

Article 21. Employment Termination Standards.

**Section 1. Adoption and Minimum Standard.**

(a) **Purpose.** This Article establishes mandatory minimum termination thresholds and procedures for (i) the commons corporation (the “Corporation”) as an employer and (ii) each Subsidiary as an employer, consistent with the entity’s governance design and the operational need for lawful flexibility and reliable workforce protections.

(b) **Minimum Standard; More Protective Policies Permitted.** The Corporation and each Subsidiary shall adopt and maintain written policies and procedures that meet or exceed the requirements of this Article. A Covered Entity may adopt more protective employee standards if not inconsistent with this Article.

(c) **No Private Returns.** These standards shall be administered without regard to private returns for managers, investors, or other stakeholders, because none exist other than the commons corporation.

**Section 2. Definitions.**

(a) **Covered Entity.** “Covered Entity” means the Corporation and each Subsidiary.

(b) **Covered Worker.** “Covered Worker” means any employee of a Covered Entity other than a Probationary Worker.

(c) **Probationary Worker.** “Probationary Worker” means an employee in an initial evaluation period of ninety calendar days from the employee’s start date or rehire date with the applicable Covered Entity, or such other period as that Covered Entity may establish, provided it is uniformly applied.

(d) **Termination.** “Termination” includes discharge, involuntary separation, and constructive discharge recognized under applicable law, but does not include voluntary resignation.

(e) **Just Cause.** “Just Cause” means a substantiated reason for discharge based on the employee’s conduct or performance that materially affects the Covered Entity’s operations, workforce, customers, safety, compliance, or lawful business objectives. Just Cause exists if, based on documented facts, one or more of the following applies:

(1) The employee materially fails to meet job-related performance standards, expectations, or essential functions after notice of the deficiency and an opportunity to improve.

(2) The employee commits misconduct, including serious policy violations, dishonesty, insubordination, harassment, violence, unsafe conduct, unlawful conduct, or comparable behavior inconsistent with continued employment.

(3) The employee repeatedly fails to meet job-related expectations or commits repeated lesser policy violations after prior corrective action.

Just Cause does not require perfect performance management. Disagreement with managerial judgment, alternative interpretations of performance, minor documentation gaps, or immaterial procedural deviations shall not constitute Arbitrary action or Pretext.

(f) **Business Necessity Termination.** “Business Necessity Termination” means an involuntary separation that is not primarily based on individual fault, but is required by documented operational, economic, restructuring, integration, workforce planning, role redesign, skills realignment, product, market, customer, technological, or regulatory necessity, and is implemented using objective selection criteria and lawful procedures.

(g) **Gross Misconduct.** “Gross Misconduct” means conduct of such severity that immediate termination is justified under applicable law and internal policy.

(h) **Prohibited Reason.** “Prohibited Reason” means unlawful discrimination, unlawful retaliation, interference with protected rights, or any other reason prohibited by applicable law.

(i) **Arbitrary.** “Arbitrary” means an action taken without a rational connection between the stated ground and the contemporaneously documented facts.

(j) **Pretext.** “Pretext” means a knowingly false stated ground used to conceal a Prohibited Reason.

(k) **Improper Preferential Motive.** “Improper Preferential Motive” means favoritism, personal animus, or replacement preference that is not job-related and that materially motivates a Termination or a Material Adverse Action.

(l) **Individual Personnel Action.** “Individual Personnel Action” means any action relating to a specific employee or applicant, including hiring, discipline, performance management, reassignment, demotion, promotion, compensation adjustments, suspension, termination, separation, or settlement of an individual employment claim.

(m) **Collective Personnel Action.** “Collective Personnel Action” means a workforce action that is not primarily directed to a particular individual and that materially affects multiple positions or groups.

(n) **Material Adverse Action.** “Material Adverse Action” means any Individual Personnel Action that:

- (1) reduces base compensation;
- (2) reduces job level, grade, or title;
- (3) materially reduces core responsibilities or supervisory authority;
- (4) results in an involuntary transfer to a materially less desirable role, shift, or location; or
- (5) is reasonably expected to lead to Termination.

(o) **Worker Veto Mechanism.** “Worker Veto Mechanism” means any worker committee veto power, voiding power, suspension power, or comparable worker-driven governance process relating to Alienation of Personnel or similar concepts.

### **Section 3. Governing Threshold.**

(a) **General Rule.** A Covered Entity may terminate a Covered Worker only upon Just Cause or Business Necessity Termination, subject to this Article and applicable law.

(b) **Probationary Rule.** A Covered Entity may terminate a Probationary Worker for any lawful, non-prohibited reason, provided documentation of the stated basis is maintained.

(c) **No Termination for Prohibited Reasons.** No Covered Entity shall terminate any employee for a Prohibited Reason.

### **Section 4. Just Cause Process Requirements.**

(a) **Notice of Expectations.** Each Covered Entity shall maintain written job expectations, policies, and performance standards communicated to employees.

(b) **Progressive Discipline.** Except in cases involving Gross Misconduct or circumstances where progressive discipline is not practicable or would materially impair operational efficiency, a Covered Entity shall use progressive discipline.

(c) **Investigation.** Before termination for conduct or alleged misconduct, the Covered Entity shall conduct an investigation proportionate to the circumstances.

- (d) **Opportunity to Respond.** Before termination, the employee shall be given an opportunity to respond to the stated grounds.
- (e) **Written Decision.** The Covered Entity shall provide written notice of termination stating the specific ground relied upon and the effective date.
- (f) **Consistency and Proportionality.** Comparable discipline shall be applied for comparable conduct or performance issues, subject to legitimate distinctions supported by documented facts.
- (g) **Gross Misconduct.** Gross Misconduct may result in immediate termination subject to post-termination appeal as provided in this Article.

#### **Section 5. Business Necessity Termination Process.**

Business Necessity Terminations shall be supported by documented necessity and implemented using objective, lawful selection criteria.

#### **Section 6. Appeals of Terminations.**

A Covered Worker may appeal a Termination in accordance with implementing procedures adopted under this Article. A Termination shall be upheld unless the Covered Worker establishes Arbitrary action, Pretext, or Improper Preferential Motive.

#### **Section 7. Controls Against Improper Material Adverse Actions.**

- (a) **Coverage.** A Covered Entity may impose a Material Adverse Action only upon documented facts that would constitute Just Cause, as adapted to the action taken, or a documented operational necessity consistent with lawful business objectives.

- (b) **Written Action Statement.** Before implementing a Material Adverse Action, the Covered Entity shall prepare a written Action Statement identifying the action, the specific job-related grounds, the contemporaneous facts relied upon, any comparators considered, and the proportionality of the action.

- (c) **Conflict and Preference Screen.** The Action Statement shall include a certification by a reviewer other than the initiating manager that favoritism, personal animus, or replacement preference has been considered and rejected as a motivating basis for the action.

- (d) **Limited Internal Review.** A Covered Worker may request review of a Material Adverse Action within seven (7) calendar days after receipt of the Action Statement, stating with specificity any claim of Arbitrary action, Pretext, or Improper Preferential Motive.

