** This Article shall be construed to authorize disciplined internal allocations and parent-funded programs solely for permitted internal purposes and to prohibit any construction that would treat such programs as private returns or private residual claims.

Article 17. Reinvestment and Acquisitions Committee.

Section 1. Establishment and Purpose.

(a) **Establishment.** A Reinvestment and Acquisitions Committee is hereby constituted as a standing committee of the Board of Directors.

(b) **Purpose.** The Committee shall oversee and recommend policies, priorities, and decisions relating to deployment of the Reinvestment Fund and related reinvestment resources, including acquisitions, integration investments, modernization initiatives, and other reinvestment actions authorized by the Articles of Incorporation, with the objective of sustaining and strengthening long-term competitiveness of the Commons Corporation and its Subsidiaries on a consolidated basis.

(c) **Committee Role.** The Committee's role is to impose disciplined capital allocation and decision-gate structure, to require complete decision packages, and to provide direct recommendations to the Board, while preserving clear accountability between management execution and Board governance.

(d) **Exclusive Article.** This Article is the sole charter article establishing and governing the Reinvestment and Acquisitions Committee and the only charter-level governance framework for reinvestment-and-acquisitions pipeline work. No separate charter article shall establish any "Reinvestment and Acquisitions Working Group" or other duplicative reinvestment-and-acquisitions body.

Section 2. Definitions for This Article.

(a) **Committee Member.** "Committee Member" means a member of the Board of Directors who serves on the Committee pursuant to Section 3 of this Article. Only Committee Members may vote or act for the Committee.

(b) **Committee Participant.** "Committee Participant" means any officer, employee, worker representative, Subsidiary representative, advisor, or other person who attends a Committee meeting or provides information or support to the Committee in a nonvoting capacity. A Committee Participant is not a Committee Member and has no Committee decision authority.

(c) **Executive Director.** "Executive Director" includes any individual serving as Executive Director, Chief Executive Officer, President, or in any substantially equivalent senior executive role of the Commons Corporation.

(d) **Executive Director Appointee.** "Executive Director Appointee" means any director whose position on the Board of Directors results from appointment by the Executive Director under the Articles of Incorporation, bylaws, or any Board policy or resolution establishing an Executive Director appointment power.

(e) **Letter of Intent.** "Letter of Intent" includes any letter of intent, term sheet, memorandum of understanding, indication of interest, or similar preliminary document relating to an acquisition, conversion, or other transaction, regardless of title.

Section 3. Committee Composition, Automatic Membership, Chair, and Voting.

(a) **Committee Automatically Constituted.** The Committee is hereby constituted as a standing committee of the Board of Directors. The following directors, by virtue of holding the indicated Board seats, shall be the Committee Members and shall serve on the

Committee automatically and without further Board action: (1) Subsidiary Director; (2) Reinvestment and Acquisitions Director; (3) Independent Director One; (4) Independent Director Two; and (5) Retiree Director.

(b) **Chair.** The Reinvestment and Acquisitions Director shall serve as chair of the Committee and shall lead and coordinate the Committee's work, including agenda-setting (subject to Committee direction), pipeline oversight, and reporting to the Board of Directors.

(c) **Ineligibility of Executive Director and Executive Director**

Appointees. Notwithstanding subsection (a), the Executive Director and any Executive Director Appointee are ineligible to serve as a Committee Member and shall have no vote on any matter before the Committee. If any person described in the preceding sentence holds one of the seats listed in subsection (a), that person shall be deemed disqualified from Committee service.

(d) **Vacancies, Disqualification, and Continued Operation.** If any seat listed in subsection (a) is vacant, or if the occupant is disqualified under subsection (c), or if the occupant is unable or unwilling to serve on the Committee, the Committee shall continue to operate with the remaining eligible Committee Members. No vacancy or disqualification shall require, authorize, or imply appointment of a substitute Committee Member for that seat, and the Board shall not fill any such vacancy on the Committee by designating another director to serve in place of the absent or disqualified Committee Member.

(e) **Quorum, Voting, and Tie Votes.** A majority of the then-serving eligible Committee Members shall constitute a quorum for the transaction of Committee business, provided that the quorum shall not be fewer than three Committee Members. The affirmative vote of a majority of the Committee Members present at a meeting at which a quorum is present shall be required for Committee action. If a vote results in a tie, the motion shall fail, the Committee shall be deemed to have made no recommendation, and the matter shall be referred to the Board of Directors for determination together with a written report describing the competing views and the reasons for each position.

(f) **No Voting by Committee Participants.** No Committee Participant may vote.

Section 4. Direct Reporting to Board of Directors.

(a) **Direct Reporting Line.** The Committee reports directly to the Board of Directors and shall not report through the Executive Director or any other officer.

(b) **Committee Reports.** The Committee shall deliver its reports, recommendations, and any dissenting views directly to the Board of Directors in written form or by presentation at a Board meeting.

(c) **Agenda Access.** The chair of the Committee is authorized to place Committee matters on the Board agenda and to request Board action on Committee recommendations. No officer shall have authority to veto, delay, or condition the Committee's communications to the Board.

(d) **Information Requests.** The Committee may request information, documentation, and analyses from officers, employees, Subsidiary representatives, and advisors as reasonably necessary for Committee work. Such requests shall be satisfied promptly, subject to lawful confidentiality constraints and privilege protections.

(e) **Executive Sessions.** The Committee may meet in executive session without the Executive Director or other management present and may report the results of any executive session directly to the Board.

Section 5. Scope of Authority and Decision Gates.

(a) **Recommendations and Delegations.** The Committee shall recommend to the Board: (1) reinvestment priorities and policies; (2) material reinvestment deployments; and (3) acquisitions, conversions, integrations, and reorganizations, except to the extent the Board delegates limited approval authority to the Committee by written resolution.

