

CHAPTER 20

STEWARD OWNERSHIP AND OTHER HYBRID GROUP STRUCTURES

Beyond the Noble Purposes

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1. INTRODUCTION

1. Hybrid group structures, which comprise both for-profit and non-profit entities, have recently gained attention as a promising tool for companies³ to foster certain values regarding the environment, society, employees, etc. One emerging model, known as “steward ownership”, is particularly praised for being well-suited to purpose-driven enterprises. In this model, shares of a for-profit company are held by one or more non-profit entities that act as stewards. A prominent example is Patagonia Inc. Its founder Yvon Chouinard made headlines by transferring all company shares to a trust and a non-profit organisation, in order to ensure that the company’s profits are used to combat the climate crisis.⁴ A less intrusive way companies utilise non-profit structures to advance societal goals is by setting up (and often controlling) corporate foundations or other non-profit entities specifically for donating funds to environmental or social initiatives or for executing corporate social responsibility projects.⁵

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³ Although in some jurisdictions companies can be used for non-profit endeavours, in this chapter, the term “companies” refers to for-profit companies.

⁴ GELLES D., ‘Billionaire No More: Patagonia Founder Gives Away the Company’, *The New York Times* 14 September 2022.

⁵ GEHRINGER T., ‘Corporate Foundations as Hybrid Organizations: A Systematic Review of Literature’, *Voluntas* 2021, (257) 267; REISER D.B. and DEAN S.A., *For-Profit Philanthropy*, Oxford University Press, 2023, 86.

2. The use of hybrid structures is not new. Such structures have since long been employed for purposes of tax optimisation, entrenchment of control, access to beneficial regimes or to protected activities, to protect assets, etc. Hybrid structures can also enhance appeal to customers, suppliers and other parties, potentially boosting profits. This can be used opportunistically, even when there is a genuine commitment that goes beyond window-dressing. This chapter therefore cautions against blind optimistic trust in steward ownership and other hybrid models as a tool for pursuing lofty purposes and corporate philanthropy. While the movement undoubtedly originates from noble intentions, hybrid structures are also susceptible to misuse, necessitating adapted legal frameworks.
3. Section 2 of this chapter explores how hybrid group structures can facilitate the pursuit of corporate values, through steward ownership models or through the company's ownership of foundations or other non-profit entities. Section 3 shows how the same or similar hybrid group structures are frequently also used for entirely different purposes. Section 4 therefore concludes with some cautionary remarks.

2. HYBRID GROUP STRUCTURES AS A TOOL FOR PURPOSE-DRIVEN ENTERPRISES

4. This Section sets out how steward ownership and corporate foundations can be used by purpose-driven companies (or groups of companies). For both types of hybrid structures, subsections 2.1 resp. 2.2 explain the concept definition, the rationale and the possible legal structures.

2.1. STEWARD OWNERSHIP

2.1.1. *Concept*

5. Steward ownership is neither a legally defined term, nor referring to one specific legal construction. The concept of steward ownership was launched by the German "Purpose Foundation".⁶ This foundation engages in non-profit work on steward ownership and is part of Purpose, a network that promotes steward ownership and invests in steward owned companies.⁷ Purpose Foundation presents steward ownership as an alternative to a "conventional" ownership

⁶ See PURPOSE FOUNDATION (ed.), *Steward Ownership. Rethinking ownership in the 21st century*, s.d., 9, https://purpose-economy.org/content/uploads/purposebooklet_en.pdf (hereafter: PURPOSE FOUNDATION, *Steward Ownership*).

⁷ See <https://purpose-economy.org/en/who-we-are>. All three founders of Purpose Foundation are involved in these funds (*ibid.*).

model of a company. In a steward owned company, the company's owners act as stewards of the company's purpose and mechanisms are in place to ensure these principles are upheld. Worldwide, various private organisations have joined this movement and are now advocating for steward ownership.⁸

6. Steward ownership is not to be confused with “shareholder stewardship” (or “investor stewardship”). Shareholder stewardship codes encourage shareholders, mostly institutional investors, to use their influence in the investee company to monitor controlling shareholders, (long-term) value creation and, more recently, ESG performance of companies.⁹ The concepts of shareholder stewardship and steward ownership have in common that they both entail that the shareholders act as stewards of the company. They differ in the sense that shareholder stewardship often refers to initiatives by shareholders (incentivised by stewardship codes and SRD II) in companies that may or may not be purely profit-oriented, whereas steward ownership requires a specific corporate and ownership structure, reflecting a deliberate commitment by the company to a designated purpose. This is also what sets steward ownership apart from dual purpose companies (see below, nos. 10–11).

2.1.2. *Rationale*

7. Steward ownership finds its essence in two key principles, that were first developed by the Purpose Foundation and have been widely cited in the literature.

a. Profits Serve Purpose

8. A first principle in steward owned companies is that profits are said not to be the main objective, but a means to further the company's “purpose”.¹⁰ Steward owners may not receive any dividends or liquidation proceeds, except as payment for services or assets. Hence, the profits of a steward owned company are often reinvested in the company and/or shared with or donated to stakeholders.¹¹

⁸ Steward ownership is promoted by local organisations in an increasing number of jurisdictions, e.g. in the Netherlands by We Are Stewards (<https://wearestewards.nl/en>) and in Belgium by Steward-Owned (www.steward-owned.be). The Purpose Foundation also set up partner organisations in Latin America, the United States and Switzerland.

⁹ HILL J.G., ‘Good Activist/Bad Activist: The Rise of International Stewardship Codes’, *Seattle U. L. Rev.* 2018, (497) 506; KATELOUZOU D. and PUCHNIAK D.W., ‘Global Shareholder Stewardship: Complexities, Challenges, and Possibilities’ in KATELOUZOU D. and PUCHNIAK D.W. (eds.), *Global Shareholder Stewardship*, Cambridge University Press, 2022, (3) 8.

¹⁰ PURPOSE FOUNDATION, *Steward Ownership*, 9 and 11.

¹¹ *Ibid.*, 11; SANDERS A., ‘Binding Capital to Free Purpose: Steward Ownership in Germany’, *ECFR* 2022, (622) 627.

However, as will be shown below (subsection 2.1.3), steward owners are not necessarily the sole owners of a steward owned company. Part of the shares can be held by investors who can (and expect to) receive dividends, although these are often limited through mechanisms such as a dividend cap.¹²

9. Importantly, the “purpose” of a steward owned company is (also in the remainder of this chapter) to be understood as another purpose than the profit distribution purpose, although some profit distribution is not excluded (see below, nos. 19–20, 27–28 and 33). As in several, but not all dual purpose companies,¹³ the “purpose” does not have to be a *social* purpose. Each steward owned company is free to define its own purpose, which may be a social purpose benefiting the general public (such as sustainable production), a purpose derived from the goods or services they offer (such as providing valuable technology, products or services to end users), or a more internal purpose, related to how they do business (such as fair wages and good working conditions).¹⁴ Steward ownership aims to secure the company’s purpose over the long term.¹⁵

10. The pursuit of a purpose other than the profit distribution purpose is not exclusive to steward owned companies. Conventional companies with a profit distribution purpose can also embrace additional purposes. There is a whole spectrum of options for dual purpose companies, ranging from basic CSR programs with limited or no impact, to cases where the social purpose takes precedence over the profit distribution purpose. Some entrepreneurs do this in the form of a conventional company, with or without an additional purpose or a *raison d'être* in their articles of association. Others go further and adopt the form of a benefit corporation or another regulated social enterprise form (e.g. the UK *community interest company*, the French *société à mission*).¹⁶ In several jurisdictions, such as Germany, the Netherlands, the UK and the US, companies can also exclusively pursue a non-profit purpose.¹⁷

¹² BAGGERMAN F.A. and VAN BLOKLAND E.A.E.M., ‘Steward ownership: een (r)evolutie’, *WPNR* 2023, (920) 922; BUIJN S. and POLS M., ‘Steward ownership. De organisatiestructuur voor de lange termijn’, *Ondernemingsrecht* 2024, (274) 280.

¹³ See e.g. regarding the benefit corporation, BERREY E., ‘Social Enterprise Law in Action: Organizational Characteristics of U.S. Benefit Corporations’, *Tennessee J. Bus. L.* 2020, (21) 88–89.

¹⁴ GARY S.N., ‘The Oregon Stewardship Trust: A New Type of Purpose Trust that Enables Steward-Ownership of a Business’, *U. Cin. L. Rev.* 2020, (707) 732; PURPOSE FOUNDATION, *Steward Ownership*, 9; SANDERS A., ‘Binding Capital to Free Purpose: Steward Ownership in Germany’, *ECFR* 2022, (622) 628.

¹⁵ PURPOSE FOUNDATION, *Steward Ownership*, 9.

¹⁶ COOLS S., ‘Social Entrepreneurship: The Choice Between Labels, Variants, Dedicated and Conventional Corporate Forms’, *ECFR* 2023, (85) 95–103.

¹⁷ *Ibid.*, 89–90.

11. A difference between the above (no. 10) mentioned techniques for pursuing an additional purpose and steward ownership is how the latter tries to safeguard the social purpose against mission drift. Mission drift is the process by which the company's commitment to the purpose weakens over time,¹⁸ as seen in social enterprise (not steward ownership) structures like Etsy¹⁹ and Ben & Jerry's.²⁰ This can occur when the insiders get carried away by profit aspirations, when directors are replaced by new directors with other priorities, or when new investors seek more return on investment.²¹ Steward ownership can help prevent mission drift by implementing an ownership structure that redirects incentives away from profit distribution. This is where steward ownership models differ from dual purpose companies, as the latter rarely involve ownership regulations and at most require stakeholder inclusion in the ownership base or limit the percentage of shares certain shareholders may hold²² (see also above, no. 6).

b. Self-Governance

12. A second important principle of steward ownership is that the company is controlled by so-called stewards who must see to the pursuit of the purpose.²³ The stewards' incentives are steered in this direction by means of techniques such as the separation of the voting and economic rights of the company's shares (see subsection 2.1.3). Stewards are often insiders of the company (e.g. founders, managers, employees) or closely connected to the company (e.g. individuals or organisations who support or assist the company in a way).²⁴ The control of the company by stewards is secured by stipulating that stewards can only transfer their shares to other (potential) stewards.²⁵

2.1.3. Legal Structure

13. The key principles of steward ownership can be implemented through a range of legal structures. These structures serve not only to ensure governance aligns with the steward ownership principles, but also to facilitate recognition.