- (e) **Decisionmaker.** Review shall be decided only by the Office of the Ombudsman or an independent Subsidiary board committee designated in implementing policies.

- (f) **Standard of Review.** The action shall be upheld if supported by substantial evidence. The action shall be reversed or modified if Arbitrary action, Pretext, or Improper Preferential Motive is established.

- (g) **Remedies.** Remedies may include correction of records and reinstatement to prior level, compensation, or responsibilities, subject to applicable law and internal remedial limits.

- (h) **No Worker Veto.** No Material Adverse Action is subject to review or veto under any Worker Veto Mechanism.

#### **Section 8. Documentation and Records.**

Each Covered Entity shall maintain records sufficient to demonstrate compliance with this Article.

**Section 9. Governance Oversight and Enforcement.**

The Corporation may audit compliance and require corrective action for systemic noncompliance.

**Section 10. Coordination With Worker Veto Mechanisms.**

No Individual Personnel Action shall be subject to review or veto under any Worker Veto Mechanism. This Article provides the exclusive internal standards for Terminations and Material Adverse Actions.

**Section 11. Construction.**

This Article shall be interpreted to require genuine Just Cause or Business Necessity standards exceeding at-will employment, while preserving lawful operational flexibility and preventing arbitrary, pretextual, or improperly preferential actions.

## Article 22. Conflicts of Interest and Related-Party Transactions.

### **Section 1. Nonprofit Status and Policy Statement.**

(a) **Nonprofit Corporation.** The Commons Corporation is a nonprofit corporation governed by the applicable nonprofit corporation statute.

(b) **Policy Purpose.** This Article establishes conflicts of interest standards and related party transaction procedures intended to protect the Commons Corporation from private capture, self dealing, and improper influence, while permitting lawful transactions that are demonstrably fair to the Commons Corporation.

(c) **Supplement to Fiduciary Duties.** This Article supplements, and does not replace, the duties of care, loyalty, and good faith imposed by applicable law.

### **Section 2. Definitions.**

(a) **Interested Person.** An “Interested Person” means any Director, officer, key employee, or any other person who is in a position to exercise substantial influence over the affairs of the Commons Corporation.

(b) **Related Person.** A “Related Person” means, with respect to an Interested Person, any of the following: (1) a spouse or domestic partner; (2) an ancestor, sibling, child, grandchild, or other lineal descendant; (3) any person sharing the same household; and (4) any entity in which an Interested Person or Related Person has a material financial interest or serves as a director, manager, officer, or in an equivalent role.

(c) **Related Party.** A “Related Party” means an Interested Person or a Related Person.

(d) **Related Party Transaction.** A “Related Party Transaction” means any transaction, arrangement, or relationship in which the Commons Corporation is a participant and in which a Related Party has a direct or indirect financial interest, including through compensation, property interests, or business relationships.

(e) **Conflict of Interest.** A “Conflict of Interest” exists when an Interested Person has a direct or indirect financial interest, or a competing duty or loyalty, that could reasonably be expected to impair that person’s independence of judgment with respect to a decision, transaction, or other action of the Commons Corporation.

(f) **Material Financial Interest.** A “Material Financial Interest” means a financial interest that could reasonably be expected to influence an Interested Person’s judgment, including any ownership, investment, compensation arrangement, indebtedness, or other economic benefit, whether direct or indirect.

### **Section 3. Duty of Disclosure.**

(a) **Initial and Ongoing Disclosure.** Each Director and officer shall disclose to the Commons Corporation any actual or potential Conflict of Interest and any actual or proposed Related Party Transaction promptly after becoming aware of it.

(b) **Annual Disclosure Statement.** The Commons Corporation may require annual written disclosures from Directors and officers identifying relationships and interests that could give rise to a Conflict of Interest or Related Party Transaction.

(c) **Duty to Update.** Each person subject to this Article shall update disclosures as circumstances materially change.

### **Section 4. Review and Approval of Related Party Transactions.**

**(a) Required Approval.** The Commons Corporation shall not enter into a Related Party Transaction unless the transaction is approved in advance in accordance with this Section, or is ratified in accordance with Section 5 if prior approval was not obtained.

**(b) Disinterested Decision Makers.** A Related Party Transaction shall be considered and approved only by Directors who do not have a Conflict of Interest with respect to the transaction.

**(c) Recusal.** An Interested Person with respect to the Related Party Transaction shall not participate in deliberations or voting on the transaction, except that the Interested Person may provide factual information at the request of the disinterested Directors.

**(d) Fairness Standard.** The disinterested Directors may approve a Related Party Transaction only if they determine, in good faith, after reasonable inquiry, that: (1) the transaction is fair to the Commons Corporation; (2) the transaction is on terms no less favorable to the Commons Corporation than could be obtained in a comparable arm's length transaction under similar circumstances; and (3) the transaction is in the best interests of the Commons Corporation.

**(e) Alternative Transactions.** Before approving a Related Party Transaction, the disinterested Directors shall consider reasonably available alternatives, including whether the Commons Corporation can obtain comparable goods, services, financing, or other benefits from an unrelated party on terms more favorable to the Commons Corporation.

**(f) Use of Advisors.** The disinterested Directors may rely on legal counsel, financial advisors, valuation experts, or other qualified advisors to evaluate fairness, comparability, and other relevant considerations.

**(g) Documentation.** The Commons Corporation shall contemporaneously document: (1) the nature of the interest; (2) the information considered; (3) any alternatives evaluated; (4) the vote or consent of the disinterested Directors; and (5) the basis for the determinations required by subsection (d).

### **Section 5. Ratification of Unapproved Transactions.**

**(a) Prompt Submission.** If the Commons Corporation enters into a Related Party Transaction without prior approval, the transaction shall be promptly disclosed to the Board or the appropriate committee of disinterested Directors.

**(b) Ratification Standard.** The disinterested Directors may ratify the transaction only if they make the determinations required by Section 4(d).

**(c) Corrective Action.** If the transaction is not ratified, the disinterested Directors shall take appropriate corrective action consistent with applicable law, which may include modification, rescission if practicable, restitution, or other remedies.

### **Section 6. Conflicts in Nontransactional Matters.**

**(a) Conflicted Decisions.** If a Conflict of Interest arises in a decision that is not a Related Party Transaction, the Interested Person shall disclose the conflict and shall not participate in deliberation or voting on the matter, except to provide factual information at the request of the disinterested Directors.

**(b) Disinterested Determination.** The disinterested Directors shall determine, in good faith, whether the relationship or interest constitutes a Conflict of Interest and what limitations, if any, are required to protect the Commons Corporation's interests.

### **Section 7. Compensation Matters.**

- (a) **Directors and Officers.** Any decision regarding compensation of a Director or officer shall be made only by disinterested Directors.
- (b) **Process.** In determining compensation, the disinterested Directors shall act in good faith, consider appropriate comparability data when reasonably available, and document the basis for the decision.
- (c) **No Participation by Recipient.** The individual whose compensation is being determined shall not be present during deliberation or voting on that compensation, except to provide factual information at the request of the disinterested Directors.