(b) **Decision Gates.** The Committee shall define and apply decision gates for acquisitions and reinvestment initiatives, which may include initial screening, authorization of diligence spending above set limits, authorization to negotiate preliminary terms, authorization to execute a Letter of Intent that satisfies Section 11 of this Article, approval to sign definitive agreements, and approval to close, as assigned by the Board.

(c) **Documentation as a Condition of Action.** The Committee shall not recommend, and shall not approve under any delegated authority, any material acquisition or reinvestment deployment unless the standardized decision package required by Section 12 has been provided in materially complete form.

Section 6. Reinvestment Oversight and Alternatives Discipline.

(a) **Reinvestment Fund Coverage.** The Committee shall oversee proposed deployments of the Reinvestment Fund for acquisitions, integration costs, organic growth, modernization, technology adoption, capacity expansion, turnaround capital for Subsidiaries, and other reinvestment initiatives authorized by the Articles of Incorporation.

(b) **Comparative Evaluation.** For each material proposed acquisition, the Committee shall require an alternatives analysis that compares the acquisition to plausible reinvestment alternatives, including internal reinvestment in one or more Subsidiaries, and shall require identification of the principal reasons supporting the acquisition relative to those alternatives.

(c) **No Presumption Against Internal Reinvestment.** Nothing in this Article creates a presumption that acquisitions are preferred over internal reinvestment, or that internal reinvestment is preferred over acquisitions. The Committee shall apply the decision-package discipline required by this Article and recommend the action that best supports long-term consolidated competitiveness and viability.

Section 7. Cannibalization and Competitive Disruption Policy.

(a) **Cannibalization Not Disqualifying.** A proposed acquisition or reinvestment initiative shall not be disfavored or rejected solely because it may reduce the revenues, margins, market share, or growth prospects of one or more existing Subsidiaries. The Commons Corporation may approve acquisitions and reinvestment initiatives that materially disrupt, displace, or cannibalize existing Subsidiary products, services, or business lines when the Board determines in good faith that the action strengthens long-term consolidated competitiveness, viability, or strategic positioning, including by preempting competitor displacement.

(b) **Required Analysis.** If material cannibalization is reasonably expected, the standardized decision package shall describe: (1) expected cannibalization effects; (2) expected consolidated benefits; (3) principal risks of inaction, including displacement by

competitors; and (4) a transition plan addressing integration, operational changes, and workforce impacts to the extent practicable.

(c) **No Duty to Preserve Legacy Lines.** Nothing in this Article shall be construed to impose any duty to preserve legacy products, services, or business lines of any Subsidiary when the Board determines that competitive conditions favor transition, modernization, replacement, or consolidation.

Section 8. Coordination With Permitted Uses Committee.

(a) **Referral for Limited Conflict Review.** If the Committee identifies a reasonable and specific basis to believe that a proposed acquisition or reinvestment deployment materially conflicts with an existing or proposed permitted-use allocation policy, parent-funded program, or Reasonable Net Returns policy, the Committee may request a limited conflict review from the Permitted Uses Committee consistent with the conflict review limitations contained in that Article.

(b) **No Delegation of Acquisition Merits.** Any conflict review requested under this Section 8 is limited to identifying and mitigating conflicts with permitted-use policies and is not a delegation of acquisition evaluation on the merits.

Section 9. Committee Participants, Pipeline Work, and Deal Management.

(a) **Regular Nonvoting Participants.** The Committee may receive presentations and documentation from Committee Participants, including the Treasurer, finance staff, counsel, Subsidiary personnel, and other advisors, provided that such participation is nonvoting.

(b) **Pipeline Sourcing and Screening.** Under the direction of the Committee and subject to budgets and limits approved by the Board, Committee Participants may source, receive, and screen potential acquisitions, conversions, and other transactions and may develop reinvestment initiatives intended to strengthen long-term consolidated competitiveness.

(c) **Diligence and Development.** Under the direction of the Committee and subject to budgets and limits approved by the Board, Committee Participants may coordinate business, financial, operational, and legal diligence and may develop proposed structures and integration approaches consistent with the Articles of Incorporation and structural constraints.

(d) **Weekly Pipeline Meetings and Deal Log.** The chair may convene regular pipeline meetings, ordinarily weekly, with appropriate Committee Participants to review pipeline status, diligence progress, and next steps. The Committee shall cause to be maintained a confidential deal log reflecting, at a minimum, identity of opportunities, stage status, key dates, anticipated decision gates, projected costs of diligence, and assigned responsibilities.

(e) **Preparation of Decision Packages.** Committee Participants shall prepare and submit decision packages required by Section 12 for Committee and Board review, together with such supplemental schedules, analyses, and workpapers as the Committee may reasonably request.

Section 10. Limits on Authority and Permitted Preliminary Actions.

(a) **No Approval Power Except as Delegated.** Except to the extent of a written Board delegation under Section 5(a), the Committee shall not approve, enter into, or consummate any acquisition or material reinvestment deployment.

(b) **Permitted Preliminary Actions.** Subject to budget and delegation limits established by the Board, the Committee (acting through Committee Members, and supported by Committee Participants) may authorize customary preliminary actions, including execution of customary confidentiality agreements, preliminary discussions, requests for information for diligence, and retention of advisors within Board-approved limits.

(c) **No Designation as Subsidiary by Default.** The Committee shall not treat any acquired or newly formed entity as a Subsidiary unless and until it has been affirmatively designated as a Subsidiary by Board resolution in accordance with the Articles of Incorporation.

Section 11. Letters of Intent and Other Preliminary Transaction Documents.

(a) **Nonbinding Requirement for Committee Authorization.** The Committee shall have no authority, and shall not approve under any Board delegation, the execution of any Letter of Intent unless the Letter of Intent states clearly and conspicuously that it is nonbinding and that neither party has any obligation to consummate the transaction unless and until definitive agreements are executed and delivered by authorized parties.

(b) **Conspicuous Legend.** Any Letter of Intent presented for execution pursuant to subsection (a) shall include a prominent nonbinding legend on its first page.