¹⁸ CORNFORTH C., 'Understanding and combating mission drift in social enterprises', *Soc. Enterprise J.* 2014, (3) 4.

¹⁹ THOMAS N., 'Golden shares and social enterprise', *Harv. Bus. L. Rev.* 2022, (157) 157–160.

²⁰ PAGE A. and KATZ R.A., 'The Truth About Ben and Jerry's', *Stanford Social Innovation Rev.* 2012, (39) 39–41.

²¹ THOMAS N., 'Golden shares and social enterprise', *Harv. Bus. L. Rev.* 2022, (157) 185.

²² This is the case in the French *société cooperative d'intérêt collectif* (Article 19septies, al. 2 law of 10 September 1947) and in the Italian *impresa sociale* (Article 3bis, al. 2 and Article 19septies, al. 4 law of 10 September 1947; Article 4, al. 3 D. lgs. 2017/112).

²³ PURPOSE FOUNDATION, *Steward Ownership*, 11.

²⁴ *Ibid.*

²⁵ *Ibid.*, 9.

Although the latter may be less important in steward owned companies than in social enterprises that depend on the support of third parties,²⁶ steward owners frequently seek to demonstrate a credible commitment to long-term purpose orientation.²⁷

14. Currently, there is no specific legal form dedicated to steward ownership, but exceptions may emerge in Germany and the Netherlands in the near future. In Germany, in line with the coalition agreement of the German government of 2021–2025,²⁸ several academic proposals have been made in 2020 and 2021 to introduce a new sub-type of the German limited liability company, called the “*GmbH mit gebundenem Vermögen*”.²⁹ In 2024, a new draft proposal³⁰ has been published to introduce a new legal form, the “*Gesellschaft mit gebundenem Vermögen*”, rather than a sub-type of an existing legal form. After the German government collapsed in November 2024, the new governmental coalition has agreed to continue this project.³¹ Also in 2024, the Dutch Parliament urged the government to develop a special form for steward owned companies, so that they would no longer need to set up complicated structures like those discussed in the following paragraphs.³² In January 2025, a working group published a proposal to introduce a “*rentmeestervenootschap met beperkte aansprakelijkheid*” (steward owned company with limited liability) or “RV”.³³ This would be a special form of a limited liability company, in which shares do not carry voting rights and the board of directors (and, if applicable, supervisory board) is held accountable by a board of stewards.³⁴

15. In the absence of a specific legal form for steward ownership, there are several ways to structure steward ownership using a hybrid group structure. In

²⁶ See COOLS S., ‘Social Entrepreneurship: The Choice Between Labels, Variants, Dedicated and Conventional Corporate Forms’, *ECFR* 2023, (85) 103–106.

²⁷ SANDERS A., ‘Binding Capital to Free Purpose: Steward Ownership in Germany’, *ECFR* 2022, (622) 632.

²⁸ SPD, BÜNDNIS 90/DIE GRÜNEN and FDP, *Mehr Fortschritt wagen. Bündnis für Freiheit, Gerechtigkeit und Nachhaltigkeit. Koalitionsvertrag 2021–2025*, 2021, 25.

²⁹ SANDERS A., DAUNER-LIEB B., VON FREEDEN A. e.a., *Entwurf eines Gesetzes für die Gesellschaft mit beschränkter Haftung mit gebundenem Vermögen*, 2020 and 2021, available at www.gesellschaft-mit-gebundenem-vermoegen.de/der-gesetzesentwurf.

³⁰ SANDERS A., NEITZEL N., DAUNER-LIEB B. e.a., *Gesetz zur Einführung einer Gesellschaft mit gebundenem Vermögen. Akademischer Entwurf mit Nebengesetzen und Erläuterungen*, Mohr Siebeck, 2024.

³¹ CDU, CSU and SPD, *Verantwortung für Deutschland. Koalitionsvertrag zwischen CDU, CSU und SPD. 21. Legislaturperiode*, 2025, 88.

³² Gewijzigde motie van de leden Sneller en Zeedijk ter vervanging van die gedrukt onder nr. 472, Tweede Kamer, 2023–2024, 16 April 2024, 29023/509. This motion replaces a previous motion, without any substantive changes (Motie van het lid Sneller, Tweede Kamer, 2023–2024, 29023/472).

³³ KUIJPERS S., MARRES R., NAGTEGAAL C. e.a., *Voorstel Uitgangspunten van de Rentmeestervennootschap*, 22 January 2025, [www.rentmeestervennootschap.nl/Uitgangspunten %20RV.pdf](http://www.rentmeestervennootschap.nl/Uitgangspunten%20RV.pdf).

³⁴ *Ibid.*

the following subsections, we have classified these hybrid group structures into single-entity ownership models and two-entity ownership models, depending on whether a company is controlled by one or more non-profit entities. The golden share model, which attributes a golden share with a veto right ensuring that the company commits to the steward ownership structure of the company, will be dealt with as a separate ownership model as it can be applied in combination with both single-entity and two-entity ownership models.

a. Single-Entity Ownership Models

16. The single-entity ownership models include structures described by the Purpose Foundation as the “single foundation” model, the “trust partnership” model and the “perpetual purpose trust” model.³⁵

17. In the first model, the **single foundation model**, a foundation owns all or the majority of the shares of the company.³⁶ This model builds on the long-standing use of so-called “enterprise foundations”, i.e. foundations with a controlling ownership stake in a company (see below, no. 52). As the owner of the company’s shares, the foundation can exercise the voting rights at the shareholders meeting of the company. In exercising the votes attached to these shares, the directors of the foundation act as the stewards of the company.³⁷ The foundation also receives any dividends that the company declares. The foundation’s board decides on how to use these in accordance with the foundation’s purpose (or, in the hypothesis described below in no. 19, the certification agreement).

18. The foundation can enhance its steward ownership governance by installing a kind of two tier board in which one tier exercises the voting rights at the shareholders meeting of the company and the other tier decides on the distribution of the dividends received by the foundation.³⁸ This separation of tasks aims to prevent that the decision on how to exercise the voting rights would be influenced by profit considerations.³⁹ For instance, in the Carl Zeiss Foundation (see below, no. 20), the board has the responsibility to ensure that the foundation’s purposes are properly fulfilled and that the foundation’s funds are allocated accordingly, and a council exercises the voting rights of the Carl Zeiss Foundation at the shareholders meetings of Carl Zeiss AG and Schott AG. Both bodies are assisted by an advisory body.⁴⁰

³⁵ PURPOSE FOUNDATION, *Steward Ownership*, 20, 23–24.

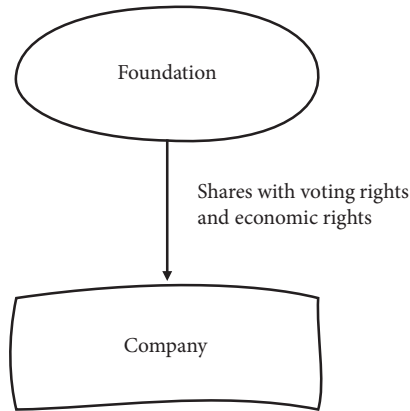
³⁶ *Ibid.*, 20.

³⁷ BUIJN S. and POLS M., ‘Steward ownership. De organisatiestructuur voor de lange termijn’, *Ondernemingsrecht* 2024, (274) 277.

³⁸ *Ibid.*, 278; PURPOSE FOUNDATION, *Steward Ownership*, 20.

³⁹ PURPOSE FOUNDATION, *Steward Ownership*, 20.

⁴⁰ CARL ZEISS STIFTUNG, *Foundation Committees*, www.carl-zeiss-stiftung.de/en/foundation/foundation-committees; §2 charter Carl-Zeiss-Stiftung.



19. Many steward owned companies rely on capital providers who are not stewards and therefore expect to receive a share of the profits. To safeguard the company's purpose, the foundation grants these investors economic rights but no participation rights.⁴¹ This is achieved through share certification, a technique that is not available in all jurisdictions, whereby the foundation retains the shares and issues depository receipts to the investors. The foundation then exercises the voting rights attached to the shares and commits to transferring an agreed part of the distributed profits to the depository receipt holders⁴² (see also below, no. 52).

20. A frequently cited example of the single foundation model is Zeiss,⁴³ a German optics and optoelectronics company. Carl Zeiss AG and the affiliated company Schott AG are wholly owned by the Carl Zeiss Foundation.⁴⁴ The foundation's purposes are twofold: "(1) advancing the precision engineering industry by the continued operation of Carl Zeiss and Schott AG in accordance with the foundation's charter, thereby ensuring the economic stability of both companies, and (2) promoting general economic, scientific, and charitable interests and institutions".⁴⁵ The foundation decides on the distribution of profits by both companies in accordance with the rules for minimum and maximum distributions set out in the foundation's charter.⁴⁶ The foundation's charter excludes the sale of the shares of both companies and the involvement of third

⁴¹ BUIJN S. and POLS M., 'Steward ownership. De organisatiestructuur voor de lange termijn', *Ondernemingsrecht* 2024, (274) 276.

⁴² *Ibid.*, 276 and 278.

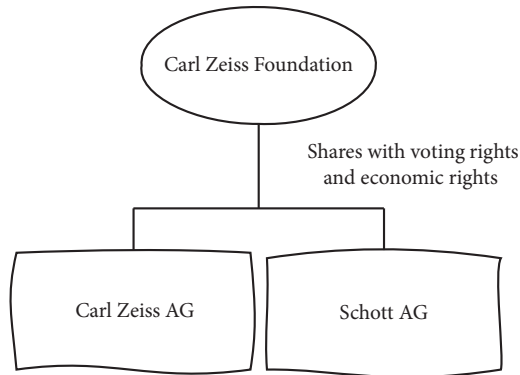
⁴³ PURPOSE FOUNDATION, *Steward Ownership*, 39–44.