#### **Section 8. Enforcement and Remedies.**

- (a) **Policy Violations.** A violation of this Article may result in appropriate action by the Board, consistent with applicable law and the governing documents, including removal from office if lawful, rescission of approvals, or referral for further review.
- (b) **No Limitation of Remedies.** This Article does not limit any remedies available under applicable law for breach of fiduciary duty, self dealing, or other misconduct.

#### **Section 9. Delegation to Committees.**

- (a) **Committee Authority.** The Board may delegate review and approval functions under this Article to a committee composed solely of disinterested Directors, to the extent permitted by applicable law and the Articles of Incorporation.
- (b) **Board Oversight.** Any committee action under this Section shall be reported to the Board and recorded in the corporate records.

#### **Section 10. Records and Administration.**

- (a) **Recordkeeping.** The Commons Corporation shall maintain records of disclosures, approvals, and ratifications under this Article as part of its corporate records.
- (b) **Construction.** This Article shall be construed to promote compliance with the applicable nonprofit corporation statute and to ensure that Related Party Transactions, if permitted, are handled in a manner that protects the Commons Corporation from private capture.

## Article 23. Dispute Resolution Among Directors.

### **1. Status and purpose.**

(a) **Nonprofit Status.** The corporation is a nonprofit corporation organized under the nonprofit corporation statute of its jurisdiction of incorporation. This Article governs internal dispute resolution among directors and is intended solely for internal corporate governance purposes.

(b) **Purpose of This Article.** This Article establishes a defined process for resolving disagreements among directors regarding the interpretation, application, allocation, and funding of the Four Funds established in the Articles of Incorporation and any related corporate purposes. It is intended to preserve the integrity of the Four Funds, the commons purposes of the corporation, and the polycentric governance structure established elsewhere in the Articles.

(c) **Relationship to Other Articles.** This Article shall be interpreted in coordination with the Articles on corporate purposes, polycentric governance, the Four Funds, the Standing Budget and Allocation Committee, the Office of the Ombudsman, and any related provisions. In the event of a conflict between this Article and any internal policy, charter, or committee procedure, this Article shall control.

### **2. Scope of Covered Disputes.**

(a) **Covered Disputes.** This Article applies only to disputes among directors, in their capacity as directors, that concern one or more of the following matters:

- (1) the interpretation of Articles or bylaws governing the establishment, purposes, allocation, funding, or use of the Four Funds;
- (2) the legality or propriety of Board decisions or proposed decisions concerning allocation or funding among the Four Funds, including any temporary variance from baseline allocation rules;
- (3) the interpretation or application of Articles or bylaws that define the commons purposes of the corporation or the internal treatment of surplus; or
- (4) the processes and procedures by which the Board, the Standing Budget and Allocation Committee, any Fund administrator, or any relevant committee exercises authority with respect to the Four Funds or the commons purposes of the corporation.

(b) **Excluded Matters.** This Article does not govern:

- (1) disputes between directors and workers, Worker Committees, or Subsidiary personnel, which are governed by other Articles or bylaws;
- (2) disputes that relate solely to matters unrelated to the Four Funds or the commons purposes of the corporation; or
- (3) any external dispute involving third parties, creditors, regulators, or governmental authorities, which shall be governed by applicable law and by other Articles or bylaws.

(c) **Preservation of fiduciary Duties.** Nothing in this Article alters or diminishes any fiduciary duty of a director under applicable law. All actions taken under this Article shall be consistent with the duty of care, duty of loyalty, and any other statutory or common law duties owed by directors of a nonprofit corporation.

### **3. Internal Consultation among Directors.**

**(a) Duty to Confer in Good Faith.** When a dispute within the scope of Section 2 arises among directors, the directors shall first attempt in good faith to resolve the matter through direct discussion at a Board meeting or, where appropriate, through a designated Board committee with authority over the subject matter.

**(b) Placement on Agenda.** Any director who believes that such a dispute exists may request that the issue be placed on the agenda for a Board meeting. The Board shall provide a reasonable opportunity for the presentation of relevant facts, legal and policy positions, and proposed resolutions.

**(c) Record of Positions.** If the dispute is not resolved through consultation, the Board shall ensure that the nature of the dispute and the positions of the directors are reasonably reflected in the minutes. Any director may request that a concise written statement of that director's position be appended to the minutes for purposes of any subsequent mediation or judicial proceeding.

#### **4. Mediation and Facilitated Resolution.**

**(a) Availability of Mediation.** If good faith consultation under Section 3 does not resolve the dispute, the participating directors may agree to seek nonbinding mediation as a means of facilitated resolution. Mediation shall be confidential to the extent permitted by law.

**(b) Ombudsman as Mediator.** The directors may jointly request that the Ombudsman serve as mediator, subject to the Ombudsman's consent and to any limitations set forth in the Article establishing the Office of the Ombudsman. In considering such a request, the Ombudsman may take into account workload, independence, perceived pressure, and potential conflicts of interest.

**(c) Independent Third-party Mediator.** If the Ombudsman does not serve as mediator, or if the directors prefer an independent neutral, the participating directors may jointly select a third party mediator who is not an officer, director, employee, or agent of the corporation or any Subsidiary. The mediator should have experience in nonprofit governance, complex financial structures, allocation disputes, or comparable matters.

**(d) Mediation Procedures.** The mediator shall have discretion, in consultation with the participating directors, to structure the mediation process, including any exchange of written statements, joint sessions, and separate meetings with individual directors. The mediator shall not have authority to impose a binding resolution. Any agreement reached in mediation shall be documented in writing and, where required, presented to the Board for formal approval.

**(e) Costs of Mediation.** Unless the directors agree otherwise, the reasonable fees and expenses of the mediator shall be borne by the corporation as a cost of governance, and each director shall bear that director's own costs, including legal fees, incurred in connection with the mediation, subject to any right of advancement or reimbursement provided elsewhere in the Articles or bylaws.

#### **5. Preservation of Statutory Rights and Remedies.**

**(a) Statutory Remedies Preserved.** Nothing in this Article limits or waives any right or remedy available to a director under applicable nonprofit corporation law, including but not limited to rights relating to inspection of books and records, enforcement of fiduciary duties, or challenge to unauthorized or ultra vires acts.

(b) **Derivative Actions.** To the extent permitted by applicable law, directors may avail themselves of any derivative action rights granted by statute, including the right to commence or maintain a proceeding in the right of the corporation to address alleged breaches of duty relating to allocation or funding decisions concerning the Four Funds or the commons purposes of the corporation.

(c) **Coordination with Internal Processes.** Directors are encouraged, but not required, to complete the consultation and mediation processes described in Sections 3 and 4 before commencing a derivative or other statutory proceeding, except where delay would reasonably risk irreparable harm to the corporation, the Four Funds, or the commons purposes of the corporation.

## **6. Prohibition of Arbitration.**

(a) **No Arbitration of Covered Disputes.** Disputes covered by this Article shall not be submitted to binding or nonbinding arbitration, whether pursuant to private rules, statutory schemes, or otherwise, unless the Articles are amended to authorize such arbitration in a manner consistent with applicable law.