(c) **Binding Commitments and Material Exclusivity.** No binding commitment, and no Letter of Intent (or similar document) involving material exclusivity, material expenditures, material liabilities, or closing obligations, shall be executed unless expressly authorized by the Board of Directors by written resolution.

(d) **No Circumvention.** The Committee shall not authorize any document or course of conduct intended to circumvent the requirements of this Section 11 by recharacterizing a binding commitment as “customary,” “preliminary,” or “administrative.”

Section 12. Standardized Decision Package.

(a) **Package Requirement.** For any proposed acquisition or material reinvestment initiative presented for Board or Committee action, a written decision package reasonably sufficient to allow informed decision-making shall be provided.

(b) **Minimum Contents.** The decision package shall, at a minimum, address: (1) transaction type or initiative description and proposed structure; (2) strategic rationale and expected competitive effects; (3) valuation approach and key financial assumptions for acquisitions; (4) sources and uses of funds, including expected impacts on the Reinvestment Fund and liquidity; (5) diligence findings and material risks with mitigations; (6) proposed post-closing governance and confirmation of one hundred percent (100%) direct ownership by the Commons Corporation if the entity is to be designated as a Subsidiary; (7) integration plan and expected operational impacts on existing Subsidiaries; (8) material legal and regulatory considerations; (9) alternatives analysis comparing plausible reinvestment alternatives; and (10) any anticipated conflicts with permitted-use policies or parent-funded program commitments.

(c) **Cannibalization Analysis.** If material cannibalization of an existing Subsidiary is reasonably expected, the decision package shall include the analysis described in Section 7 of this Article.

Section 13. Submission of Materials, Reporting, and No Management Gatekeeping.

(a) **Submission to Committee and Board.** For each matter requiring Board or Committee action, the decision package shall be submitted to the Committee and to the Board (or to

the Board's designated secretary for distribution to directors). Delivery shall not be conditioned on permission by the Executive Director.

(b) **Right to Supplement.** The Executive Director may submit written comments or supplemental materials, but such comments shall not substitute for, delay, or prevent delivery of the decision package to the Committee and the Board.

(c) **Regular Reporting.** The Committee shall provide regular reports to the Board at intervals established by the Board, summarizing pipeline activity, diligence status, expected decision gates, and material risks.

(d) **Escalation of Material Issues.** The Committee shall promptly elevate to the Board any material issue that could reasonably affect feasibility, valuation, timing, regulatory posture, or consistency with the Articles of Incorporation and structural constraints.

(e) **No Management Gatekeeping.** No officer shall have authority to veto, delay, or condition delivery of documentation to the Committee or the Board when requested by the Committee pursuant to this Article, subject to lawful confidentiality constraints and privilege protections.

Section 14. Conflicts and Recusal.

(a) **Conflicts.** A Committee Member shall recuse from deliberation and voting on any matter in which the Committee Member has a material personal interest or a material relationship with a counterparty or beneficiary.

(b) **Record of Recusals.** The Committee shall maintain in the corporate records a written record of recusals and the general basis for each recusal.

Section 15. Records, Confidentiality, and Privilege.

(a) **Records.** The Committee shall ensure that decision packages, recommendations, and material reports are maintained in the corporate records, subject to confidentiality and privilege protections.

(b) **Confidentiality.** Pipeline materials, diligence materials, deal logs, and decision packages shall be treated as confidential and disclosed only to persons with a legitimate need to know, subject to applicable law.

(c) **Privilege.** The Committee and Committee Participants shall cooperate with counsel to preserve attorney-client privilege and work-product protections where applicable.

Article 18. Subsidiary Performance Officer and Liaison.

Section 1. Establishment and Status.

(a) **Office Created.** The Corporation shall have an officer titled Subsidiary Performance Officer and Liaison (the “SPOL”).

(b) **Officer of the Corporation.** The SPOL is an officer of the Corporation and shall serve only the Board in the limited capacity set forth in this Article.

(c) **No Subsidiary Management Role.** The SPOL is not a manager of any Subsidiary and shall not be deemed to have managerial authority over any Subsidiary by reason of this office.

(d) **No Fund Administration Role.** The SPOL is not a Fund Administrator of any Fund and shall not be deemed to have authority to administer, approve, or control any Fund by reason of this office.

Section 2. Exclusive Reporting Line and Independence.

(a) **Exclusive Reporting.** The SPOL shall report solely and directly to the Board and, if established by Board resolution, to a Board committee authorized to receive performance reports (a “Subsidiary Liaison Committee”).

(b) **Independence from Executive Director.** The Executive Director shall have no authority to direct, supervise, evaluate, discipline, suspend, or remove the SPOL, and shall have no authority to control the SPOL’s communications with the Board or any Subsidiary Liaison Committee.

(c) **Direct Access.** The SPOL may communicate directly with the Board (and any Subsidiary Liaison Committee) and may request executive-session meetings without the Executive Director present.

Section 3. Appointment, Removal, and Compensation.

(a) **Appointment.** The SPOL shall be appointed by the Board by Supermajority Vote.

(b) **Removal and Replacement.** The SPOL may be removed or replaced only by the Board by Supermajority Vote. No other person or body may remove or replace the SPOL.

(c) **Compensation.** The SPOL’s compensation, incentives, and benefits shall be set solely by the Board (or a Board committee authorized by Board resolution) and shall not be set or administered by the Executive Director.

Section 4. Limited Mandate and Duties.

(a) **Subsidiary Performance Measurement and Reporting.** The SPOL shall collect, compile, and present to the Board (and any Subsidiary Liaison Committee) periodic reports regarding Subsidiary performance, including financial and operational metrics, comparative benchmarking, and trend analyses, in a form and cadence approved by the Board.