⁴⁴ CARL ZEISS STIFTUNG, *The Foundation*, www.carl-zeiss-stiftung.de/en/foundation.

⁴⁵ §1 charter Carl-Zeiss-Stiftung (own translation).

⁴⁶ §24 charter Carl-Zeiss-Stiftung.

parties in these companies and prohibit the foundation from relinquishing its exclusive control over these companies.⁴⁷ This does not apply in the event it becomes necessary to prevent a threat to the existence of (one of) the companies, in which case the foundation is entitled to sell shares in this company or involve third parties through capital increases.⁴⁸



21. Another group referenced⁴⁹ as an example of the single foundation model is the Pierre Fabre group, a French pharmaceutical and cosmetics company. As much as 86% of the shares of Pierre Fabre SA are owned Pierre Fabre Participations SAS, which is fully owned by the Pierre Fabre Foundation; 9.5% of the shares of Pierre Fabre SA are directly owned by employees via an employee shareholder scheme; and 4.5% are treasury shares owned by the company itself.⁵⁰ The Pierre Fabre Foundation is a public interest foundation (*fondation d'utilité publique*),⁵¹ set up to ensure the company's independence and values and to help people in developing countries gain better access to quality medicine and health care.⁵² Nevertheless, the foundation has delegated the supervision of the management of the Pierre Fabre group to Pierre Fabre Participations SAS.⁵³ Pierre Fabre Participations SAS is responsible for approving the group's strategy and ensuring alignment with Pierre Fabre's

⁴⁷ §9, Abs. 3 charter Carl-Zeiss-Stiftung.

⁴⁸ §9, Abs. 4 charter Carl-Zeiss-Stiftung.

⁴⁹ COHEN E., *La société à mission. La loi PACTE : enjeux pratiques de l'entreprise réinventée*, Hermann, 2019, 175–176.

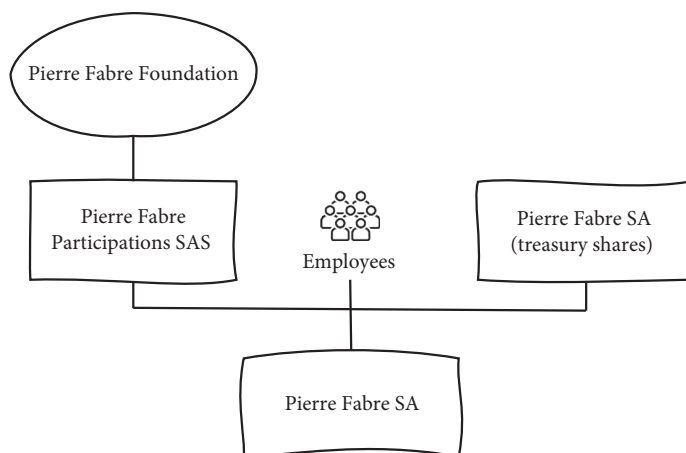
⁵⁰ PIERRE FABRE, *Our Company Ownership*, www.pierre-fabre.com/en/our-group/our-shareholder-scheme.

⁵¹ Décret du 6 avril 1999 portant reconnaissance d'une fondation comme établissement d'utilité publique, *JORF* 8 April 1999, 5179.

⁵² PIERRE FABRE, *Annual report 2023*, 10.

⁵³ PIERRE FABRE, *Our Governance*, www.pierre-fabre.com/en/our-group/our-governance.

continuity vision.⁵⁴ This entails safeguarding the group's independence, maintaining both areas of activities (pharmaceuticals and dermo-cosmetics), prioritising long-term goals over short-term financial gains, maintaining the group's presence in its home region and enabling the Pierre Fabre Foundation to pursue its objectives through a suitable dividend policy.⁵⁵



22. The second single-entity ownership model is the **trust partnership model**, in which a trust holds the shares of a company on behalf of a group of partners.⁵⁶ The trust partnership model is prevalent in the United Kingdom and in the United States, where it is used to accommodate employee ownership of a company.⁵⁷ Under this model, the employees do not own shares in a company directly, but the shares are held by a trust on their behalf and for their benefit.⁵⁸ The trust is governed by trustees in accordance with the purpose defined in the trust deed⁵⁹ (typically ensuring long term stability of the company and sharing rewards with employees).⁶⁰ The trustees exercise the trust's voting rights in

⁵⁴ *Ibid.*

⁵⁵ *Ibid.*

⁵⁶ PURPOSE FOUNDATION, *Steward Ownership*, 23.

⁵⁷ LU R., 'Set It in Stone: Patagonia and the Evolution toward Stakeholder Governance in Social Enterprise Business Structures', *Col. J. L. & Soc. Problems* 2024, (587) 614–615; PENDLETON A., ROBINSON A. and NUTTAL G., 'Employee ownership in the UK', *J. Participation & Emp. Ownership* 2023, (194) 201.

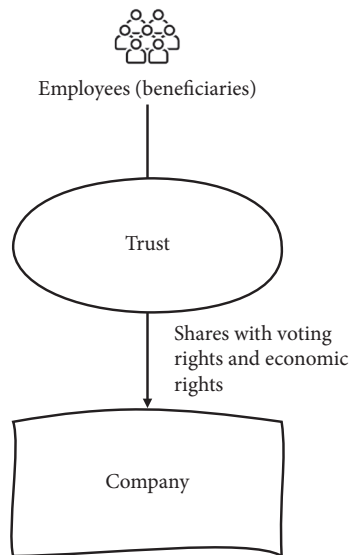
⁵⁸ PENDLETON A., ROBINSON A. and NUTTAL G., 'Employee ownership in the UK', *J. Participation & Emp. Ownership* 2023, (194) 202; PURPOSE FOUNDATION, *Steward Ownership*, 23.

⁵⁹ *Ibid.*, 207; WREND and RIDLEY-DUFFR., 'Ontologies of Employee Ownership: A Comparative Analysis of Trust-Owned, Directly-Owned and Cooperatively-Owned Enterprises', *J. Entrepreneurial & Org. Diversity* 2021, (48) 54.

⁶⁰ PENDLETON A., ROBINSON A. and NUTTAL G., 'Employee ownership in the UK', *J. Participation & Emp. Ownership* 2023, (194) 209–210.

the company, acting as the company's stewards, and may distribute profits as bonuses to the employee beneficiaries.⁶¹

23. The trust partnership model is considered to align with the key principles of steward ownership for several reasons. First, it is argued that this model ensures more stable and long-term ownership and independence, because the decision to sell company shares is made by the trustees, who are obliged to act in the interest of the employee beneficiaries.⁶² Second, this model is considered to prioritise purpose over profit, because the employee trustees receive only a small portion of the profits in the form of bonuses.⁶³



24. The third model is the **perpetual purpose trust model**. In this model, the shares of a company are held by a perpetual purpose trust.⁶⁴ The perpetual purpose trust is a specific type of trust that has been introduced under certain US States' laws (e.g. Delaware).⁶⁵ The Uniform Trust Code, a model law adopted by many US States, allows the creation of a trust for a non-charitable purpose without identifiable beneficiaries,⁶⁶ but also imposes a limited duration for a

⁶¹ *Ibid.*, 203.

⁶² *Ibid.*, 202.

⁶³ PURPOSE FOUNDATION, *Steward Ownership*, 23.

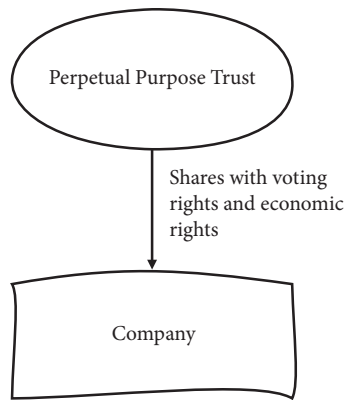
⁶⁴ *Ibid.*, 24.

⁶⁵ ELDAR O., 'Are Enterprise Foundations possible in the United States?' in SANDERS A. and THOMSEN S. (eds.), *Enterprise Foundation Law in a Comparative Perspective*, Intersentia, 2023, (201) 205.

⁶⁶ Uniform Trust Code §409.

trust (the so-called rule against perpetuities). Some state trust statutes (e.g. in Delaware) allow for purpose trusts to be perpetual.⁶⁷ In Oregon, a specific statute was created for the perpetual purpose trust, where it is called the “stewardship trust”.⁶⁸

25. As the owner of the shares, the perpetual purpose trust is entitled to the voting rights in the shareholders meeting of the trust-owned company and will receive any dividends the company distributes. However, the company may combine trust ownership with dual-class shares, in which case the company will issue shares with voting rights, but without economic rights to the perpetual purpose trust and shares without voting rights, but with economic rights to investors, family members or stakeholders.⁶⁹



b. Two-Entity Ownership Models

26. In two-entity ownership models, companies (or corporate groups) are wholly or majority controlled by two non-profit entities and/or trusts. The following paragraphs set out the main two-entity ownership model, called the trust foundation model, as well as its variations.

27. In the **trust foundation model**, the steward owned company has issued two different classes of shares to two separate legal entities: a trust and a charitable

⁶⁷ ELDAR O., ‘Are Enterprise Foundations possible in the United States?’ in SANDERS A. and THOMSEN S. (eds.), *Enterprise Foundation Law in a Comparative Perspective*, Intersentia, 2023, (201) 217; GARY S.N., ‘The Oregon Stewardship Trust: A New Type of Purpose Trust that Enables Steward-Ownership of a Business’, *U. Cin. L. Rev.* 2020, (707) 717 and 721-722.