(b) **Invalidity of Contrary Provisions.** Any agreement, policy, or provision purporting to require arbitration of disputes covered by this Article, if adopted without a conforming amendment of the Articles, shall be void and of no effect as between the corporation and its directors with respect to such disputes.

## **7. Declaratory Judgment and Equitable Relief by Directors.**

(a) **Right to Seek Declaratory and Related Relief.** In addition to any statutory rights, each director shall have the right to bring an action for declaratory judgment, and for related injunctive or other equitable relief where appropriate, in a court of competent jurisdiction to obtain a judicial determination regarding the interpretation or application of any Articles or bylaws governing the establishment, purposes, allocation, funding, or use of the Four Funds or the commons purposes of the corporation, including the validity of Board actions or proposed actions in that regard.

(b) **Contractual Nature of Standing.** The right described in subsection (a) is contractual in nature as among the directors and between each director and the corporation. By accepting office as a director, each director agrees that any director may, in good faith, invoke this right to enforce the Articles, the bylaws, and the corporate purposes relating to the Four Funds and the commons purposes of the corporation, and that the corporation shall be bound by the final judgment of the court, subject to any rights of appeal.

(c) **Binding Effect of Judgment.** A final, nonappealable judgment of a court of competent jurisdiction in a declaratory judgment action brought under this Section shall be binding upon the corporation and all persons who are then serving as directors with respect to the issues actually decided. The Board shall take such actions as are reasonably necessary to implement the judgment, consistent with applicable law and fiduciary duties.

(d) **Venue and Governing Law.** Unless otherwise required by applicable law, any action brought under this Section shall be filed in a court of competent jurisdiction in the jurisdiction of incorporation of the corporation and shall be governed by the nonprofit corporation law and other applicable law of that jurisdiction.

(e) **Attorneys' Fees and Costs.** The corporation shall advance or reimburse the reasonable attorneys' fees and costs incurred by any director in connection with any action brought

under this Section, provided that the director acted in good faith and in a manner the director reasonably believed to be in the best interests of the corporation and for the principal purpose of enforcing the Articles, the bylaws, or the corporate purposes relating to the Four Funds or the commons purposes of the corporation. Advancement or reimbursement may be conditioned on the director's written undertaking to repay such amounts if it is finally determined that the director did not so act in good faith. Nothing in this Section limits the authority of a court, under applicable law, to order a different allocation of fees and costs upon a finding of bad faith or abuse of process.

(f) **Good Faith and Fiduciary Duties.** The good faith exercise by a director of the rights described in this Section, including the commencement or maintenance of an action reasonably intended to obtain declaratory or related equitable relief with respect to the Four Funds or the commons purposes of the corporation, shall be deemed consistent with, and not adverse to, the director's fiduciary duties to the corporation and shall not, by itself, be grounds to deny advancement or indemnification of expenses otherwise available under the Articles, the bylaws, or applicable law.

## **8. Effect of Dispute Resolution Outcomes.**

(a) **Implementation by the Board.** Any resolution of a dispute under this Article, whether achieved through consultation, mediation, derivative proceedings, or judicial determination, shall be implemented by the Board in a manner consistent with applicable law, the Articles, and the bylaws, including provisions governing the Four Funds, the commons purposes of the corporation, and polycentric governance.

(b) **No Expansion of Substantive Authority.** Nothing in this Article shall be construed to expand the substantive authority of the Board, any committee, or any director with respect to allocation or funding of the Four Funds or the commons purposes of the corporation beyond that granted by other Articles, the bylaws, or applicable law. This Article addresses procedures and enforcement mechanisms, not the underlying allocation rules.

(c) **Consistency with Nonprofit Character.** All actions taken under this Article shall be interpreted and applied in a manner consistent with the nonprofit character of the corporation and the requirement that no part of its net earnings inure to the benefit of any private individual, except as permitted by law for reasonable compensation and benefits.

## **9. Amendment and Severability.**

(a) **Amendment of This Article.** This Article may be amended only in the manner provided for amendment of the Articles of Incorporation of the corporation and consistent with applicable nonprofit corporation law. Any amendment shall preserve, to the extent reasonably practicable, the availability of judicial declaratory relief and the contractual right of directors to seek such relief.

(b) **Severability.** If any provision of this Article is held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect, and this Article shall be interpreted to give effect to its purposes to the maximum extent permitted by law.

Article 24. Indemnification and Directors and Officers Insurance.

## **Article \_\_. Indemnification and Directors and Officers Insurance**

### **Section 1. Application and Definitions.**

(a) **Covered Persons.** For purposes of this Article, “Covered Person” means any individual who is or was a director or officer of the corporation and any individual who, at the request of the corporation, is or was serving as a director, officer, or in a substantially equivalent governing capacity of another entity, whether for profit or nonprofit. The Board may, by resolution, extend some or all of the benefits of this Article to employees, committee members, or agents of the corporation or any Subsidiary, to the extent permitted by applicable nonprofit corporation law.

(b) **Proceedings.** “Proceeding” means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitral, or investigative, and whether formal or informal, to which a Covered Person is or was a party or is or was threatened to be made a party by reason of serving, or having served, as a Covered Person.

(c) **Expenses.** “Expenses” means all reasonable attorneys’ fees, costs, and other expenses actually and reasonably incurred in connection with a Proceeding, including any appeals, but does not include amounts paid in settlement or judgments except as expressly provided in this Article.

### **Section 2. General Right to Indemnification.**

(a) **Indemnification to the Fullest Extent.** The corporation shall indemnify each Covered Person to the fullest extent permitted by applicable nonprofit corporation law, as such law may be amended from time to time, against all Expenses, judgments, fines, penalties, and amounts paid in settlement reasonably incurred in connection with any Proceeding, provided that the Covered Person’s conduct met the applicable standard of conduct set forth in this Article and in applicable law.

(b) **Standard of Conduct.** Except as otherwise provided in Section 2(c), indemnification shall be available only if the Covered Person:

(1) acted in good faith; and

(2) acted in a manner the Covered Person reasonably believed to be in, or at least not opposed to, the best interests of the corporation; and

(3) in the case of any criminal Proceeding, had no reasonable cause to believe the conduct was unlawful.

(c) **Proceedings by or in the Right of the Corporation.** In the case of a Proceeding by or in the right of the corporation, indemnification shall not extend to any claim, issue, or matter in which the Covered Person is adjudged liable to the corporation, except to the extent that a court of competent jurisdiction determines that the Covered Person is fairly and reasonably entitled to indemnity for specific Expenses in view of all the circumstances.

(d) **Personal Benefit and Improper Conduct.** No indemnification shall be made to or on behalf of any Covered Person with respect to any claim, issue, or matter as to which the Covered Person is adjudged liable for receiving an improper personal benefit, for intentional misconduct, or for a knowing violation of law.

### **Section 3. Mandatory Indemnification Upon Successful Defense.**

To the extent that a Covered Person has been wholly successful on the merits or otherwise in defense of any Proceeding, or in defense of any claim, issue, or matter in such a Proceeding, the corporation shall indemnify that Covered Person against all reasonable Expenses incurred in connection therewith, regardless of whether the standards of conduct set forth in Section 2(b) have been satisfied.