(b) **Liaison Function.** The SPOL shall serve as a liaison between (1) the Board and the Corporation, on the one hand, and (2) the Subsidiaries and their boards and management, on the other hand, for the limited purposes of:

(1) **Facilitating Accurate Information Flow.** facilitating accurate information flow;

(2) **Clarifying Board-Level Requests for Information.** clarifying Board-level requests for information; and

(3) **Communicating Subsidiary Perspectives to the Board.** communicating Subsidiary perspectives to the Board.

(c) **Facilitation.** At the request of the Board or any Subsidiary board, the SPOL may facilitate meetings and exchanges of information among the Corporation and Subsidiaries regarding reporting protocols, compliance updates, and operational learnings; provided, however, that the SPOL shall not direct Subsidiary operations.

(d) **Fund Performance Monitoring and Reporting.** The SPOL shall collect, compile, and present to the Board (and any Subsidiary Liaison Committee) periodic reports regarding the performance of each Fund, including the Reinvestment Fund, the Social Benefits Fund, the Education Fund, and the Reserve Fund. Such reports may include, as applicable to each Fund:

(1) **Financial Condition.** balances, inflows, outflows, and material commitments and trends;

(2) **Policy Adherence and Controls.** adherence to Board-adopted policies, delegation limits, and internal-control requirements applicable to the Fund;

(3) **Operational Execution.** timeliness, completeness, and administrative integrity of disbursements and other Fund activity, as measured against standards approved by the Board;

(4) **Sustainability Indicators.** projected needs and sustainability indicators, including scenario analyses if the Board so requires; and

(5) **Exceptions and Escalations.** identification of material variances, anomalies, control failures, suspected misuse, or material noncompliance, together with prompt escalation to the Board.

Section 5. Express Limitations.

(a) **No Authority to Manage.** The SPOL shall have no authority to hire, fire, discipline, set compensation, assign work, set schedules, control operations, approve expenditures, or otherwise manage the personnel, property, business, or affairs of any Subsidiary.

(b) **No Supervisory Authority.** The SPOL shall not supervise any Subsidiary officer, manager, or employee.

(c) **No Authority to Bind.** The SPOL shall have no authority to bind the Corporation or any Subsidiary by contract, commitment, policy, operational directive, or public statement, except to the extent expressly authorized by a written Board resolution that specifies the purpose and scope of such authority.

(d) **No Fund Spending, Allocation, Eligibility, or Benefit-Design Authority.** The SPOL shall have no authority to:

(1) **Disbursement Control.** approve, deny, delay, or direct any disbursement from any Fund;

(2) **Allocations and Transfers.** allocate amounts to any Fund, reallocate amounts among Funds, authorize transfers, or otherwise control Fund allocations or Fund balances;

(3) **Eligibility and Benefit Levels.** set, amend, interpret, or enforce eligibility criteria or benefit levels for the Social Benefits Fund or the Education Fund, except to the limited extent necessary to test administrative compliance for reporting purposes;

(4) **Vendors and Administrators.** approve, negotiate, or select providers, administrators, investment managers, custodians, or vendors for any Fund; or

(5) **Control of Fund Assets.** control, redirect, encumber, or otherwise alienate assets of any Fund.

(e) **No Diminution of Subsidiary Board Authority.** Nothing in this Article shall be construed to diminish the legal authority of any Subsidiary board over that Subsidiary.

Section 6. Information Access for Limited Purposes.

(a) **Reporting Protocols.** The Board may require Subsidiaries and Fund Administrators to provide the SPOL such reports, metrics, and supporting materials as are reasonably necessary to perform Section 4, through reporting protocols approved by the Board and implemented through lawful governance instruments applicable to each Subsidiary and through policies applicable to each Fund.

(b) **Access Boundaries.** The SPOL's access shall be limited to information reasonably related to performance measurement and liaison duties, subject to confidentiality, privilege, and applicable law, and shall not be used to direct operations or to administer or control any Fund.

(c) **Escalation.** The SPOL shall promptly inform the Board of any material inability to obtain reporting information required by Board-approved protocols.

Section 7. No Individual-Director Direction; Void Acts.

(a) **Direction Only by Board or Authorized Committee.** The SPOL shall take direction only from (1) the Board acting by duly adopted resolution or (2) a Board committee expressly authorized by Board resolution to receive and oversee SPOL reports, acting within the scope of its delegated authority.

(b) **Prohibition on Individual Direction.** No individual director, including any Subsidiary-Elected Director, may direct, command, or require the SPOL to take or refrain from taking any action.

(c) **Void and of No Effect.** Any purported directive or instruction by an individual director to control or constrain the SPOL, other than through action authorized under subsection (a), shall be void and of no effect (and not merely voidable) unless ratified by the Board or an authorized committee acting within its authority.

Section 8. Definitions.

(a) **Subsidiary.** "Subsidiary" means a legal entity that (i) the Corporation directly owns one hundred percent (100%) of (whether by shares, membership interests, partnership interests, or other ownership interests recognized by applicable law), (ii) conducts market-facing operations, and (iii) has been expressly designated as a "Subsidiary" by resolution of the Board. For clarity, an entity (or other business interest) shall not be deemed a Subsidiary unless and until such Board designation occurs, even if the Corporation directly owns one hundred percent (100%) of it.

(b) **Fund.** "Fund" means each of the following funds established and maintained by the Corporation: the Reinvestment Fund, the Social Benefits Fund, the Education Fund, and the Reserve Fund.

(c) **Fund Administrator.** "Fund Administrator" means the person or persons designated by the Board to administer a Fund under the Article titled Establishment of Funds (or any successor Article), subject to the limitations and oversight set forth in the Articles and Board policies.

(d) **Supermajority Vote.** “Supermajority Vote” means the affirmative vote of at least [__]% of the directors then in office.

Article 19. Relationship of Subsidiary-Elected Director and SPOL.

Section 1. Purpose and Scope.

(a) **Purpose of this Article.** This Article establishes the principal structures and rules for polycentric governance of the Commons Corporation and its Subsidiaries. It organizes decision-making, monitoring, and dispute resolution in nested layers and multiple centers rather than a single centralized authority.