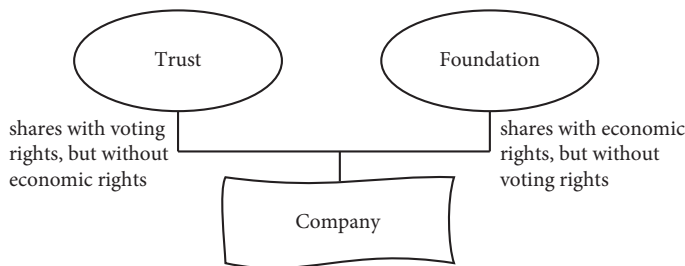
⁶⁸ GARY S.N., ‘The Oregon Stewardship Trust: A New Type of Purpose Trust that Enables Steward-Ownership of a Business’, *U. Cin. L. Rev.* 2020, (707) 723-725.

⁶⁹ *Ibid.*, 729.

foundation.⁷⁰ The first class of shares, also called the “steward shares”, carry voting rights, but no dividend rights. The second class of shares carry dividend rights, but no voting rights.⁷¹

28. In the trust foundation model, the stewards, united in a trust, hold the steward shares and thus exercise the voting rights in the company’s shareholders meeting.⁷² They do so in accordance with the purpose as described in the trust deed. Although the stewards in principle do not have any dividend rights (see above, no. 8), the “profits serve purpose”-principle of steward ownership does not exclude that the stewards receive a reasonable and fair compensation for their services or assets provided.⁷³

The foundation, in turn, holds the shares with the economic rights. It thus receives dividends that the company distributes and allocates them in accordance with the purpose of the foundation. Since the foundation lacks voting rights, it cannot impact decisions regarding the distribution of dividends to the foundation or the amount allocated.⁷⁴ Sometimes, the articles of association of the company provide for a minimum dividend for the foundation.⁷⁵



29. Robert Bosch GmbH, a German technology and service supplier, is often presented as an example of the trust foundation model. A foundation called Robert Bosch Stiftung GmbH currently holds 93.99%⁷⁶ of the shares of Robert

⁷⁰ PURPOSE FOUNDATION, *Steward Ownership*, 21.

⁷¹ *Ibid.*, 21.

⁷² *Ibid.*, 22.

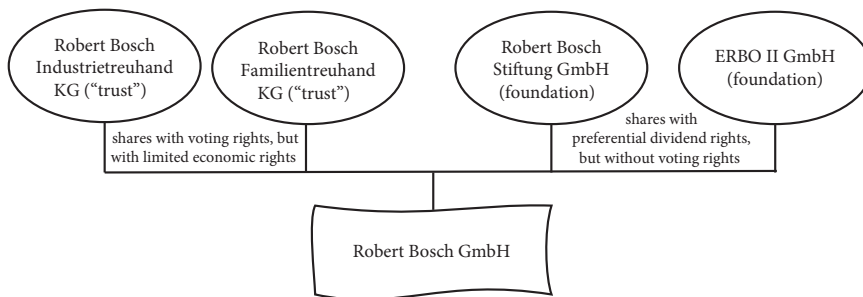
⁷³ BAGGERMAN F.A. and VAN BLOKLAND E.A.E.M., ‘Steward ownership: een (r)evolutie’, *WPNR* 2023, (920) 922; BUIJN S. and POLS M., ‘Steward ownership. De organisatiestructuur voor de lange termijn’, *Ondernemingsrecht* 2024, (274) 276.

⁷⁴ PURPOSE FOUNDATION, *Steward Ownership*, 22.

⁷⁵ *Ibid.*

⁷⁶ In 2020, the founder’s descendants transferred 5% of their shares to a non-profit ERBO II GmbH and 2% to (a foundation managed within) the Robert Bosch Stiftung, who held 92% of the shares at that time. This led to the foundation’s current ownership stake of 94% in Robert Bosch GmbH. See, BOSCH, *Annual report 2020*, 21; BOSCH, *Pressemeldung. Familie regelt Beteiligung an der Robert Bosch GmbH neu*, www.bosch-stiftung.de/de/presse/2020/12/familie-regelt-beteiligung-der-robert-bosch-gmbh-neu.

Bosch GmbH.⁷⁷ The foundation does not have voting rights in the shareholders meeting of Robert Bosch GmbH, but receives preferential dividends.⁷⁸ The foundation has a charitable purpose and is to manage its shares in Robert Bosch GmbH in the spirit of its founder.⁷⁹ Of the remainder of the shares of Robert Bosch GmbH, 5.36% is held by a foundation created by the founder's descendants (ERBO II GmbH); 0.64% by the Robert Bosch GmbH itself; 0,01% by Robert Bosch Industrietreuhand KG; and 0,001% by Robert Bosch Familientreuhand KG.⁸⁰ The voting rights in Robert Bosch GmbH are in the hands of the latter two entities. Because these are considered transparent for German tax purposes, the Robert Bosch Stiftung itself refers to these entities as “trusts”.⁸¹ This explains why Robert Bosch GmbH is considered structured according to the trust foundation model.



30. The two-entity model also includes **variations** that comprise legal forms other than the trust and the foundation. The steward shares can also be held by other legal entities, such as an association or a foundation.⁸² In the latter case, it is also called the “double foundation model”.⁸³ The dividend shares can be held by a charitable foundation, a charitable trust, or any other kind of non-profit charitable entity.⁸⁴

31. The ownership structure of Patagonia Inc. is a textbook example of a two-entity ownership model that combines a non-profit organisation exempt under Section 501(c)(4) of the US Internal Revenue Code and a perpetual purpose trust.

⁷⁷ BOSCH, *Annual report 2023*, 176.

⁷⁸ BOSCH, *The Bosch Constitution*, www.bosch-stiftung.de/en/bosch-constitution.

⁷⁹ §2, Abs. 2 and 3 charter Robert Bosch Stiftung.

⁸⁰ BOSCH, *Annual report 2023*, 39 and 176.

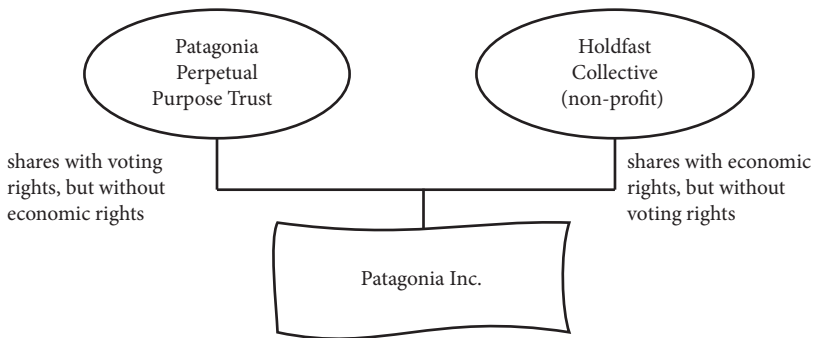
⁸¹ BOSCH, *The Bosch Constitution*, www.bosch-stiftung.de/en/bosch-constitution.

⁸² PURPOSE FOUNDATION, *Steward Ownership*, 22.

⁸³ NERI-CASTRACANE G. and BOTTGE D., ‘The double holding foundation model. Empowering sustainable stewardship in business’, *SZW / RSDA 2024*, (283) 284–285; VAN UCHELEN-SCHIPPER M., ‘Social Enterprises and Steward-Ownership. (How) can Social Enterprises benefit from Steward-Ownership Concepts, especially in the Netherlands?’, *ECCL 2024*, (265) 277.

⁸⁴ PURPOSE FOUNDATION, *Steward Ownership*, 22.

Patagonia Inc. is an American outdoor clothing and gear company taking pride in its use of recycled fabrics, its repair and reuse offerings and its environmental responsibility programs.⁸⁵ In a widely publicised move in 2022, the owner of Patagonia Inc. donated the shares of Patagonia Inc. to a trust (Patagonia Perpetual Purpose Trust) and a non-profit organisation (Holdfast Collective).⁸⁶ Patagonia Inc.'s entire voting stock, which equals 2% of all shares, was transferred to the Patagonia Perpetual Purpose Trust. Patagonia Perpetual Purpose Trust thus exercises all voting rights in the shareholders meeting of Patagonia Inc.⁸⁷ The remaining 98% of the shares of Patagonia Inc., consisting of the entire non-voting stock, was transferred to Holdfast Collective. Holdfast Collective is thus not entitled to vote, but receives dividends that Patagonia Inc. distributes.⁸⁸ Using its voting rights, the trust ensures that Patagonia Inc. remains true to its values and independent, while the Holdfast Collective utilises the dividends to combat the environmental crisis.⁸⁹



c. Golden Share Model

32. In the golden share model, the company issues a golden share, which comes with veto rights against decisions that undermine the company's commitment to steward ownership.⁹⁰ Typically, these include the sale or the dissolution of the company, an undesired change in the company's purpose or any other decision that goes against the principles of steward ownership.⁹¹

⁸⁵ X, *The Climate Crisis Is Our Business*, <https://eu.patagonia.com/be/en/climate-goals>.

⁸⁶ GELLES D., 'Billionaire No More: Patagonia Founder Gives Away the Company', *The New York Times* 14 September 2022.

⁸⁷ *Ibid.*; CHOUINARD Y., *Earth is now our only shareholder*, <https://eu.patagonia.com/be/en/ownership>.

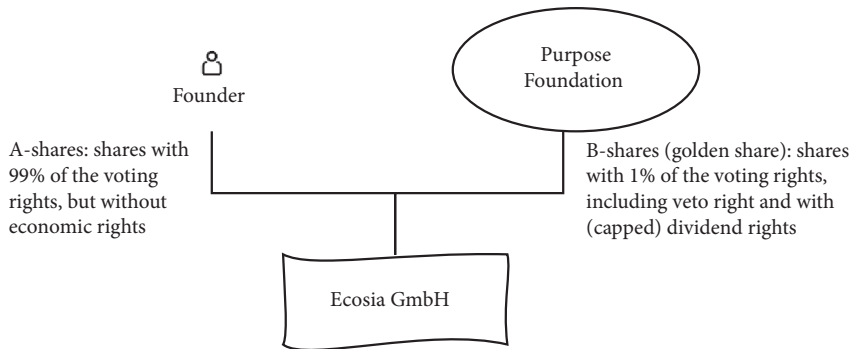
⁸⁸ CHOUINARD Y., *Earth is now our only shareholder*, <https://eu.patagonia.com/be/en/ownership>; GELLES D., 'Billionaire No More: Patagonia Founder Gives Away the Company', *The New York Times* 14 September 2022.

