

Statutes

The Natural Step International (the association)

(the association is registered in Stockholm/Sweden as: 802409-2358)

1. Name and composition

The name of the association is The Natural Step International (or TNSi). The association is registered as a non-profit association (“ideell förening”) under the laws of the Kingdom of Sweden.

The association is comprised of member organisations which share the same purpose as TNSi, and which have signed a Licence Agreement to be able to use the Natural Step brand and related Natural Step brand materials.

2. Definitions

In these Statutes the following definitions are used:

- (a) **Annual General Meeting** (or AGM) means the meeting held each year at which the Board of Directors reports to the members on activities and financial matters and at which the election of Officers and other authorised matters are dealt with in terms of these Statutes.
- (b) **Special General Meeting** (or SPG) means a general meeting of members properly called for any purpose other than the AGM.
- (c) **TNS Council Meeting** means a meeting called and arranged by the Board specifically to bring together representatives of all Natural Step office members.
- (d) **Simple majority** means more than 50% of the members who are entitled to vote and do vote on a particular issue or motion.
- (e) **TNSi Licence Agreement** (or TNSi Licence) means an agreement between TNSi and another properly constituted legal entity enabling:
 - i. use the intellectual property of TNSi comprising The Natural Step brand materials
 - ii. hold itself out as an organisation that is approved to use The Natural Step brand in its activities
 - iii. have the capacity to formally evaluate and accredit Natural Step Associates pursuant to an approved accreditation process.
- (f) **Member** means a legal entity that has properly signed a Licence Agreement with TNSi.
- (g) **Natural Step brand** means the logo design, name and goodwill of the The Natural Step and TNSi.



- (h) **Natural Step brand materials** mean the name The Natural Step, any translations of the name into local languages such as Det Naturliga Steget, the logo design adopted by TNSi from time to time, as well as previous logos that have been used by TNSi; and any other graphics or visuals that are owned by TNSi as its intellectual property.

3. Purpose of The Natural Step International association

The purpose of the association is to accelerate the transition towards a truly sustainable global society. It will do this by supporting its members who will engage individuals and organizations to take concrete action towards, and beyond, ecological, social, and economic sustainability. The underlying premise for the work of the association and its members is a scientific, systemic and strategic approach to achieving sustainability as codified in the 'Framework for Strategic Sustainable Development' (FSSD), and focused on:

- (a) Empowering individuals - empowering interested people to become effective change agents for sustainability;
- (b) Organisations - creating future-fit organisations and role models for sustainable business and communities;
- (c) Facilitating systems change towards future-fitness - delivering break-through results that make whole systems more sustainable.

4. Role and activities of the association

The primary and core role of the association is to carry out the purpose of the association and protect, maintain, nurture and develop The Natural Step brand and brand materials. In carrying out this primary role, the association may undertake additional activities as determined by the Board from time to time, including:

- (a) Secure and manage funds and other resources to carry out its work.
- (b) Define the process to formally evaluate and accredit Natural Step Associates pursuant to an approved accreditation process.
- (c) Support new members who are committed to helping achieve the association's purpose.
- (d) Foster the sharing of knowledge, skills and experience between members.
- (e) Support and encourage the development and implementation of members' strategic ambitions.
- (f) Encourage and support research and methodologies that underpin the Framework for Strategic Sustainable Development and its further development.
- (g) Facilitate and coordinate strategic partnerships that are consistent with the association's purpose and role.



- (h) Present a unified face to the global market to support members' strategic ambitions and achieve the association's purpose.
- (i) Promote and encourage the use of science-based approaches for understanding and addressing sustainability challenges around the globe.

5. Limitations

- (a) The association is a non-profit organisation and does not pursue primarily economic objectives.
- (b) The association's resources and assets may only be used for its purpose and role as defined in these Statutes.
- (c) The members do not receive any dividends from the association. The association may, however, reimburse members and member representatives for properly incurred and approved expenses, and for properly approved products and services provided for its benefit or on its behalf.
- (d) As a matter of principle, the association will operate according to principles of subsidiarity and interdependence, and will minimise any work to directly provide services, support or other work where the same can be carried out more efficiently or effectively by one or more members at a local level with local partners.