(b) **Scope of Governance.** This Article governs, without limitation, (1) the relationship between the Commons Corporation and its Subsidiaries, (2) the certification and use of operating reserves, (3) the stewardship of Consolidated Surplus, and (4) the allocation and use of the Four Funds.

(c) **Coordination with Related Articles.** This Article is intended to operate in coordination with the Article establishing the Standing Budget and Allocation Committee, the Article establishing the Office of the Ombudsman, the Article establishing the Worker Veto over Alienation, and the Article establishing the purposes and baseline allocation rules for the Four Funds. To the extent feasible, these Articles shall be interpreted as a coherent polycentric system.

Section 2. Definitions.

(a) **Subsidiary.** “Subsidiary” has the meaning stated in the Article titled Commons Capitalism Entity Structure and Subsidiaries, including the requirements of one hundred percent (100%) direct ownership, market-facing operations, and affirmative designation by resolution of the Board of Directors. Entities that are controlled but not wholly owned by the Commons Corporation are not Subsidiaries for any purpose under these Articles. Entities that are wholly owned but not designated as Subsidiaries by Board resolution are not Subsidiaries for any purpose under these Articles.

(b) **Net Profits.** “Net Profits” means the net income of a Subsidiary determined in accordance with generally accepted accounting principles or other accounting standard adopted by the Commons Corporation and applicable law, after provision for taxes to the extent not already reflected in net income, and after reduction for the amount of operating reserves that are required and certified to be retained at that Subsidiary under this Article and any companion Articles addressing reserves.

(c) **Consolidated Surplus.** “Consolidated Surplus” means aggregate Net Profits retained at the Commons Corporation level after (1) satisfaction of third-party obligations and statutory liabilities and (2) certified retention of operating reserves at each Subsidiary.

(d) **Four Funds.** The “Four Funds” are the Reserve Fund, the Education Fund, the Social Benefits Fund, and the Reinvestment Fund established in the Article on Establishment of Funds. Each Fund’s purpose is stated in that Article and in any companion Articles on funds and allocations.

(e) **Governance Centers.** For purposes of this Article, “Governance Centers” include the Board of Directors, Subsidiary boards and managers, the Standing Budget and Allocation Committee, designated fund directors or offices, Worker Committees, and the Office of the Ombudsman, each acting within the scope of its authority in these Articles.

(f) **Worker Committees.** “Worker Committees” means the Corporation Worker Committee and the Subsidiary Worker Committees established under the Article on Worker Veto over Alienation and any related governing instruments.

(g) **Baseline Allocation Rules.** “Baseline Allocation Rules” means the default allocation rules for Consolidated Surplus among the Four Funds, including any fixed percentages, priority ordering, or thresholds established in these Articles.

Section 3. Boundaries and Demarcation.

(a) **Membership and Eligibility.** The Corporation shall adopt and maintain clear rules that identify who is entitled to (1) access benefits funded by the Commons Corporation and its Subsidiaries, (2) participate in governance processes, and (3) receive allocations or support from the Four Funds. These boundary rules shall be documented in Subsidiary charters or bylaws and in a consolidated register maintained by the Corporation.

(b) **Resource and Benefit Demarcation.** Assets, accounts, streams of revenue, workforce entitlements, and fund incomes shall be segregated and recorded so that (1) allocations are traceable to defined internal beneficiaries and Subsidiaries and (2) resources held in common at the consolidated level are distinguishable from operating assets and reserves of each Subsidiary.

Section 7. Graduated Sanctions and Corrective Measures.

(a) **Graduated Enforcement.** The Corporation shall establish graduated, proportionate sanctions for noncompliance with reserve, reporting, and fund-governance rules that aim to restore compliance and preserve participation. Sanctions may escalate from corrective guidance and warnings to temporary restrictions on distributions or access to particular fund support, and, in the final instance, remedial financial adjustments enforced at consolidation.

(b) **Notice and Opportunity to Be Heard.** Before imposing material sanctions, the Corporation shall provide notice and an opportunity for the affected Subsidiary or internal body to be heard, except where emergency action is required to prevent substantial harm to the Corporation, a Subsidiary, or their workers.

(c) **Corrective Incentives.** Sanctions shall be designed to promote repair of institutional capacity rather than immediate exclusion. Remedies may include mandated technical assistance, conditional access to Education Fund support to improve governance or accounting capacity, or temporarily reallocated Reinvestment Fund support for operational stabilization, where consistent with fund purposes.

(d) **Coordination With Worker Veto and Ombudsman.** Where sanctions or corrective measures materially affect personnel, property, or core functions at a Subsidiary, such actions shall be coordinated with any applicable Worker Veto rights and may be subject to review or inquiry by the Ombudsman as provided in the relevant Articles.

Section 8. Nested Governance of Consolidated Surplus and the Four Funds.

(a) **Sequential Priority of Uses.** Subject to applicable law and creditor protections, Subsidiary net income shall be applied in the following order:

- (1) satisfaction of third-party obligations and statutory liabilities;
- (2) retention of certified Subsidiary operating reserves;
- (3) transfer of certified surplus to the Commons Corporation as Consolidated Surplus; and

(4) allocation of Consolidated Surplus among the Four Funds consistent with Baseline Allocation Rules as established in the Article on Establishment of Funds and any variance adopted under Section 9 of this Article.

(b) **Fund Purposes.** The Four Funds shall be used for the following general purposes, subject to more detailed provisions in the Article on Establishment of Funds and any companion Articles on funds and allocations:

(1) **Reinvestment Fund.** Supports the Corporation's growth, expansion, and strategic objectives, including reinvestment in existing operations and the acquisition and conversion of new Subsidiaries, businesses, assets, or technologies.

(2) **Social Benefits Fund.** Funds premium wages, enhanced benefits, and comparable worker-facing commitments consistent with controlling directives of the Corporation.

(3) **Education Fund.** Supports training, governance education, and institutional capacity building to strengthen local rulemaking, monitoring, and participation.