#### **Section 4. Advancement of Expenses.**

(a) **Advancement Right.** The corporation shall advance Expenses to any Covered Person in connection with any Proceeding, prior to the final disposition of such Proceeding, upon receipt of:

- (1) a written request from the Covered Person; and
- (2) a written undertaking by or on behalf of the Covered Person to repay such amounts if it is ultimately determined that the Covered Person is not entitled to indemnification under this Article or applicable law.

(b) **Presumption for Directors and Officers.** Advancement for directors and officers shall be made as a matter of right, subject only to the undertaking referenced in subsection (a). Advancement for other persons to whom the Board has extended coverage under Section 1(a) may be made as a matter of right or in the Board's discretion, as specified in the applicable Board resolution.

(c) **No Presumption Against Advancement.** The existence of questions about the Covered Person's conduct or ultimate entitlement to indemnification shall not, by itself, be a basis to deny advancement, so long as the undertaking in subsection (a) is provided.

#### **Section 5. Determination of Entitlement to Indemnification.**

(a) **Required Determination.** Except in the case of mandatory indemnification under Section 3, any indemnification under Section 2 shall be made only upon a determination that the applicable standard of conduct has been met.

(b) **Authorized Decision Makers.** Such determination shall be made:

- (1) by a majority vote of the disinterested directors, even though less than a quorum; or
- (2) by a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum; or
- (3) if there are no disinterested directors, or if so directed by the disinterested directors, by independent legal counsel in a written opinion; or
- (4) by a court of competent jurisdiction in a final, nonappealable judgment or order.

(c) **Burden of Proof.** In any Proceeding to determine a Covered Person's right to indemnification, the corporation shall bear the burden of showing that the standards for indemnification have not been met, unless applicable law requires otherwise.

#### **Section 6. Relation to Dispute Resolution Among Directors Article and Commons Enforcement.**

(a) **Enforcement of Articles and Commons Purposes.** For purposes of this Article, a director who, in good faith, brings, maintains, or participates in a Proceeding seeking declaratory, injunctive, or other equitable relief to interpret or enforce the Articles, the bylaws, the Four Funds, the worker veto provisions, or the commons purposes of the corporation shall be deemed to be acting in a manner reasonably believed to be in the best interests of the corporation, provided that the director's actions are not primarily for personal gain or to harass another person.

(b) **Coordination with Dispute Resolution Among Directors Article.** The rights of directors to seek declaratory or related equitable relief, and to receive advancement and reimbursement of fees and costs, as set forth in the **Dispute Resolution Among Directors Article** of the Articles of Incorporation, are intended to be consistent with and supplemented by this Article. In the event of any ambiguity, this **Dispute Resolution Among Directors Article** shall be interpreted together to favor protection of directors who, in good faith, act to enforce the Articles, the bylaws, and the commons purposes of the corporation.

(c) **No Adverse Inference.** The commencement or maintenance, in good faith, of any Proceeding authorized by the Articles or bylaws to enforce the purposes, surplus rules, or governance structures of the corporation shall not, by itself, be treated as evidence of conduct that is opposed to the best interests of the corporation.

### **Section 7. Nonexclusivity and Continuation of Rights.**

(a) **Nonexclusivity.** The rights to indemnification and advancement of Expenses provided by this Article shall not be exclusive of any other rights to which a Covered Person may be entitled under any statute, Articles provision, bylaw, Board resolution, agreement, vote of disinterested directors, or otherwise, both as to actions in an official capacity and as to actions in any other capacity while holding such office.

(b) **Continuation After Service.** The rights of a Covered Person under this Article shall continue as to a person who has ceased to be a Covered Person and shall inure to the benefit of the Covered Person's heirs, executors, and administrators.

(c) **Contract Rights.** The rights of a Covered Person to indemnification and advancement under this Article shall be deemed to be contractual rights, vested as to acts or omissions occurring during the Covered Person's service in such capacity, and no amendment or repeal of this Article shall adversely affect any such rights with respect to any act or omission occurring prior to such amendment or repeal.

### **Section 8. Insurance and Other Arrangements.**

(a) **Authority to Purchase Insurance.** The corporation may purchase and maintain insurance on behalf of any person who is or was a Covered Person against any liability asserted against and incurred by such person in that capacity, or arising out of that person's status as such, whether or not the corporation would have the power to indemnify the person against such liability under this Article or applicable law.

(b) **Other Financial Arrangements.** To the extent permitted by applicable nonprofit corporation law, the corporation may enter into indemnification agreements, establish trust funds, grant security interests, or use other financial arrangements to secure its obligations under this Article.

### **Section 9. Severability and Amendment.**

(a) **Severability.** If any provision of this Article or the application of any provision to any Covered Person or circumstance is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the remainder of this Article shall not be affected and shall be interpreted to give effect to the intent of providing broad indemnification and advancement to the fullest extent permitted by law.

(b) **Amendment.** This Article may be amended or repealed only in the manner provided for amendment of the Articles of Incorporation and in compliance with applicable nonprofit

corporation law. Any such amendment or repeal shall not, without the consent of the affected Covered Person, adversely affect that Covered Person's rights with respect to acts or omissions occurring before the effective date of the amendment or repeal.

Article 25. Authority to Divide and Form Successor Commons Corporations.

**Section 1. Corporate Division Authorized.**

(a) **Authority to Divide.** The Corporation is expressly authorized, subject to applicable law and this Article, to separate, divide, or otherwise restructure its organization so that its business, assets, liabilities, and Subsidiaries are allocated between or among two or more commons corporations that each continue the purposes and structural constraints set forth in these Articles.

(b) **Forms of Division.** A division under this Article may be effected through one or more transactions permitted under applicable nonprofit corporation law, including without limitation the formation of one or more new commons corporations, the transfer of assets and liabilities to such entities, and the adoption of such mergers, consolidations, or reorganizations as may be required to implement the division.

(c) **No Members or Owners.** Any commons corporation created or continued as part of a division under this Article shall have no members, shareholders, or other equity owners, and shall adhere to the same prohibition on private residual claims as the Corporation.

**Section 2. Plan of Division.**

(a) **Board Approval.** Any division under this Article shall be implemented pursuant to a written plan of division approved by the Board of Directors in accordance with these Articles, the Bylaws, and applicable law.

(b) **Required Contents.** The plan of division shall, at a minimum, address the following:

- (1) the identification of each successor commons corporation that will exist upon completion of the division.
- (2) the allocation of the Corporation's assets, liabilities, contractual rights and obligations, and Subsidiaries among the successor commons corporations.
- (3) the proposed governance structure of each successor commons corporation, including the composition and appointment of directors and officers consistent with the structural principles of the Corporation.
- (4) the treatment of existing committees, worker bodies, advisory bodies, and ombuds functions, including whether and how they will be replicated, modified, or allocated among successor commons corporations.
- (5) the manner in which existing policies, protocols, and internal governance instruments will be assigned, replicated, amended, or superseded.
- (6) the steps to be taken to obtain any required regulatory approvals and to comply with federal, state, and local law, including federal tax law and any applicable attorney general oversight.