⁸⁹ *Ibid.*

⁹⁰ PURPOSE FOUNDATION, *Steward Ownership*, 17.

⁹¹ BUIJN S. and POLS M., 'Steward ownership. De organisatiestructuur voor de lange termijn', *Ondernemingsrecht* 2024, (274) 277; LU R., 'Set It in Stone: Patagonia and the Evolution

33. The golden share is held by an independent “veto-service” foundation, which has the power under its charter to use the golden share to protect the company’s commitment to steward ownership.⁹² The Purpose Foundation provides such veto services⁹³ and holds the golden share for steward owned companies such as Ecosia and Sharetribe (see below, no. 35). Ecosia GmbH runs an alternative search engine that uses its profits for tree-planting projects and was structured according to the golden share model in 2018.⁹⁴ Ecosia GmbH created two classes of shares. The A-shares carry 99% of the voting rights, but no dividend rights. These are held by the founder and the co-owner and can only be sold to employees or managers of the company (or their companies).⁹⁵ The B-shares are held by the Purpose Foundation.⁹⁶ With these shares, the Purpose Foundation is entitled to 1% of the voting rights, a veto right against amendments of Ecosia’s articles of association in contradiction with the steward ownership principles, and (capped) dividend rights.⁹⁷



34. Companies using the golden share model can also establish a foundation themselves. For instance, Tony’s Factory B.V., the holding company of the Tony’s Chocolonely group, set up and issued a golden share to a foundation called Tony’s Chocolonely Mission Foundation.⁹⁸ The board of directors of the foundation acts as guardian of the group’s “mission”.⁹⁹ The first mission guardians were selected by

toward Stakeholder Governance in Social Enterprise Business Structures’, *Col. J. L. & Soc. Problems* 2024, (587) 606; PURPOSE FOUNDATION, *Steward Ownership*, 17; THOMAS N., ‘Golden shares and social enterprise’, *Harv. Bus. L. Rev.* 2022, (157) 175.

⁹² PURPOSE FOUNDATION, *Steward Ownership*, 18.

⁹³ *Ibid.*

⁹⁴ KROLL K., *Trees not profits: we’re giving up our right to ever sell Ecosia*, <https://blog.ecosia.org/trees-not-profits/>.

⁹⁵ §4, Abs. 2 and 3 resp. §10, Abs. 1 articles of association Ecosia.

⁹⁶ §4, Abs. 2 articles of association Ecosia.

⁹⁷ §4, Abs. 3, §7, Abs. 2 resp. §15, Abs. 2 articles of association Ecosia.

⁹⁸ Charter Tony’s Chocolonely Mission Foundation, 1. This foundation is not to be confused with Tony Chocolonely’s corporate foundation (see subsection 2.2), called the “Chocolonely Foundation”.

⁹⁹ Article 5.1 *juncto* 3.1 charter Tony’s Chocolonely Mission Foundation.

the company's Supervisory Board, whereas new mission guardians will be appointed by the current mission guardians.¹⁰⁰ Nevertheless, this structure is not universally considered an example of steward ownership. The critique is that the foundation cannot prevent the company from being sold or its corporate structure from being changed and that the other shareholders retain unlimited rights to profit distribution.¹⁰¹

35. The golden share model can also be added onto both single-entity and two-entity ownership models.¹⁰² When combined with a single foundation model, one foundation holds the golden share and a separate foundation owns the remaining voting rights, as well as the economic rights of the shares (unless the economic rights are transferred to the holders of the depository receipts). When the golden share model is combined with a two-entity ownership model, three classes of shares are issued. In addition to the golden share, a second class of shares (the steward shares) carries the remaining voting rights, but no economic rights, while a third class of shares (the investor shares) carries economic rights and no voting rights.¹⁰³ The combination of these ownership models can be tailored to the needs of each company. By way of illustration, Sharetribe added a fourth class of shares for the founders and early employees.¹⁰⁴ These shares, like the investor shares, do not carry voting rights; however, unlike the investor shares, their dividend rights are capped.¹⁰⁵

2.2. CORPORATE FOUNDATIONS AND OTHER NON-PROFIT SUBSIDIARIES

2.2.1. Concept

36. Corporate foundations, sometimes also referred to as company-sponsored foundations,¹⁰⁶ are mainly used as a tool for philanthropic giving by companies. The term corporate foundation is not legally defined, but is used to describe a foundation that is established, controlled and funded by a company.¹⁰⁷ Nevertheless, other legal forms (e.g. trusts or non-profit associations) are often used for the same purposes as well (see below, no. 42).

¹⁰⁰ Article 4.2 charter Tony's Chocolonely Mission Foundation.

¹⁰¹ WE ARE STEWARDS, *Tony's Mission Lock en steward ownership*, available at <https://wearstewards.nl/tonys-mission-lock-en-steward-ownership/>.

¹⁰² PURPOSE FOUNDATION, *Steward Ownership*, 17.

¹⁰³ *Ibid.*, 18.

¹⁰⁴ MAKKONEN J., *Steward-ownership is capitalism 2.0*, www.sharetribe.com/balanced/steward-ownership-is-capitalism-2-0.

¹⁰⁵ *Ibid.*

¹⁰⁶ GEHRINGER T., 'Corporate Foundations as Hybrid Organizations: A Systematic Review of Literature', *Voluntas* 2021, (257) 259.

¹⁰⁷ ROZA L., BETHMANN S., MEIJS L. e.a., 'Introduction' in ROZA L., BETHMANN S., MEIJS L. e.a. (eds.), *Handbook on Corporate Foundations*, Springer, 2020, (1) 6.

2.2.2. *Rationale*

37. Corporate foundations are established by companies seeking to use part of their profits to support societal initiatives, whether or not as part of a CSR program.¹⁰⁸ The pursuit of a social purpose is not exclusive to companies with a corporate foundation. As set out above (no. 10), companies can embrace social purposes in other ways. By creating a separate non-profit entity, companies with a corporate foundation differ from companies that organise their corporate philanthropy internally (e.g. in a separate department within the company), as well as from social purpose companies, which combine a profit distribution purpose with a social purpose in one and the same entity. The presence of a corporate foundation that shares the company's name contributes positively to the company's branding and possibly more so than internally organised corporate philanthropy.¹⁰⁹ The reason is possibly that it signals a more long-term commitment to a social purpose than one off-donations or sponsorship by the company itself.¹¹⁰

38. Although guidance documents for corporate foundations highlight the importance of ensuring the foundation has sufficient independence to effectively fulfil its purpose,¹¹¹ corporate foundations are usually to a large extent controlled by their founding company (see below, no. 39).¹¹² In this sense, a corporate foundation is the opposite of an "enterprise foundation" (see below, no. 52), which itself controls the company. The connection between the corporate foundation and the founding company is further reflected in the foundation sharing the same name (e.g. the Coca Cola Foundation, the Shell Foundation, the BNP Paribas Fortis Foundation) and the foundation's reliance on the company's resources (see below, no. 41).¹¹³

2.2.3. *Legal Structure*

39. The legal structure of a corporate foundation varies depending on the level of control exercised by the founding company. Control by the company can

¹⁰⁸ CHARITY COMMISSION, *A Guide to Corporate Foundations*, 2009, 4, <https://assets.publishing.service.gov.uk/media/5a749903e5274a44083b7f5d/corporate-foundations-guide.pdf>.

¹⁰⁹ REISER D.B. and DEAN S.A., *For-Profit Philanthropy*, Oxford University Press, 2023, 92.

¹¹⁰ See BETHMANN S. and VON SCHNURBEIN G., 'Strategic in What Sense? Corporate Foundation Models in Terms of Their Institutional Independence and Closeness to Core Business' in ROZA L., BETHMANN S., MEIJS L. e.a. (eds.), *Handbook on Corporate Foundations*, Springer, 2020, (39) 41.

¹¹¹ *Ibid.*, 43–44.

¹¹² ROZA L., BETHMANN S., MEIJS L. e.a., 'Introduction' in ROZA L., BETHMANN S., MEIJS L. e.a. (eds.), *Handbook on Corporate Foundations*, Springer, 2020, (1) 7.

¹¹³ MINCIULLO M. and PEDRINI M., 'Knowledge trans-fer between for-profit corporations and their corporate foundations: Which methods are effective?', *Nonprofit Mgmt. & Leadership* 2015, (215) 216.

be embedded in the governance of the corporate foundation in several ways. First, the charter of the corporate foundation may grant the founding company approval or veto rights for important decisions (see e.g. below no. 40). Second, the control of the company can be reflected in the composition of the board of directors of the corporate foundation. The board may comprise insiders of the company, such as directors, executive directors or employees of the company, or the founding company itself.¹¹⁴ Third, the founding company can exercise control through the executive directors of the corporate foundation, if these do not work exclusively for the corporate foundation but are also employees of the founding company.¹¹⁵

40. The Colruyt Group Foundation is the corporate foundation of Colruyt Group NV, the Belgian holding company of a group operating supermarkets. The Colruyt Group Foundation is not to be confounded with STAK Cozin, the foundation ultimately controlling the group, but is itself controlled by Colruyt Group NV in multiple ways. The board of directors of the foundation consists of at least four members, including at least one external representative who is not involved in the commercial operations of Colruyt Group NV.¹¹⁶ The chair position is reserved for the Colruyt Group NV¹¹⁷ and the other members of the board of directors are appointed upon nomination by Colruyt Group NV.¹¹⁸ Important decisions (e.g. the amendment of the mission and/or vision of the Colruyt Group Foundation, the appointment of the chair and other board members, the dissolution of the Colruyt Group Foundation, etc.) require the approval of Colruyt Group NV.¹¹⁹

41. Corporate foundations are funded by their founding companies, which is usually their main source of income.¹²⁰ Corporate foundations usually operate on a pass-through basis, meaning that the foundation does not maintain a permanent endowment (such as family foundations), but instead receives regular funding (mostly annually) from its founding company.¹²¹ This funding may take the form of cash distributions, which may be fixed (e.g. a fixed annual amount)

¹¹⁴ RENZ D., ROZA L. and SIMONS F., 'Challenges in Corporate Foundation Governance' in ROZA L., BETHMANN S., MEIJS L. e.a. (eds.), *Handbook on Corporate Foundations*, Springer, 2020, (17) 21.