(4) **Reserve Fund.** Maintains consolidated liquidity beyond Subsidiary reserves and may provide conditional support to Subsidiaries in order to preserve system-wide stability and the functionality of nested governance.

(c) **Governance Centers for Funds.** Governance over Consolidated Surplus and the Four Funds shall be exercised in nested layers as follows:

(1) **Board of Directors.** The Board holds stewardship authority over Consolidated Surplus, adopts Baseline Allocation Rules, approves budgets and allocations, and may authorize temporary variance under Section 9.

(2) **Standing Budget and Allocation Committee.** The Standing Budget and Allocation Committee reviews, formulates, and recommends budgets, cash-flow plans, and allocations of Net Profits and Consolidated Surplus among the Four Funds, including recommendations regarding any deviations from Baseline Allocation Rules, all as provided in the Article establishing that Committee.

(3) **Fund directors or offices.** Each Fund may be administered by a designated director or office with day-to-day authority to implement Board policies and Committee recommendations for that Fund, within the limits of fund purposes and adopted policies.

(4) **Subsidiary boards and representatives.** Subsidiary boards, managers, and designated representatives shall participate in deliberations affecting notional subaccounts or allocations associated with that Subsidiary, particularly with respect to Social Benefits and Education Fund support that materially affects its workforce.

(5) **Worker Committees.** Worker Committees shall have the participatory and veto roles specified in the Article establishing Worker Veto and in the Article establishing the Standing Budget and Allocation Committee, including any powers to veto budgets or budget items that materially affect workers, subject to any override or abuse provisions in those Articles.

(6) **Ombudsman.** The Ombudsman participates in Committee deliberations as a non-voting member where provided in the Standing Budget and Allocation Committee Article, monitors fund-related practices, and may investigate or report on concerns relating to allocation and use of the Four Funds.

(d) **Cross-Fund Coordination.** The Board or a designated cross-fund body may coordinate among the Four Funds where obligations or purposes interact, subject to (1) honoring

stated fund purposes, (2) compliance with Baseline Allocation Rules and variance procedures, and (3) protection of core worker-facing commitments.

Section 9. Variance From Baseline Allocation Rules.

(a) **Principle of Stability.** Baseline Allocation Rules are intended to provide stable, predictable funding for each Fund and to protect worker-facing commitments and long-term reserves from ad hoc or opportunistic reallocation.

(b) **Extraordinary Variance.** The Board may approve temporary variance from Baseline Allocation Rules only upon a finding that extraordinary circumstances exist, such as severe economic disruption, systemic risk to the Corporation or its Subsidiaries, or legally mandated obligations that cannot be met without such variance.

(c) **Supermajority and Written Findings.** Any such variance shall require a supermajority vote of the Board as specified in the bylaws and shall be accompanied by written findings that (1) describe the extraordinary circumstances, (2) explain why the variance is necessary and proportionate, and (3) state the expected duration of the variance and the plan for returning to Baseline Allocation Rules when conditions normalize. The findings shall be recorded in the minutes and made available internally to affected governance bodies.

(d) **Role of the Standing Budget and Allocation Committee.** The Standing Budget and Allocation Committee may recommend variance from Baseline Allocation Rules in its written recommendations to the Board, supported by financial projections and analysis. Any deviation recommended by the Committee shall be clearly identified as such and shall not become effective unless approved by the Board in accordance with subsection (c).

(e) **Restoration.** Variances shall be treated as temporary. The Board shall periodically review whether conditions justifying variance continue to exist and shall restore allocations to Baseline Allocation Rules as soon as reasonably practicable when those conditions no longer prevail.

(f) **Oversight and Review.** Worker Committees, Subsidiary boards, and the Ombudsman may review and comment on variance decisions and may invoke any complaint or review mechanisms provided in the Ombudsman Article or Worker Veto Article, where applicable.

Section 10. Dispute Resolution, Ombudsman, and Oversight.

(a) **Local Dispute Mechanisms.** Each Subsidiary shall maintain rapid, low-cost procedures for resolving disputes among participants or between participants and managers, including disputes relating to application of local appropriation rules, reserve practices, or local use of Education Fund or Social Benefits Fund support. These procedures shall be designed to minimize transaction costs and to preserve local engagement, subject to the Corporation's overarching obligations.

(b) **Role of the Ombudsman.** The Office of the Ombudsman shall serve as an independent, confidential channel for concerns relating to governance, stewardship, and compliance with this Article, including concerns about (1) certification of reserves, (2) allocation and use of the Four Funds, (3) application of sanctions under Section 7, and (4) interactions among Governance Centers. The Ombudsman may examine records, conduct interviews, retain external advisors, and issue reports to the Board as provided in the Ombudsman Article.

(c) **Escalation and Recommendations.** Where local or committee-level mechanisms do not resolve a dispute affecting polycentric governance, the Ombudsman may recommend

remedial measures to management and the Board, including policy changes, adjustments to monitoring or reporting regimes, or corrective use of Education Fund or Reserve Fund resources, all within existing fund purposes.

(d) **Coordination With Worker Veto and Other Articles.** Disputes involving Worker Veto rights over Alienation, budget vetoes, or emergency actions shall be handled primarily under the Articles establishing those rights and procedures.

Article 20. Worker Veto over Alienation.

Section 1. Veto Right.

(a) **Worker Veto.** The workers of the Corporation and each Subsidiary shall have the right (the “Worker Veto Right”) to veto any Proposed Alienation Action, as defined in Section 2, subject to the procedures and limitations set forth in this Article. The Worker Veto Right shall be exercised, as applicable, by (i) the Corporation Worker Committee with respect to Corporation-level Proposed Alienation Actions and (ii) the Subsidiary Worker Committee for the Subsidiary affected by a Subsidiary-level Proposed Alienation Action.