6. Funding

The association gains its operating income from the following sources:

- (a) Membership fees
- (b) Donations
- (c) Grants

7. Membership

- (a) A member of the association shall:
 - i. Be an incorporated non-profit organisation, registered charity, or other recognised social benefit entity such as legally recognized public benefit corporation, certified B Corp®, or similar
 - ii. Deliver, enable or facilitate the provision of services through accredited TNS Associates that actively progresses the association's purpose
 - iii. Comply at all times with all required terms and conditions in the TNS Licence agreement (**Appendix 1**)
- (b) New members may be proposed to the Board by written recommendation from 2 existing members, and acceptance of that proposal shall require a 75% majority at a General Meeting.
- (c) Membership status is effective upon an approved Board representative countersigning the



TNSi Licence Agreement and the Natural Step Charter (**Appendix 2**), which shall be done only once all membership requirements are met and all required membership investment fees have been paid.

- (d) The Board and any member of the association may propose that the association admit someone as an honorary member. Honorary members are natural persons admitted by recognition of their special connection with and value to the association. Honorary members must be approved by a 75% majority of the AGM, and have the right to attend the AGM but not to vote.

Members' rights and obligations

- (e) Each member may attend and vote at the AGM or any SGM through one named and authorized representative, and may participate in any TNS Council Meeting.
- (f) Members have the right to use and an obligation to protect the Natural Step brand and brand materials as set out in the TNS Licence Agreement. The TNS Licence Agreement shall provide the terms on which any member may grant rights to affiliated organisations by way of a sub-licence to use the brand and related visuals.
- (g) Members shall develop, share and implement their strategy in alignment with the association's overall purpose and the The Natural Step Charter.
- (h) Members shall commit such time and resources to achieving the association's purpose and goals as they are reasonably able to.

Membership fees

- (i) The fee paid pursuant to the TNS Licence Agreement, shall constitute the membership fee. The amount of the membership fee shall be set and determined by the AGM each year.
- (j) In setting the membership fee, the AGM shall have an emphasis on keeping the level of investment at the absolute minimum prudent level required to support the work agreed by the AGM as appropriate and consistent with the purpose of the association.
- (k) In carrying out the annual membership fee review, the AGM shall have primary regard to an agreed budget that sets out the cost of proposed essential services, support and any other work that is agreed as appropriate to be managed and coordinated at the global network level, as opposed to locally.

Termination of membership

- (l) Membership is terminated on the day when a TNS Licence Agreement terminates or is cancelled for whatever reason, unless a notice of termination is pending and the Annual General Meeting agrees a change to the TNS Licence Agreement that invalidates the notice of termination.
- (m) The conditions under which a termination can be executed is set out and provided for in the TNS Licence Agreement.

8. Governance

The association's decision-making bodies are the Annual General Meeting (AGM), Special General Meeting (SGM), and the Board of Directors (the Board).



9. Board of Directors

Composition

- (a) The Board shall consist of at least three and no more than five members and shall be elected by the AGM for a term of three years. Board members shall be authorised representatives of the association's organisational members.
- (b) The Board shall comprise the following officers:
- i. Chairperson: who shall, unless agreed otherwise by the Board, preside over all meetings of the association and have overall responsibility for the association's activities. In the case of absence, the executive authority of the Chairperson shall automatically transfer to the Secretary and Treasurer. The Chairperson shall be elected by the AGM.
 - ii. Secretary: who shall, unless agreed otherwise by the Board, be responsible for keeping minutes of all Board meetings, keeping and maintaining an accurate registry of the association's members, and deal with all usual secretarial matters. The Secretary shall be elected at the first meeting of the newly elected Board.
 - iii. Treasurer: who shall, unless agreed otherwise by the Board, be responsible for managing the association's funds and finances, including keeping full accounts of all income and expenditure, and dealing with any taxes or other fees that are due from or to the association. The Treasurer shall be elected at the first meeting of the newly elected Board.
- (c) The AGM may decide to co-opt up to two other people on to the Board as deputies, so long as those people would be eligible to be elected to the Board at an AGM.
- (d) The Board may fill any casual vacancies that arise from time to time by co-opting any person who would be eligible to be elected at an AGM.

Resignation, retirement and dismissal of Board members

- (e) Should any member of the Board resign from their position on the Board during the term, the replacement person shall be appointed at a SPG only for the remainder of the resigning Board member's term.
- (f) A Board member's office automatically terminates in the case of death, resignation, business incapacity, or if they are dismissed by a simple majority of the Special or Annual General Meeting. Any proposal to dismiss a Board member shall be notified to that person prior to any notice for the Special or Annual General Meeting out of courtesy. The grounds for any such dismissal shall include a Board member:
- i. Being convicted of a criminal offence
 - ii. Being declared or adjudicated as bankrupt or insolvent
 - iii. Bringing the association or The Natural Step brand into disrepute
 - iv. Behaving in a way that is unreasonable and unbecoming of a board member for a globally recognised association, or behaving in any way that, in the view of the association's members, would seriously and detrimentally affect the brand of or trust



in the association

- v. Behaving in such a way as to break or lose the trust of a majority of the association's members.
- (g) Re-appointment of a Board member for one subsequent three year terms is permitted, with a maximum allowable consecutive period of Board service being 6 years.
- (h) A retiring Board member shall be deemed to remain in office until a replacement Board member is elected to replace her or him.