¹¹⁵ *Ibid.*

¹¹⁶ Art. 6, §2 charter Colruyt Group Foundation.

¹¹⁷ Art. 7 § charter Colruyt Group Foundation.

¹¹⁸ Art. 6, §3 charter Colruyt Group Foundation.

¹¹⁹ Art. 8, §6 charter Colruyt Group Foundation.

¹²⁰ BETHMANN S. and VON SCHNURBEIN G., 'Strategic in What Sense? Corporate Foundation Models in Terms of Their Institutional Independence and Closeness to Core Business' in ROZA L., BETHMANN S., MEIJS L. e.a. (eds.), *Handbook on Corporate Foundations*, Springer, 2020, (39) 47.

¹²¹ REISER D.B. and DEAN S.A., *For-Profit Philanthropy*, Oxford University Press, 2023, 92.

or variable (e.g. a percentage of the annual profits).¹²² In-kind contributions are also possible, such as the donation of assets, the provision of services (e.g. support from the founding company's IT and HR departments), or, where permitted by applicable laws, shares of the founding company.¹²³

42. Even though the term corporate foundation is broadly used, other legal forms such as trusts and non-profit associations can be used for the same purposes.¹²⁴ For example, several Belgian professional football clubs that are organised as a company, have set up a non-profit association that engages in social initiatives.¹²⁵ Remarkably, several of these non-profit associations use the word "foundation" in their name, such as the KAA Gent Foundation, the Club Brugge Foundation and the Union Foundation.¹²⁶

3. HYBRID GROUP STRUCTURES AS A TOOL TO ADVANCE SELF-INTEREST

43. The previous section analysed hybrid structures as a tool to promote corporate values and engage in corporate philanthropy. Much of the existing literature presents a positive image of hybrid structures as a tool for doing so, although the example of Tony's Chocolonely (see above, no. 34) shows that even among steward ownership organisations, there is debate about which companies truly qualify as steward owned. Yet, there is often more to scrutinise than just whether the structure goes far enough. As indicated above (no. 9), hybrid group structures may serve other purposes than social purposes (subsection 3.1). They can also be driven by entirely different motivations. Foundations, for instance, serve well as an asset protection vehicle, which can also be used to ward off changes in control, facilitate business succession (even in a tax efficient

¹²² BETHMANN S. and VON SCHNURBEIN G., 'Strategic in What Sense? Corporate Foundation Models in Terms of Their Institutional Independence and Closeness to Core Business' in ROZA L., BETHMANN S., MEIJS L. e.a. (eds.), *Handbook on Corporate Foundations*, Springer, 2020, (39) 47.

¹²³ *Ibid.*

¹²⁴ ASSOCIATION OF CHARITABLE FOUNDATIONS, *Good Practice for corporate foundations*, 2010, https://acf.org.uk/common/Uploaded%20files/Research%20and%20resources/Resources/Funding%20practices/Good_Practice_for_Corporate_Foundations_2010.pdf, 15.

¹²⁵ See e.g. Articles of association Oud-Heverlee Leuven VZW, Annexes to the Belgian Official Gazette, 17 February 2022; Articles of association Koninklijke Voetbalclub Oostende VZW, Annexes to the Belgian Official Gazette, 16 February 2014.

¹²⁶ The KAA Gent Foundation is mentioned on its website (www.kaagent.be/nl/foundation), but its official name 'Voetbal in de stad' is mentioned in Art. 2 articles of association Voetbal in de stad, Annexes to the Belgian Official Gazette 5 June 2024; Articles of association Club Brugge Foundation VZW, Annexes to the Belgian Official Gazette, 21 November 2019; Articles of association Union Foundation VZW, Annexes to the Belgian Official Gazette, 10 February 2020.

way) and shield assets from creditors (subsections 3.2, 3.3 and 3.4). Hybrid structures can also be used to separate for-profit and non-profit activities, which also offers certain advantages, although these are generally more benign (subsection 3.5).

3.1. SELF-INTERESTED NON-PROFIT PURPOSES AND HIDDEN FOR-PROFIT PURPOSE

3.1.1. *Self-Interested Non-Profit Purposes*

44. As explained above (no. 8), steward ownership is intended to further another purpose than profit distribution as primary purpose. This could be as simple as maintaining and supporting the business. In the German tradition, however, a foundation must not be purely self-serving and must therefore also have an outward purpose.¹²⁷ In the Netherlands, a foundation could be set up purely to maintain and support a business, without any external beneficiaries. An example of this is the INGKA foundation, which owns an important part of the IKEA concern and which will be discussed below (nos. 53, 57 and 59). It is common, however, to include other (mostly general) purposes.¹²⁸ The question of whether maintaining the business is always a laudable purpose, will be discussed in subsection 3.2.

45. Foundations often include one or more non-profit purposes in addition to the purpose of administering their controlling participation in a steward owned company.¹²⁹ This can be seen in Novo Nordisk Foundation, a classic example of an enterprise foundation that is also cited as a case of steward ownership.¹³⁰ The foundation owns and administers the Danish pharmaceutical company Novo Nordisk, but also supports medical research and other scientific as well as humanitarian and social purposes.¹³¹ Similarly, the Carlsberg Foundation,

¹²⁷ KOELE I.A., 'Stewardship purpose planning with Dutch private foundations in an international context', *Trusts & Trustees* 2022, (1) 4; SANDERS A. 'Enterprise Foundations in Germany' in SANDERS A. and THOMSEN S. (eds.), *Enterprise Foundation Law in a Comparative Perspective*, Intersentia, 2023, (25) 39.

¹²⁸ KOELE I.A., 'Stewardship purpose planning with Dutch private foundations in an international context', *Trusts & Trustees* 2022, (1) 4.

¹²⁹ SANDERS A. and THOMSEN S., 'Concluding Observations' in SANDERS A. and THOMSEN S. (eds.), *Enterprise Foundation Law in a Comparative Perspective*, Intersentia, 2023, (221) 232.

¹³⁰ PURPOSE FOUNDATION, *Steward Ownership*, 10; VIJVERMAN N. en DEPAUW P., 'Ondernemen met een hoger doel: hoe bedrijven de wereld gaan redden', *Knack* 8 November 2024.

¹³¹ Art. 2 charter Novo Nordisk Foundation.

cited as a pioneer of steward ownership,¹³² serves several non-profit purposes in addition to guaranteeing the long-term ownership of Carlsberg A/S.¹³³

46. The additional non-profit purposes are not necessarily social or charitable purposes. Even in the German tradition, the additional purposes of a foundation may also be self-interested purposes, such as the long-term support of a family.¹³⁴ In Belgium, a foundation can have any purpose that is not a profit distribution purpose.¹³⁵ This includes self-interested purposes such as preserving the family character of a company¹³⁶ or financially supporting family members, e.g. to maintain the swimming pool and pay the butler.¹³⁷ In fact, this is often an important driver for wealthy families to set up a foundation, although the purpose section in the charter will often commence with general lofty purposes, such as supporting science and education, and, if applicable, the purpose of maintaining stable ownership and vision for the family firm.¹³⁸

47. Even if such self-interested purposes are not explicitly included in steward ownership structures, they may still operate implicitly. The selection of the foundation's directors is crucial and can sometimes obscure the true intent of hybrid group structures. Even when the foundations directors' are nominally independent of the board and management of the underlying company, they are often well disposed towards the incumbent management (see also below, subsection 3.2).¹³⁹

48. Corporate foundations and non-profit subsidiaries, too, are set up to promote a non-profit purpose. There is a risk here too that companies use these non-profit structures for self-interested purposes, or at least to enhance their reputation.¹⁴⁰ For this reason, the UK Charity Commission states that

¹³² PURPOSE FOUNDATION, *Steward Ownership*, 10; VIJVERMAN N. en DEPAUW P., 'Ondernemen met een hoger doel: hoe bedrijven de wereld gaan redden', *Knack* 8 November 2024.

¹³³ Art. 2.2 and 7.1.1 charter Carlsberg Foundation.

¹³⁴ KOELE I.A., 'Stewardship purpose planning with Dutch private foundations in an international context', *Trusts & Trustees* 2022, (1) 4; SANDERS A. 'Enterprise Foundations in Germany' in SANDERS A. and THOMSEN S. (eds.), *Enterprise Foundation Law in a Comparative Perspective*, Intersentia, 2023, (25) 40.

¹³⁵ VANANROYE J., 'Le bel excès: een voorstel voor hervorming van het recht voor VZW's en stichtingen met minder regels en een strengere handhaving', *TRV* 2015, (275) 278–279.

¹³⁶ Wetsontwerp tot wijziging van de wet van 27 juni 1921 waarbij aan de verenigingen zonder winst oogmerk en de instellingen van openbaar nut rechtspersoonlijkheid wordt verleend, *Parl.St.* Kamer 1998–99, nr. 1854/1, 24.

¹³⁷ BOVÉ L., DEPUYDT P. and SOURIS S., 'Ruim 500 rijke families ontploen erfbelasting via private stichtingen', *De Tijd* 23 March 2024.

¹³⁸ VANANROYE J., 'Over naar familie(stichting)', *Corporate Finance Lab* 26 March 2024.

¹³⁹ DAVIES P.L. and PIETRANCOSTA A., 'The Defensive Measures Provisions of the Takeover Directive: From Ambition to Resignation to Distrust', *ECGI Law Working Paper No. 785*, 2024.

