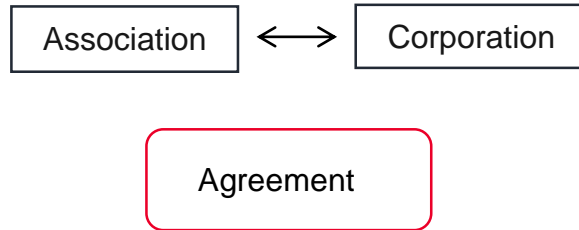


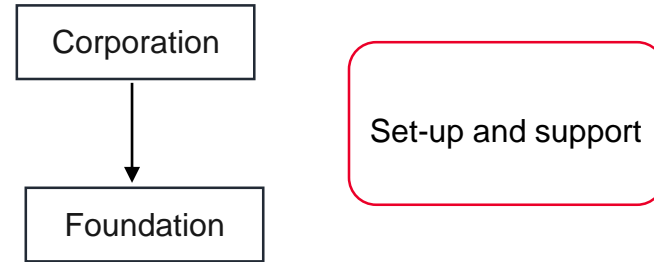
Sister organisations



Under this model, there is a clear separation and accountability between the business activities and the non-profit projects.

- + There is a need of a Chinese walls between the entities to avoid jeopardizing their independence and tax exemption of the non-profit arm
- + The activities of the non-profit entity may not serve to support the for-profit sister organisation
- + An overlap of board and management between the two entities is possible

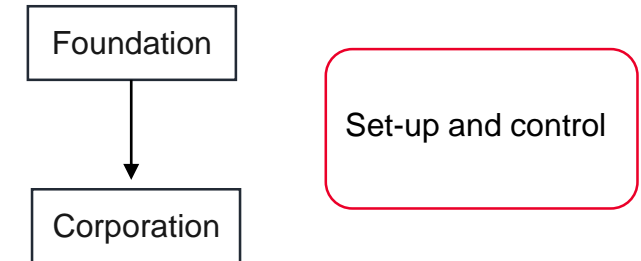
Non-profit «subsidiary» of a for-profit entity



This model is mainly intended to establish a non-profit affiliated organisation to deploy corporate philanthropy and pursue CSR objectives of the for-profit parent entity.

- + This is a classic structuring model in corporate groups for their CSR activities or the corporate foundation
- + The non-profit entity benefits of constant support and name and reputation of the corporate/profit entity
- + An overlap of board members between the two entities is tolerated
- + Both entities are taxed independently

For-profit entity as subsidiary of a non-profit



In this case, the non-profit entity establishes a commercial subsidiary (or hold shares of such existing entity). The non-profit entity is then generally referred to as a *Holding*.

- + The profits can be distributed to the non-profit entity by way of dividends
- + The non-profit entity must use these funds for its public utility purpose
- + In this case, the non-profit entity shall not have management powers in the for-profit subsidiary
- + Yet, one liaison board officer tolerated