Powers of the Board

- (i) The Board of Directors may establish committees, working groups and forums to support its work as it sees fit. Establishing a committee, working group or forum requires a unanimous decision of the Board.
- (j) The Board may delegate decision-making powers and spending authority to a committee, working group or forum for a particular and defined task or piece of work. The establishment of any group with such delegated authority shall require approval at a Special or Annual General Meeting by a simple majority vote. Any proposal put to a Special or Annual General Meeting by the Board to establish a group with delegated authority shall include for approval by the General Meeting:
 - i. A clearly defined purpose and role for the group, with stated objectives, outcomes and deliverables that the group is responsible for
 - ii. The names of the people comprised in the group, and a short explanation as to why they have been selected for the group
 - iii. The scope of decision-making authority that is being delegated to the group
 - iv. An itemised budget covering all expenditure for the group's work.
- (k) The Board represents the association in court and out of court. It has the position of a legal representative and each member of the Board is individually entitled to represent it.
- (l) The executive authority of the chairperson is in the case of absence automatically transferred to the Secretary and Treasurer.
- (m) The members of the Board of Directors are volunteers for the association and may be reimbursed for properly incurred expenses which shall be approved by a majority at a Special or Annual General Meeting.

Duties of the Board

- (n) The Board is responsible for the ongoing management of the association and its administration. The Board is also authorized to take all steps and carry out any business within the scope of these Statutes for which a General Meeting is not expressly responsible.
- (o) The duties of the Board include, but are not limited to:
 - i. The pursuit and implementation of the association's purpose and role as set out in Statutes 3 and 4
 - ii. Fostering effective collaboration between the members and supporting the acquisition of further members
 - iii. The management of the assets of the association, including the keeping of books and the preparation of the annual accounts or annual financial statements
 - iv. The preparation of an annual report detailing achievements towards the association's purpose
 - v. The establishment of a budget at the beginning of each financial year



- vi. Planning and running the Special and Annual General Meetings
 - vii. On a regular basis, but at least three times per year, hold a TNS Council Meeting where representatives of all members are invited to share their progress and resolve any operational issues
 - viii. Other reporting on the activities of the association.
- (p) The Board shall have the annual financial statements or the annual accounts of the association audited by an auditor. The audit shall include an assessment of the fulfilment of the association's role and purpose, and the proposed use of its income.

10. Authorised signatories

The authorised signatory for the association is the Board or, if the Board so decides, two Board members together, or by one or more appointed member representatives under a properly approved delegated authority.

11. Accounting year dates

The association's financial year shall run from 1st January to 31st December.

12. General Meetings (AGM and SGM)

Annual General Meetings

- (a) The AGM is the supreme decision making body of the association.
- (b) The AGM shall be held every year on a date after 1st April and no later than 30th September on a date decided by the Board.
- (c) The AGM shall be convened with notice by the chairperson in writing or by email stating the agenda, with a minimum notice period of 6 weeks. The notice shall include the proposed agenda and previous AGM. The audited financial accounts to the previous year's end and the auditor's report for that period shall be sent to members no less than 3 weeks prior to the AGM.
- (d) Members shall notify the chairperson and all other members in writing or by email of any agenda items they wish to add by giving at least 2 weeks notice in advance of the meeting date.
- (e) The Annual General Meeting responsibilities include, but are not limited to:
 - i. Electing the chairperson and secretary for the meeting;
 - ii. Making and approval of a registry of eligible voters;
 - iii. Electing, dismissing and discharging the Board members;
 - iv. Review of the annual accounts or annual financial statements;
 - v. Discussing and approving the strategy and activities of the association
 - vi. Approving the budget;
 - vii. Agreeing the membership fee;

- viii. Amending of the statutes;
 - ix. Dissolving the association;
 - x. Electing the auditor;
 - xi. Approving the association's policies and regulations
- (f) Any member representatives can be nominated for a specific office by any other member during or in advance of the AGM.
- (g) Minutes of AGM meetings, including all resolutions taken, shall be recorded in English. The minutes shall be confirmed by signature of the chairman and secretary and shall be communicated to all members at the earliest possible opportunity.