(c) **Corporate Business Purpose.** The Board shall adopt the plan of division only upon making a good faith determination that the division serves one or more bona fide corporate business purposes of the Corporation and is consistent with its purposes and structural constraints as set forth in these Articles.

**Section 3. Successor Commons Corporations.**

(a) **Preservation of Purposes and Constraints.** Each successor commons corporation resulting from a division under this Article shall:

- (1) be organized as a commons corporation under substantially similar articles of incorporation that preserve the core purposes and structural constraints of the Corporation, including the absence of shareholders or members and the prohibition on private residual claims.
- (2) be governed by a board of directors structured to maintain polycentric governance and worker protections substantially consistent with these Articles, subject to such adjustments as are reasonably necessary to reflect the division and the scope of operations of each successor.

(b) **Adoption of Articles and Bylaws.** The Board is authorized to approve and execute, or cause to be approved and executed, the articles of incorporation, bylaws, and other governing instruments of any successor commons corporation that are necessary or appropriate to implement the plan of division, provided that such instruments remain consistent with the purposes and structural constraints of the Corporation as set forth in these Articles.

#### **Section 4. Federal Tax Compliance and Structuring.**

(a) **Authority to Structure Transactions.** The Board is authorized to structure any division under this Article, and any related transfers of assets, liabilities, and Subsidiaries, in a manner intended to qualify for nonrecognition or other favorable treatment under applicable federal income tax law, including but not limited to provisions governing tax free transfers to controlled corporations and corporate reorganizations.

(b) **Tax Elections and Filings.** The Corporation is authorized to make, or cause to be made, any tax elections, consents, and filings that the Board reasonably determines to be necessary or appropriate to implement the division and to achieve the intended federal, state, and local tax treatment, including obtaining tax identification numbers for any successor commons corporations and filing any required information returns.

(c) **Opinions and Rulings.** The Board may engage tax counsel and other professional advisors, obtain written tax opinions, and request private letter rulings or other determinations from tax authorities, and may modify the structure or timing of the division within the limits of this Article in order to secure or preserve favorable tax treatment, so long as the division remains consistent with the purposes and structural constraints of the Corporation.

#### **Section 5. Regulatory and Attorney General Approvals.**

(a) **Attorney General and Court Approvals.** The Board is authorized to seek and obtain, on behalf of the Corporation, any approvals, consents, or orders that may be required or advisable from any state attorney general, court of competent jurisdiction, or other regulatory authority in connection with a division under this Article, including approvals relating to transfers of assets or changes in corporate structure.

(b) **Amendments to Plan to Satisfy Authorities.** The Board may modify the plan of division to comply with conditions imposed by a state attorney general, court, or other regulatory authority, provided that:

- (1) the modifications do not introduce shareholders, members, or other private owners.
- (2) the modifications do not authorize the distribution of net assets for private benefit.
- (3) the modifications remain consistent, in substance, with the purposes and structural constraints set forth in these Articles.

**(c) Filings and Notices.** The Corporation is authorized to prepare, execute, and file all certificates, notices, and other documents with any governmental authority that are necessary or appropriate to effectuate the division, including articles of incorporation or amendments, certificates of division, and any required regulatory reports.

#### **Section 6. Allocation of Assets, Liabilities, and Subsidiaries.**

**(a) Transfers Authorized.** In furtherance of a division under this Article, the Corporation may transfer, assign, convey, and deliver to any successor commons corporation such of its assets, liabilities, contractual rights and obligations, and Subsidiaries as are provided for in the plan of division, subject to applicable law and any required third party consents.

**(b) Subsidiaries.** The Corporation may transfer to any successor commons corporation all of the equity or governance interests in any Subsidiary, or may cause a Subsidiary to be restructured so that it becomes a Subsidiary of a successor commons corporation, provided that each Subsidiary remains wholly owned, directly, by a commons corporation within the applicable commons capitalism structure.

**(c) Assumption of Liabilities.** Each successor commons corporation may assume such liabilities, obligations, and commitments of the Corporation or of any Subsidiary as are allocated to it under the plan of division, and the Corporation is authorized to enter into assumption agreements or other instruments to evidence such allocations.

#### **Section 7. Implementation Authority.**

**(a) Actions by Officers and Directors.** The Board may authorize any officer or director of the Corporation to execute and deliver all agreements, instruments, certificates, and other documents, and to take all actions, that the Board determines to be necessary or appropriate to implement the division, including without limitation:

- (1) organizational documents for successor commons corporations.
- (2) transfer, assignment, and assumption agreements.
- (3) intercompany agreements.
- (4) regulatory and tax filings.

**(b) Professional Advisors.** The Corporation may retain, compensate, and rely upon legal counsel, tax advisors, accountants, valuation experts, and other professional advisors in connection with any division under this Article, and may pay all reasonable fees and expenses incurred in connection with such division.

**(c) Further Assurances.** The Corporation and any successor commons corporations are authorized to perform all such further acts and to execute all such further documents as may be reasonably necessary or appropriate to carry out fully the intent and purposes of this Article and any plan of division adopted under it.

#### **Section 8. Continuity of Obligations and Protections.**

**(a) Continuity of Worker and Benefit Protections.** To the extent reasonably practicable, any plan of division shall provide for the continuation or equitable allocation among successor commons corporations of the Corporation's existing worker protections, wage and benefits structures, and commons based surplus policies, including any budgetary or fund allocations and worker veto protections established under these Articles.

**(b) No Private Distributions.** No division under this Article shall authorize or result in the distribution of net assets for the private benefit of any director, officer, worker, or other

individual, except for reasonable compensation for services rendered or reimbursement of reasonable expenses.

(c) **Successor Obligations.** Each successor commons corporation shall, to the extent provided in the plan of division, succeed to and honor the obligations of the Corporation with respect to workers, benefit arrangements, and long term commitments, consistent with the purposes and structural constraints of these Articles.

**Section 9. Interpretation.**

(a) **Consistency With Other Articles.** This Article shall be interpreted in a manner consistent with the Corporation's purposes and structural constraints as set forth elsewhere in these Articles. In the event of any conflict between this Article and other provisions of the Articles, the provisions that more strictly preserve the commons structure and prohibit private residual claims shall govern.

(b) **Supplemental Authority.** The authority granted by this Article is intended to supplement, and not to limit, any power of division, reorganization, merger, or asset transfer that the Corporation may have under applicable law or under other provisions of these Articles, so long as such powers are exercised in a manner consistent with the purposes and structural constraints set forth herein.

## Article 26. Charitable and General Welfare Actions.

### **Section 1. Authority and Scope**

(a) The Corporation is authorized, directly and through any Subsidiary, to undertake the actions described in this Article (each, a “Covered Action”), solely as an incidental and subordinate exercise of corporate power.

(b) A Covered Action is permitted only if it (i) does not alter, dilute, supersede, or frustrate the ultimate purposes and mission of the CCE as set forth in these Articles and the Bylaws and (ii) is approved in strict compliance with this Article.

### **Section 2. Definitions**

(a) “Charitable Contribution” means any gift, grant, sponsorship, donation, or other transfer of money, property, or services, without expectation of financial return, to or for the benefit of a Charitable Recipient.