(b) **Condition to Effectiveness.** No Proposed Alienation Action shall be effected unless either (i) the applicable Worker Committee (Corporation Worker Committee or Subsidiary Worker Committee, as the case may be) declines to veto it in accordance with Section 4, or (ii) following a valid veto, the veto is overridden only pursuant to Section 6.

Section 2. Definitions.

(a) “Alienation” means any of the following actions materially affecting the Corporation’s or a Subsidiary’s personnel or property:

(1) the sale, lease, pledge, transfer, or other disposing of real property or tangible or intangible assets having a book value or fair-market value exceeding a materiality threshold (as established in the bylaws);

(2) the outsourcing, contracting out, or permanent transfer of a core business function involving a material portion of the workforce (as defined in the bylaws); and

(3) mass layoffs, terminations, replacement, reassignment or removal of one or more workers, other than actions involving only Probationary Workers.

(b) “Proposed Alienation Action” means an Alienation that (i) the Executive Director proposes to take at the Corporation level or (ii) the manager of a Subsidiary proposes to take at the Subsidiary level, and for which the notice requirements in Section 4 apply.

(c) “Materiality Thresholds” means the objective thresholds (dollar or percentage) set by the Board in the bylaws or in Board-adopted policy that delineate which Alienation Actions qualify as “material” for purposes of this Article.

(d) “Worker Committee” means a committee established under Section 3 of this Article to exercise the veto power on behalf of workers. For purposes of this Article, the term includes both the Corporation Worker Committee and each Subsidiary Worker Committee.

(e) “Corporation Worker Committee” means the Worker Committee established under Section 3 to exercise the Worker Veto Right with respect to Corporation-level Proposed Alienation Actions.

(f) “Subsidiary Worker Committee” means, with respect to each Subsidiary, the Worker Committee established under Section 3 (and the corresponding governing documents of such Subsidiary) to exercise the Worker Veto Right with respect to Proposed Alienation Actions at that Subsidiary.

(g) “Eligible Workers” means those workers eligible to nominate, stand for, and vote in elections for the applicable Worker Committee, as defined by the bylaws for the Corporation Worker Committee and by the Subsidiary’s bylaws or policies for each Subsidiary Worker Committee.

(h) “Supermajority Vote” means the affirmative vote of at least two-thirds of the seated members of the applicable Worker Committee, provided a quorum as defined in Section 4.

(i) “Override Threshold” means the vote requirement on the Board to override a valid veto, as defined in Section 6.

(j) “Probationary Workers” means workers of the Corporation or any Subsidiary who are within an initial trial, introductory, or probationary period of employment, as defined in Corporation-wide or Subsidiary employment policies, and shall be deemed to include workers engaged through arrangements with independent employment agencies or other third-party staffing providers.

Section 3. Worker Committees: Composition, Election, Term.

(a) **Corporation Worker Committee.** The Corporation shall maintain a Corporation Worker Committee to consider and act on Corporation-level Proposed Alienation Actions. The Corporation Worker Committee shall consist of three (3) or five (5) members, as determined by the Board. Members must be Eligible Workers employed by the Corporation or by any Subsidiary, as defined in the bylaws.

(b) **Subsidiary Worker Committees.** Each Subsidiary shall maintain a Subsidiary Worker Committee to consider and act on Proposed Alienation Actions at that Subsidiary. Each Subsidiary Worker Committee shall consist of three (3) or five (5) members, as determined by the Board or the Subsidiary’s governing documents, and members must be Eligible Workers employed by that Subsidiary, as defined in the governing documents of such Subsidiary.

(c) **Eligibility and Nomination.** To be eligible to serve on a Worker Committee, a candidate must have at least two (2) years of continuous employment immediately preceding the call for nominations with the Corporation (for the Corporation Worker Committee) or with the relevant Subsidiary (for the Subsidiary Worker Committee) and may not currently hold an elected officer position. The Board, or the applicable Subsidiary board or manager, shall solicit nominations from Eligible Workers.

(d) **Election.** Members of each Worker Committee shall be elected by Eligible Workers of the Corporation (for the Corporation Worker Committee) or of the relevant Subsidiary (for that Subsidiary Worker Committee) via secret ballot. Elections shall be held at least every two (2) years, with staggered terms so that not all members are elected at once. Members may serve a maximum of two (2) consecutive full terms but may be re-eligible following a one-term absence, as further defined in the bylaws and applicable Subsidiary governing documents.

(e) **Vacancy and Removal.** If a seat on any Worker Committee becomes vacant, the applicable Worker Committee may appoint an interim member (by majority vote of remaining Committee members) to serve until a special election is held. Removal of a Committee member may occur only for good cause, in a process defined in the bylaws or the relevant Subsidiary’s governing documents.

Section 4. Veto Procedures.

(a) **Notice for Corporation-Level Actions.** Before undertaking a Corporation-level Proposed Alienation Action, the Board must provide written notice to the Corporation Worker Committee describing in reasonable detail the proposed action, its business justification, and its timing. Notice shall be given as soon as reasonably practicable and, in

any event, not less than ten (10) business days prior to execution for Proposed Alienation Actions under Section 2(a)(1) or (2), and not less than five (5) business days prior to execution for Proposed Alienation Actions under Section 2(a)(3), or such other periods specified in the bylaws.

(b) **Notice for Subsidiary-Level Actions.** Before undertaking a Subsidiary-level Proposed Alienation Action, the Subsidiary's board (if any) or the manager of the Subsidiary, as applicable, must provide written notice to that Subsidiary's Subsidiary Worker Committee describing in reasonable detail the proposed action, its business justification, and its timing. Notice shall be given as soon as reasonably practicable and, in any event, not less than ten (10) business days prior to execution for Proposed Alienation Actions under Section 2(a)(1) or (2), and not less than five (5) business days prior to execution for Proposed Alienation Actions under Section 2(a)(3), or such other periods specified in the bylaws or applicable Subsidiary policies.