Special General Meetings

- (h) A SGM shall be convened when:
- i. the Board deems it necessary
 - ii. at least half of the regular members request it, or
 - iii. the Auditor requests it.
- (i) Notice of a SGM shall be given by the chairperson at least 4 and no more than 8 weeks prior to the proposed meeting date with the agenda items to be discussed and any other relevant information. Only items of business proposed in the notice may be discussed and decided at the meeting.

Provisions applying to all General Meetings

- (j) General meetings may be convened in a suitable online forum if a simple majority of the Board agrees. The forum shall be such that it is accessible only to association members and provide a process by which members can be verified.
- (k) General Meetings shall be quorate if at least 50% of the association's current members are present through an authorised representative, either in person (including online as provided for above) or by proxy, and those members who are present confirm that the meeting has been properly convened in accordance with these Statutes.
- (l) General meetings shall be chaired by the chairperson. If the chairperson is absent, those present shall elect a chairperson for the meeting. The secretary is appointed by the chairman of the meeting.

Voting

- (m) At General Meetings, each member has one vote.
- (n) The chairperson shall determine the voting procedure and mode to be used, except for electing the Board members which shall always be in written form.
- (o) If a member's representative is not able to attend a General Meeting, that member may:
- i. Vote for the election of officers in writing or by email sent to the chairperson in advance of the meeting
 - ii. Appoint a proxy to represent their interests and cast votes on their behalf at the meeting, provided that:
 - 1. The appointment is recorded in writing, stating the appointed person's full name and the association member they are connected to; and
 - 2. The person appointed is an authorised representative of another member, who is properly entitled to attend the meeting.

13. Amendments and alterations to the Statutes

Any amendments to the Statutes must be approved by the Annual General Meeting and requires a 75% majority of those entitled to vote and voting.

14. Auditing the association's accounts

- (a) One or two auditor(s) shall be chosen and agreed at the AGM for a term of one year.
- (b) The Auditor(s) have the right to continuously have access to the association's accounts, annual meetings, Board minutes and other documents. The Auditor(s) shall not participate in the Board meeting. The Auditor(s) shall be independent of the Board but may be a representative of an association member. The association's accounts shall be available for the Auditor(s) no later than one month before the annual meeting.
- (c) The Auditor(s) shall review the Board's administration and accounts for the most recent operational and financial year and submit the audit report to the Board 14 days before the AGM.

15. Dissolution and transfer

If so resolved by the AGM, the association may be dissolved or transferred to a different country. An application for dissolution or transfer shall be preceded by a resolution to this effect passed at an AGM, with a 75% majority of members entitled to vote and voting. A simultaneous resolution shall be passed which states how the net assets, if any, of the association shall be distributed or used in compliance with the purpose of the association.

16. Legal proceedings

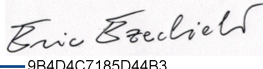
No action or legal proceedings whatsoever, whether at law or in equity, shall be taken or instituted by any member against the association, or any board member or other member of the association in any respect of any decision, proceeding, resolution, matter or thing whatsoever done, omitted, passed, carried or sanctioned by the board, and notwithstanding any irregularity in or relating to such decision, proceeding, resolution, matter or thing. In the event of any such action or proceeding being instituted the production of these rules shall be a complete answer and defence to it.

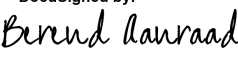
17. Matters not provided for

In the event of any matter arising which is not provided for in these rules or any matter relating to the proper interpretation of these rules, the same shall be determined by the a TNS Council Meeting, whose decision shall be conclusive and binding on all members. Notice of such decision shall be given to the next general meeting and unless revoked at that meeting, shall be deemed to stand.

The Statutes shall come into effect upon approval from the members of the Association.

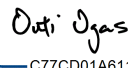
Stockholm, May 24th, 2017

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Chairman – Eric Ezechieli

Secretary – Berendt Aanraad

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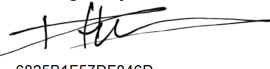
Treasurer - Outi Ugas

And signed by the current members of The Natural Step International

On behalf of:**By:****Signature:**


The Natural Step Canada

David Hughes

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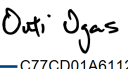
The Natural Step China

Patrik Sandin

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The Natural Step Finland

Outi Ugas

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The Natural Step Germany

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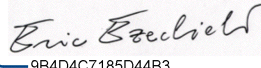
Michal Bitterman

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The Natural Step Italy

Eric Ezechieli

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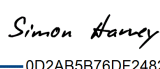
The Natural Step Netherlands

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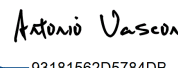
The Natural Step New Zealand

Simon Harvey

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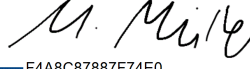
The Natural Step Portugal

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The Natural Step Switzerland

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