¹⁴⁰ GEHRINGER T., 'Corporate Foundations as Hybrid Organizations: A Systematic Review of Literature', *Voluntas* 2021, (257) 267.

if companies have a controlling influence over charities that they set up, such entities can no longer qualify as a charity.¹⁴¹

3.1.2. *For-Profit Purposes*

49. In steward owned companies profits are said not to be the main objective, but a means to further the company's "purpose". However, investors are frequently added to the construction – investors for whom profits, particularly their distribution, are significant and integral to the arrangement (see above, nos. 19–20, 27–28 and 33). The risk is real that stewards may come under pressure from these investors (or be tempted themselves when they do have dividend rights or other ways to share in profits). Even if investors do not formally have voting rights, their economic power may enable them to pressure the stewards into deviating from the purpose.

50. A striking example of this is OpenAI. OpenAI Global is a limited liability company that is indirectly (via OpenAI GP LLC) controlled by OpenAI Inc., a tax-exempt nonprofit entity.¹⁴² The profits of OpenAI Global are distributed to its shareholders, including Microsoft, whose profit rights are capped up to 100 times their investment in OpenAI Global. In November 2023, Sam Altman, CEO of OpenAI Inc., was dismissed by the board of directors. Insider sources suggested this happened because he prioritised commercialisation and profits over OpenAI's nonprofit mission (namely "to build artificial general intelligence that is safe and benefits all of humanity").¹⁴³ However, under pressure from key investor Microsoft and OpenAI Global employees, Altman was reinstated as CEO, and the entire board of directors was replaced.¹⁴⁴ Although Microsoft only holds dividend rights, in practice, it thus clearly wields significant influence over OpenAI. Moreover, following the board's restructuring, Microsoft now has a position as a non-voting observer on the board.¹⁴⁵ Adding to this, rumour has it that the company is considering replacing nonprofit control with a public benefit corporation model and granting profit rights to Sam Altman.¹⁴⁶

¹⁴¹ CHARITY COMMISSION, *A Guide to Corporate Foundations*, 2009, 4, <https://assets.publishing.service.gov.uk/media/5a749903e5274a44083b7f5d/corporate-foundations-guide.pdf>.

¹⁴² OPENAI, *Our Structure*, <https://openai.com/our-structure>.

¹⁴³ ALLEN B., 'How OpenAI's Origins Explain the Sam Altman Drama', *NPR* 24 November 2023; VAN DER HORST N., *Embedding checks and balances in steward ownership: The case of OpenAI*, <https://transformativeprivatelaw.com/embedding-checks-and-balances-in-steward-ownership-the-case-of-openai/>.

¹⁴⁴ OPENAI, *Sam Altman returns as CEO, OpenAI has a new initial board*, <https://openai.com/index/sam-altman-returns-as-ceo-openai-has-a-new-initial-board>.

¹⁴⁵ *Ibid.*

¹⁴⁶ CRIDDLE C. and MURGIA M., 'OpenAI pushes ahead with for-profit plans and talks to give Sam Altman a stake', *Financial Times* 26 September 2024.

51. There is also a risk that the stewards themselves may try to take advantage of the profits. They could enrich themselves at the expense of the non-profit entity, for example, by siphoning profits from the non-profit entity through non-market-conforming intra-group transactions, excessive compensation for services provided by insiders, etc.¹⁴⁷

3.2. ENTRENCHMENT OF CONTROL

52. As mentioned above (no. 17), the technique of steward ownership builds on the tradition of enterprise foundations, also dubbed “industrial foundations” or “shareholder foundations”, because they are the sole or majority shareholder of a particular company.¹⁴⁸ An enterprise foundation usually does not hold shares in other (non-affiliated) companies¹⁴⁹ and, in jurisdictions where the technique of share certification is available (e.g. the Netherlands and Belgium), often also issues depository receipts to investors.¹⁵⁰ Many large companies, mostly in Northern-European countries, are owned by a foundation, such as Novo Nordisk, Carlsberg, Heineken, IKEA, Rolex, Victorinox and De Efteling.¹⁵¹ The goal of these structures is to safeguard the long-term control of a company, a motivation that more or less equates that of steward ownership.

53. The question is where the line is between what is perceived as positive stability and clinging to control when it becomes inefficient. If the company has control over the foundation (e.g. because it selects the foundation directors; see above, nos. 39 and 47) and the foundation exercises all or a significant part of the voting rights in the company, this effectively results in self-control. It thus eliminates the disciplining forces – usually considered essential for good corporate governance – not only of shareholder control, but also of the takeover market. Indeed, foundation ownership can also be used by public companies as a defence strategy against hostile takeovers.¹⁵² For instance, the

¹⁴⁷ THOMAS N., ‘Golden shares and social enterprise’, *Harv. Bus. L. Rev.* 2022, (157) 192–193.

¹⁴⁸ SANDERS A. and THOMSEN S., ‘Concluding Observations’ in SANDERS A. and THOMSEN S. (eds.), *Enterprise Foundation Law in a Comparative Perspective*, Intersentia, 2023, (221) 224.

¹⁴⁹ HANSMANN H. and THOMSEN S., ‘The governance of foundation-owned firms’, *J. Legal Anal.* 2021, (172) 173.

¹⁵⁰ NUITTEN M., ‘Certificering van aandelen als techniek tot controlebehoud en opvolging binnen familiebedrijven’, *TEP* 2016, (132) 141; VAN BOVEN R., ‘De Belgische private stichting als certificeringsvehikel: onbekend is onbemind’, *TEP* 2014, (108) 110.

¹⁵¹ HANSMANN H. and THOMSEN S., ‘The governance of foundation-owned firms’, *J. Legal Anal.* 2021, (172) 173; SCHRÖDER D. and THOMSEN S., ‘Foundation ownership and sustainability’, *J. Corp. Fin.* 2025, (1) 2.

¹⁵² HANSMANN H. and THOMSEN S., ‘The governance of foundation-owned firms’, *J. Legal Anal.* 2021, (172) 177.

foundations holding shares in both IKEA groups make IKEA “immune to a takeover”.¹⁵³

54. Another use of foundations as a control entrenching device is a typical Dutch technique known as the “Dutch poison pill”. As the name suggests, this technique involves the company granting an option to acquire a class of preference shares in the event of a takeover bid threatening the company’s continuity. However, instead of being granted to the company’s shareholders, this option is given to a foundation.¹⁵⁴ Also, as the primary goal is not to dilute economic ownership but to prevent a shift in control, the preference shares typically represent a small stake in the company but carry important voting rights. The technique has also been employed by foreign firms incorporated in the Netherlands, notably the US drug company Mylan, which used it to fend off an unsolicited takeover bid by Teva Pharmaceutical Industries.¹⁵⁵

3.3. ESTATE PLANNING AND AVOIDANCE OF INHERITANCE, GIFT AND/OR CAPITAL GAINS TAX

55. Related to control entrenchment, hybrid group structures whereby for-profit companies are held by foundations are often employed to facilitate family wealth planning. First, these structures enable families to maintain control over the underlying companies over generations. Where share certification is possible (see above, no. 52), the foundation holds the shares in the company and issues depository receipts to the family members. The company controllers (usually the parents and possibly also the designated successor(s)) serve as directors of the foundation and appoint new board members through co-optation. Second, this technique is used to avoid inheritance tax. The altruistic non-profit purposes often stated at the beginning of the charter of the foundation (see above, no. 46) are mostly cosmetic and secondary to the tax benefits.¹⁵⁶

56. The first motivation, maintaining control over the generations, is mostly in line with the key principles of steward ownership (for a critique, see subsection 3.2). Its significance becomes evident when examining the timing of

¹⁵³ X, ‘Flat-pack accounting, *The Economist* 13 May 2006.

¹⁵⁴ CHAZEN L. and WERDMULLER P., ‘The Dutch Poison Pill: How is it Different from an American Rights Plan?’, *Harvard Law School Forum on Corporate Governance*, 1 December 2015; DAVIES P.L. and PIETRANCOSTA A., ‘The Defensive Measures Provisions of the Takeover Directive: From Ambition to Resignation to Distrust’, *ECGI Law Working Paper No. 785*, 2024.

¹⁵⁵ CHAZEN L. and WERDMULLER P., ‘The Dutch Poison Pill: How is it Different from an American Rights Plan?’, *Harvard Law School Forum on Corporate Governance*, 1 December 2015.

¹⁵⁶ BOVÉ L., DEPUYDT P. and SOURIS S., ‘Ruim 500 rijke families ontlopen erfbelasting via private stichtingen’, *De Tijd* 23 March 2024.

the establishment of the steward ownership structures in the typical examples. In the cases of Pierre Fabre, Bosch, and Patagonia, steward ownership was implemented by the respective founders prior to their death,¹⁵⁷ through their will,¹⁵⁸ or when starting to consider future generations.¹⁵⁹

57. The second motivation, namely tax avoidance, is not explicitly mentioned in informational materials on steward ownership. Elsewhere though, steward ownership is presented not just as a means of upholding noble principles, but also as “a third alternative to inheritance or sale and division”.¹⁶⁰ The Oregon statute for the perpetual purpose trust was explicitly created in response to the need for a new structure for companies wishing to engage in succession planning.¹⁶¹ In the context of the Dutch proposal to introduce a specific legal form for steward owned companies, even the Dutch association advocating for steward ownership has called upon the State Secretary to investigate whether and how business succession through steward ownership can be fiscally facilitated.¹⁶² Of course, tax incentives can be useful to stimulate enterprises to do good and do not equate tax motives, but the distinction is often subtle. IKEA itself is transparent about this, openly admitting that the structure was established due to Sweden’s “unsuitable” wealth and inheritance tax and to maintain control over the company while preserving its objectives and values.¹⁶³ Empirical research suggests that the prevalence of enterprise foundations in Denmark and Northern Europe is probably influenced by high wealth, inheritance and income taxes.¹⁶⁴

3.4. PROTECTION OF ASSETS FROM CREDITORS AND INCOME TAX AVOIDANCE

3.4.1. *Protection of Assets from Creditors*

58. Hybrid group structures can also be established to protect assets from creditors. The use of legal entities to limit creditors’ rights is called asset

¹⁵⁷ COHEN E., *La société à mission. La loi PACTE: enjeux pratiques de l’entreprise réinventée*, Hermann, 2019, 175–176.