(b) “Charitable Recipient” means (1) a nonprofit corporation, charitable trust, or other nonprofit entity organized and operated for charitable, educational, scientific, civic, or humanitarian purposes, or (2) a governmental unit or instrumentality, in each case as determined by the Board in good faith.

(c) “Nonprofit Affiliate” means any nonprofit corporation or other nonprofit entity that is created, organized, or caused to be organized by the Corporation or any Subsidiary, whether or not controlled by the Corporation.

(d) “General Welfare Distribution” means any distribution, transfer, program expenditure, or in-kind support intended to promote the general welfare outside the CCE, including support of public or community-oriented initiatives, but excluding internal worker wages, internal worker benefits, internal funds, internal reserves, and internal acquisition, reinvestment, and expansion activity.

(e) “Supermajority Vote” means the affirmative vote of not less than TWO-THIRDS (2/3) of all directors then in office (or such higher standard as may be specified elsewhere in these Articles, in which case the higher standard governs).

(f) “Worker Veto” means the worker veto right and related procedures established in these Articles and the Bylaws (and any implementing policies authorized by these Articles and the Bylaws), including any successor or amended worker veto provisions adopted by amendment to these Articles.

(g) “Ombudsman” means the Ombudsman office or officer established under these Articles and the Bylaws (and any successor office or officer established by amendment to these Articles).

(h) “Subsidiary” has the meaning stated in these Articles and means a legal entity that (i) is directly owned by the Corporation in the amount of one hundred percent (100%) of the equity or other ownership interests, (ii) conducts market-facing operations, and (iii) has been affirmatively designated as a Subsidiary by resolution of the Board of Directors. An entity that is controlled but not wholly owned by the Corporation is not a Subsidiary. An entity that is wholly owned but not designated as a Subsidiary by Board resolution is not a Subsidiary.

### **Section 3. Covered Actions**

(a) The following are Covered Actions:

- (1) making any Charitable Contribution;
- (2) making any General Welfare Distribution;
- (3) forming, creating, or causing the creation of any Nonprofit Affiliate;
- (4) making any capital contribution to, grant to, or other material support of a Nonprofit Affiliate;
- (5) transferring, selling for less than fair market value, donating, dedicating, or otherwise distributing any Corporation or Subsidiary assets to a Charitable Recipient or for a general-welfare purpose; and
- (6) entering into any binding multi-year commitment to do any of the foregoing.

(b) No Covered Action is authorized unless all conditions in Sections 4 through 10 are satisfied.

#### **Section 4. Mission Preservation Limitations**

(a) The Corporation shall not undertake any Covered Action if the Board determines in good faith that the Covered Action would, individually or in the aggregate with other Covered Actions:

- (1) materially impair, frustrate, or create a substantial risk of frustration of the ultimate purposes and mission of the CCE;
- (2) materially reduce the CCE's capacity to sustain its required internal wage and benefit architecture as set forth in the governing documents;
- (3) materially reduce the CCE's capacity to acquire, convert, capitalize, or otherwise expand through additional Subsidiaries or reinvestment activity as contemplated by the governing documents;
- (4) create any private residual claim, private return, investor-like interest, or other prohibited private benefit in any person; or
- (5) create governance rights or contractual constraints in any third party that could reasonably be expected to limit the Board's discretion in carrying out the ultimate purposes and mission of the CCE.

(b) Compliance with this Section 4 is a condition precedent to authorization and implementation of any Covered Action.

#### **Section 5. Required Board Findings**

(a) As a condition to approval of any Covered Action, the Board shall adopt written findings (the "Mission Preservation Findings") stating with reasonable specificity that:

- (1) the Covered Action is incidental and subordinate to the ultimate purposes and mission of the CCE;
- (2) the Covered Action does not alter, dilute, supersede, or frustrate the ultimate purposes and mission of the CCE;
- (3) the Covered Action is reasonably expected not to materially impair the CCE's ability to fund and maintain its required internal wage, benefit, reserve, and acquisition/reinvestment architecture as set forth in the governing documents;
- (4) the Covered Action does not create any prohibited private residual claim, private return, investor-like interest, or other prohibited private benefit; and

(5) the Covered Action is in the best interests of the Corporation, considered as a commons steward, and is consistent with the Board's fiduciary obligations under applicable law.

(b) The Mission Preservation Findings shall be maintained with the corporate records.

#### **Section 6. Supermajority Approval Requirement**

(a) Any Covered Action requires approval by Supermajority Vote at a duly called meeting of the Board (or by unanimous written consent if permitted under the governing statute), with the Covered Action and proposed Mission Preservation Findings included in the notice or materials delivered to directors.

(b) The Board may impose additional conditions on any Covered Action, including caps, staged funding, re-approval triggers, reporting covenants, termination rights, and clawback, reversion, or refund provisions to the extent legally enforceable.

#### **Section 7. Worker Veto Applies Without Threshold; Notice Served on Ombudsman**

(a) Each Covered Action is expressly subject to the Worker Veto, regardless of amount, materiality, or any threshold otherwise applicable to worker-veto processes.

(b) For purposes of the Worker Veto, any reference in the Worker Veto provisions to a "Materiality Threshold" or similar trigger shall be deemed satisfied for every Covered Action.

(c) Any notice required to commence, support, or validate the Worker Veto process for a Covered Action (including notice of the proposed Covered Action, supporting materials, updates, and notice of final Board approval) shall be served on the Ombudsman, and service on the Ombudsman shall constitute service for all purposes under this Article.

(d) The Ombudsman shall promptly transmit the notice and accompanying materials to the applicable worker committee or committees in accordance with the Worker Veto provisions and any implementing policies authorized under the governing documents.

(e) No Covered Action may be implemented, funded, closed, consummated, or otherwise carried out unless and until the Worker Veto process applicable to the Covered Action has been completed and has not resulted in a valid veto, or any valid veto has been resolved in a manner permitting the Covered Action under the governing documents.

#### **Section 8. Limits on Delegation and Commitments; Unauthorized Acts Void**

(a) The Board may not delegate final authority to approve any Covered Action, nor may any officer, director, committee, or agent bind the Corporation or any Subsidiary to a Covered Action, except pursuant to a prior Supermajority Vote and completion of the Worker Veto process under Section 7.

(b) Any purported Covered Action taken, committed to, funded, or consummated without strict compliance with this Article is unauthorized and shall be void and of no force or effect to the maximum extent permitted by law.

(c) No ratification of an unauthorized Covered Action is effective unless (1) the Board re-approves the Covered Action by Supermajority Vote, (2) the Board adopts Mission Preservation Findings complying with Section 5, (3) the Worker Veto process under Section 7 is completed without a valid veto (or any valid veto is resolved in a manner permitting the Covered Action), and (4) ratification is legally permissible under the governing statute and applicable law.

## **Section 9. Non-Charitable Status of the CCE; Permissible Qualification of Recipients and Gifts**

(a) The powers granted by this Article are adopted as incidental corporate powers and do not create, imply, or evidence any public or charitable purpose of the Corporation or the CCE.