(c) **Committee Deliberation.** Upon receipt of notice under subsection (a) or (b), the applicable Worker Committee shall convene a meeting (in person or virtually) to consider the Proposed Alienation Action, with reasonable opportunity to solicit input from the affected workforce and management.

(d) **Vote.** The applicable Worker Committee may veto the Proposed Alienation Action only by Supermajority Vote, with a quorum defined in the bylaws or, for a Subsidiary Worker Committee, in the Subsidiary's governing documents (which may, for example, set quorum at a majority of Committee members). If the applicable Worker Committee fails to vote (for instance, lacks quorum within the required time), the veto does not apply, and the Board or Subsidiary may proceed, subject to the override and dispute-resolution procedures of this Article.

(e) **Decision Report.** The applicable Worker Committee shall provide its written decision (veto or no veto) to the Board (and, in the case of a Subsidiary-level Proposed Alienation Action, to the Subsidiary's manager), including a brief explanation of its reasoning. That report must be delivered within a timeframe (for example, five business days from the Committee's initial meeting) specified in the bylaws or Subsidiary governing documents.

Section 5. Mediation, Dispute Resolution, and Subsidiary Appeals.

(a) **Mediation After Veto.** If the applicable Worker Committee issues a veto of a Proposed Alienation Action, and the Proposed Alienation Action is (i) a Subsidiary-level Proposed Alienation Action or (ii) a Corporation-level Proposed Alienation Action that consists primarily of personnel actions under Section 2(a)(3), then the Ombudsman shall serve as mediator or shall select a mediator to conduct mediation between the applicable Worker Committee and, as applicable, the Board or the Subsidiary's board or manager. Mediation under this Section shall be provided only in those two circumstances. The Ombudsman shall commence mediation as soon as reasonably practicable and shall establish a timetable for the mediation. All mediation shall be conducted with reasonable dispatch in light of the nature and circumstances of the Proposed Alienation Action.

(b) **Ombudsman Recommendations or Decisions.** At the conclusion of mediation under this Section 5, the Ombudsman shall issue a written statement summarizing any agreement reached or, if no agreement is reached, the Ombudsman's recommendation or decision regarding the Proposed Alienation Action which shall be binding on the applicable

Worker Committee and manager. The Ombudsman promptly shall give such written statement to the applicable Worker Committee and manager.

(c) **Appeal.** The time period for submitting any Notice of Appeal under this Article shall commence on the date the Ombudsman transmits such written statement to the parties. The Ombudsman's recommendation or decision may be appealed by the Subsidiary's manager or the applicable Worker Committee to the Subsidiary's board, in the case of a Subsidiary-level Proposed Alienation Action. The decision of the Subsidiary's board on such appeal shall be final for purposes of this Article. No separate arbitration process is required or allowed under this Article.

Section 6. Board Override.

If, after a valid veto, the Board nonetheless believes the Proposed Alienation Action is essential for the long-term success of the Corporation or the affected Subsidiary (in the sole discretion of the Board), the Board may override the applicable Worker Committee's veto only by a heightened supermajority (the "Override Threshold") defined in the bylaws (for example, 80% of all directors including independent directors). Any override vote must record in the minutes the basis for the override and the reasons why the Board judges the action necessary notwithstanding the veto. Any override vote shall be conclusive regardless of the reasons for the override vote.

Section 7. Carve-Outs and Exceptions.

This Article does not apply to:

- (a) routine operations adjustments to property or assets not meeting the applicable Materiality Threshold;
- (b) ordinary procurement contracts below the asset Materiality Threshold;
- (c) acquisitions, investments, or strategy decisions that, pursuant to the Corporation's Articles of Incorporation, are expressly reserved to the Acquisition Director; and
- (d) emergency actions that the Board reasonably determines (in the sole discretion of the Board), by a supermajority vote of all directors then in office, require immediate execution to avert substantial harm or risk; provided, however, that any such emergency Alienation may be authorized and implemented regardless of whether any Committee has attempted or is attempting to void or otherwise challenge the contemplated action under this Article, and further provided that the Board must report any such emergency Alienation to the Corporation Worker Committee (and, where applicable, the relevant Subsidiary Worker Committee) promptly.

Section 8. Subsidiary Implementation.

The Board shall require each Subsidiary to adopt provisions in its own charter or bylaws substantially identical in terms, definitions, thresholds, and procedures to those contained in this Article, including the establishment and maintenance of a Subsidiary Worker Committee, subject only to adjustments for lawful local conditions and scale. The Board shall provide a model form (template) for such provisions and monitor compliance via periodic reporting.

Section 9. Audit, Review, and Amendment.

- (a) The Board shall cause periodic audits (at least biennial) of how vetoes, attempted vetoes, appeals, and overrides have operated in practice at both the Corporation and

Subsidiary levels, and shall report the results to the full Board and to the Corporation Worker Committee and the Subsidiary Worker Committees.

(b) Based on those audits, the Board and the Worker Committees may recommend adjustments to definitions, materiality thresholds, timing, or procedures for Corporation-level and Subsidiary-level actions.

(c) Any amendment to this Article must be approved (i) by at least two-thirds of the Corporation Worker Committee, (ii) by at least two-thirds of the aggregate Subsidiary Worker Committees voting by such procedure as may be prescribed in the bylaws, and (iii) by the Board by supermajority (as defined in the bylaws).

Section 10. Abuse of Worker Committee Powers.

If, in the sole discretion of the Board, any Worker Committee abuses or persistently misuses the powers conferred by this Article, the Board may, by supermajority vote (as defined in the bylaws), suspend that Worker Committee's authority to exercise the Worker Veto Right in whole or in part, or may impose reasonable limitations on the scope, procedures, or effect of that Worker Committee's powers under this Article, to the extent necessary to prevent or remedy such abuse. Any such suspension or limitation shall be recorded in the minutes of the Board and promptly communicated in writing to the affected Worker Committee and the workforce to which that Worker Committee is accountable. The Board may modify or lift any suspension or limitation in its discretion, subject to the same supermajority vote requirement.