(b) Nothing in this Article authorizes, requires, or contemplates that the Corporation (or any Subsidiary) will qualify, be organized, or be operated as an organization described in IRC Section 501(c)(3) or 501(c)(4).

(c) The Corporation may, however, structure Charitable Contributions and other Covered Actions so that (1) the recipient qualifies under IRC Section 501(c)(3) (or another applicable exempt-category provision) and (2) the gift, grant, or transfer itself qualifies as a charitable contribution or other qualifying transfer under applicable federal tax law, in each case to the extent consistent with Section 4 and the Mission Preservation Findings required by Section 5.

## **Section 10. Reporting and Records**

(a) At least annually, the Board shall cause a written report to be prepared summarizing Covered Actions authorized, completed, or continued during the period, including amounts, recipients, purposes, key conditions, and the status of any ongoing commitments.

(b) The report shall be made available to directors and, through the Ombudsman, to the applicable worker committee or committees, in a manner consistent with the governing documents and any confidentiality constraints.

## **Section 11. Construction**

(a) This Article shall be construed to preserve and protect the ultimate purposes and mission of the CCE.

(b) If any provision of this Article is held invalid, the remaining provisions shall remain in effect to the maximum extent permitted by law and shall be construed to preserve, to the fullest extent legally permissible, (1) the Supermajority Vote requirement and (2) Worker Veto coverage without regard to any threshold for all Covered Actions.

## Article 27. Dissolution and Distribution of Assets.

### **Section 1. Dissolution and Plan of Dissolution.**

(a) **Nonprofit Commons Corporation.** The corporation is a nonprofit corporation and is designated as a Commons Corporation serving as the apex entity of a Commons Capitalism Entity (CCE).

(b) **Dissolution Only Under Applicable Law.** The corporation may be dissolved only in accordance with the applicable nonprofit corporation statute and upon the adoption of a plan of dissolution approved in the manner required by that statute and these Articles of Incorporation.

(c) **Plan of Dissolution.** The plan of dissolution shall provide for the orderly winding up of the corporation's affairs and shall specify the disposition of assets in conformity with this Article.

(d) **Required Filings.** The corporation shall execute, file, and deliver all documents required by applicable law to effectuate dissolution and termination of corporate existence.

### **Section 2. Winding Up and Payment of Liabilities.**

(a) **Payment and Provision for Claims.** Before any distribution of assets, the corporation shall (1) pay or make adequate provision for the payment of all liabilities and obligations of the corporation and (2) address known and reasonably foreseeable claims in the manner permitted by applicable law.

(b) **Reserve Authority.** The corporation may establish reasonable reserves for contingent, conditional, or unmatured liabilities and for costs of winding up, as determined by the Board of Directors in good faith.

### **Section 3. Distribution of Remaining Assets.**

(a) **No Private Distribution.** No remaining assets of the corporation shall be distributed to or for the private benefit of any director, officer, employee, member of any governing body, or other individual, except (1) payment of lawful compensation for services rendered, (2) repayment of bona fide indebtedness, and (3) reimbursement of lawful expenses incurred on behalf of the corporation.

(b) **Primary Distribution Rule.** After satisfaction of Section 2, the remaining assets shall be distributed to one or more nonprofit corporations, nonprofit trusts, or other nonprofit entities that are legally permitted to receive the assets and that are selected by the Board of Directors because each recipient is obligated by its governing documents to hold the received assets as a managed commons.

(c) **Preference for a Successor Commons Corporation.** In making distributions under subsection (b), the Board of Directors shall give preference to a successor Commons Corporation, or to one or more existing Commons Corporations, that are structured to serve as apex entities of Commons Capitalism Entities and that are legally committed to prevent private capture of retained surplus and to steward assets for the benefit of past, present, and future workers within their respective CCE structures.

(d) **Alternative Distribution if No Qualified Commons Recipient Exists.** If the Board of Directors determines in good faith that no recipient described in subsection (c) is reasonably available, the Board of Directors shall distribute the remaining assets to one or more nonprofit entities described in subsection (b) that are obligated by their governing

documents to apply the assets in a manner that (1) preserves the assets from private capture and (2) maintains the assets in a commons-like stewardship framework consistent with the corporation's governing documents.

(e) **Asset-Specific Terms.** Distributions may be made subject to reasonable asset-specific terms, including restrictions required by applicable law or by enforceable contractual obligations, provided that no such terms permit private capture of the distributed assets.

**Section 4. Final Accounting and Records.**

(a) **Final Accounting.** The corporation shall prepare a final accounting of winding up, including (1) satisfaction of liabilities, (2) asset dispositions, and (3) the identity of each recipient and the material terms of each distribution.

(b) **Records Retention.** The corporation shall maintain or cause to be maintained the corporate records of dissolution and distribution in the manner required by applicable law.

## Article 28. Amendments and Bylaws.

### **Section 1. Bylaws.**

- (a) **Authority to Adopt Bylaws.** The Board of Directors shall have the power to adopt bylaws for the governance of the Commons Corporation, subject to (i) the Articles of Incorporation, (ii) the applicable nonprofit corporation statute, and (iii) any limitations expressly stated in the governing documents of the CCE.
- (b) **Scope of Bylaws.** The bylaws may contain any provisions for managing and regulating the affairs of the Commons Corporation that are not inconsistent with the Articles of Incorporation or the applicable nonprofit corporation statute.
- (c) **Internal Consistency.** In the event of any inconsistency between the bylaws and the Articles of Incorporation, the Articles of Incorporation shall control.

### **Section 2. Amendments to Articles of Incorporation.**

- (a) **Authority and Procedure.** The Articles of Incorporation may be amended only (1) in the manner required by the applicable nonprofit corporation statute and (2) in compliance with any amendment-related requirements expressly stated in the governing documents of the CCE.
- (b) **Board Approval.** Unless a higher vote requirement is expressly stated in the Articles of Incorporation or required by the applicable nonprofit corporation statute, an amendment to the Articles of Incorporation shall require approval by the Board of Directors in accordance with the Board's voting rules set forth in the bylaws.
- (c) **Filing and Effectiveness.** Any amendment adopted pursuant to this Section shall be executed, filed, and become effective in the manner required by the applicable nonprofit corporation statute.

### **Section 3. Amendments to Bylaws.**

- (a) **Authority and Procedure.** The bylaws may be amended or repealed, and new bylaws may be adopted, only by the Board of Directors, in each case in accordance with (1) the bylaws' stated amendment procedures and (2) any limitations expressly stated in the Articles of Incorporation.
- (b) **No Implied Waiver.** The adoption, amendment, or repeal of bylaws shall not be construed to waive compliance with the Articles of Incorporation or the applicable nonprofit corporation statute.
- (c) **Record of Amendments.** The Commons Corporation shall maintain current bylaws and a record of amendments as part of its corporate records.

### **Section 4. Construction.**

- (a) **Governing Law.** This Article shall be construed to implement the lawful adoption and amendment of bylaws and charter provisions for a nonprofit commons corporation under the applicable nonprofit corporation statute.
- (b) **Severability.** If any provision of this Article is determined to be invalid or unenforceable, the remaining provisions shall remain in effect to the fullest extent permitted by law.