¹⁵⁸ See www.bosch.com/company.

¹⁵⁹ See <https://eu.patagonia.com/be/en/ownership>.

¹⁶⁰ KOELE I.A., ‘Stewardship purpose planning with Dutch private foundations in an international context’, *Trusts & Trustees* 2022, (1) 2.

¹⁶¹ Article §103.193 Oregon Revised Statutes; GARY S.N., ‘The Oregon Stewardship Trust: A New Type of Purpose Trust that Enables Steward-Ownership of a Business’, *U. Cin. L. Rev.* 2020, (707) 723–725.

¹⁶² FIN and WE ARE STEWARDS, *Oproep aan de staatssecretaris: Onderzoek een fiscale regeling voor bedrijfsopvolging via steward-ownership*, 16 December 2024.

¹⁶³ KAMPRAD I., *We are open about the way we are structured*, <https://mb.cision.com/Public/4318/9361787/999fdb9a615180bc.pdf>.

¹⁶⁴ THOMSEN S., ‘Corporate Ownership by Industrial Foundations’, *Eur. J. L. & Econ.* 1999, (117) 123–124.

partitioning.¹⁶⁵ Asset partitioning can be used within a business to compartmentalise assets across different affiliated legal entities in order to create separate pools of assets and liabilities.¹⁶⁶ As a result, the liabilities of one legal entity do not affect other legal entities within the same group, and creditor claims are restricted to the assets of the specific entity they are dealing with. It may thus be used opportunistically. This can escalate to the deliberate draining of assets from a loss-making legal entity to another legal entity or shifting of liabilities from one legal entity to an insolvent legal entity, in order to disadvantage creditors.¹⁶⁷ While the literature mostly examines this practice in corporate groups, it can also be applied in hybrid groups.

3.4.2. *Avoidance of Income Tax*

59. By structuring hybrid groups across national borders, companies can exploit differences in income tax regimes. IKEA, for instance, has split the business into two distinct corporate groups, controlled by a foundation based – perhaps not coincidentally (see above, no. 44) – in Liechtenstein and the Netherlands. Both foundations remain under the control of the Kamprad family.¹⁶⁸ IKEA has faced fierce criticism, with accusations that this structure is driven less by philanthropy and more by a desire to minimise tax liabilities and disclosure requirements, while handsomely rewarding the Kamprad family.¹⁶⁹

3.5. SEPARATION OF FOR-PROFIT AND NON-PROFIT ACTIVITIES

60. Hybrid group structures, in particular commercially active non-profits with for-profit subsidiaries, can result from a decision to separate for-profit and non-profit activities between different legal entities. There are several reasons for such a separation.

¹⁶⁵ HANSMANN H. and KRAAKMAN R., ‘The Essential Role of Organizational Law’, *Yale L.J.* 2000, (387) 390; HANSMANN H. and SQUIRE R., ‘External and Internal Asset Partitioning: Corporations and Their Subsidiaries’ in GORDON J.N. and RINGE W.G. (eds.), *The Oxford Handbook of Corporate Law and Governance*, Oxford University Press, 2018, (251) 251.

¹⁶⁶ VANANROYE J., VAN HOE A. and LINDEMANS G., ‘Curb Your Opportunism: Limits to Group Structures and Asset Partitioning in Insolvency in Belgium’ in *Reports to the Netherlands Association for Comparative and International Insolvency Law*, 2019, (21) 21.

¹⁶⁷ *Ibid.*, 21-22.

¹⁶⁸ See THOMSEN S., ‘Foundation Ownership at IKEA’, 2018, <https://ssrn.com/abstract=3243347>.

¹⁶⁹ X, ‘Flat-pack accounting’, *The Economist* 13 May 2006; AUERBACH M., *IKEA: Flat Pack Tax Avoidance*, 5, www.greens-efa.eu/legacy/fileadmin/dam/Documents/Studies/Taxation/Report_IKEA_tax_avoidance_Feb2016.pdf.

3.5.1. Tax Optimisation

61. A first reason to split for-profit and non-profit activities between entities is to reduce the tax burden. Although tax regimes applicable to non-profits differ across jurisdictions, non-profits often benefit from a more favourable (income) tax regime compared to for-profits.¹⁷⁰ In the United States, certain non-profit entities are granted a full or partial tax-exempt status.¹⁷¹ In other jurisdictions, non-profit entities are subject to lower tax rates and/or only specific types of their income are subject to taxation.¹⁷² For example, in the UK, charitable trusts and charitable companies may claim an exemption for certain categories of income, such as gifts, profits of charitable trades, profits of small-scale trades, profits from fund-raising events, etc.¹⁷³ Belgian non-profit entities are subject to the legal entity tax (provided that they do not engage in significant profit-generating activities).¹⁷⁴ The legal entity tax is levied only on specific types of income and not on donations, subsidies, and income from limited profit-generated activities.¹⁷⁵

62. Most tax regimes provide for exceptions to the beneficial tax treatment of non-profit entities, particularly when these entities engage in economic activities as a source of income for the realisation of their non-profit purpose. If these economic activities become large and/or are not directly related to the non-profit purpose, the income derived from these economic activities is no longer exempt from taxation (e.g. in the United States¹⁷⁶ and the United Kingdom¹⁷⁷) or the entirety of the organisation's income, including donations and subsidies, may become subject to corporate taxation (e.g. in Belgium¹⁷⁸).

¹⁷⁰ AMATUCCI F. and ZIZZO G., 'Income Tax Status of Non-Profit Organizations: Formal Requirements and Business Activities' in VANISTENDAEL F. (ed.), *Taxation of Charities*, IBFD, 2015, (45) 52.

¹⁷¹ Section 501(c)(3) Internal Revenue Code; AMATUCCI F. and ZIZZO G., 'Income Tax Status of Non-Profit Organizations: Formal Requirements and Business Activities' in VANISTENDAEL F. (ed.), *Taxation of Charities*, IBFD, 2015, (45) 52.

¹⁷² *Ibid.*

¹⁷³ SMITH M.B., 'United Kingdom' in VANISTENDAEL F. (ed.), *Taxation of Charities*, IBFD, 2015, (603) 609–611.

¹⁷⁴ Article 220, 3° Income Tax Code.

¹⁷⁵ GARROY S., 'Entreprise sociale et fiscalité directe en Belgique', *TRV-RPS* 2020, (922) 927; TRAVERSA E. and VINTRAS B., 'Belgium' in VANISTENDAEL F. (ed.), *Taxation of Charities*, IBFD, 2015, (193) 198.

¹⁷⁶ INTERNAL REVENUE SERVICE, 'Tax on Unrelated Business Income of Exempt Organizations' (Publication 598), 22 March 2021, www.irs.gov/pub/irs-pdf/p598.pdf; YETMAN R.J., 'The taxation of nonprofit organisations' in TINKELMAN D. and PARSONS L.M. (eds.), *Research Handbook on Nonprofit Accounting*, Edward Elgar, 2023, (231) 234.

¹⁷⁷ SMITH M.B., 'United Kingdom' in VANISTENDAEL F. (ed.), *Taxation of Charities*, IBFD, 2015, (603) 609–611; HM REVENUE & CUSTOMS and THE CHARITY COMMISSION, *Guidance Charities and trading*, 2014 (updated 2019), www.gov.uk/guidance/charities-and-trading.

¹⁷⁸ COOLS S., 'De VZW als alternatief voor de BV', *TRV-RPS* 2022, (355) 356.

63. In order to avoid this increased tax burden, non-profit entities frequently transfer their economic activities into an affiliated company.¹⁷⁹ In the United Kingdom, it is common practice for charities to establish a trading subsidiary to carry out the trading activities that do not qualify as charitable or small-scale trade.¹⁸⁰ By doing so, the charity avoids that its charitable or small-scale trading income is included in its taxable base.¹⁸¹

64. There are other ways in which establishing a separate foundation or other non-profit entity for societal projects can be more tax-efficient than running an internal CSR program within a company. In a year with exceptionally high profits, the company may avoid a sharp increase in tax liabilities, by donating a larger amount to a corporate foundation, while still allowing for the gradual distribution of these funds to philanthropic projects over the coming years. Profit smoothing thus also ensures consistent support for philanthropic initiatives during years with lower corporate income.¹⁸²

3.5.2. Access to Protected Activities and Favourable Regimes

65. Hybrid group structures also emerge when the adoption of a non-profit form is required in order to be allowed to exercise specific activities. This phenomenon is observed, among others, in the sector of certified social secretariats in Belgium. A certified social secretariat has the exclusive right to collect social security contributions from affiliated employers in order to pass them on to the National Social Security Office.¹⁸³ The certification requires, among other things, that the social secretariat has the legal form of a non-profit association and exclusively aims to fulfil the legal and regulatory formalities of affiliated employers in their name and on their behalf, and to provide the necessary information and assistance in this regard.¹⁸⁴ In order to be able to offer other services, certified social secretariats have started setting up affiliated for-profit entities.¹⁸⁵

66. Another legitimate reason to establish a non-profit entity within a for-profit group is to take advantage of certain favourable regimes. In addition to the beneficial tax treatment described above (no. 61), non-profits may be eligible

¹⁷⁹ DESCHRIJVER D., *Verenigen, Stichtingen & Belastingen*, Roularta, 2019, 532.

¹⁸⁰ FRAMJEE P., 'Trading – A Survivor's Guide: Guidance Notes on Charity Trading in the UK', *Int'l J. Not-for-Profit L.* 2009, (53) 66–67.

¹⁸¹ HM REVENUE & CUSTOMS and THE CHARITY COMMISSION, *Guidance charities and trading*, 2014 (updated 2019), www.gov.uk/guidance/charities-and-trading.

¹⁸² REISER D.B. and DEAN S.A., *For-profit Philanthropy*, Oxford University Press, 2023, (79) 93.

¹⁸³ Art. 44, §1 Royal Decree of 28 November 1969 implementing the law of 27 June 1969 amending the decree-law of 28 December 1944 on social security for workers.

¹⁸⁴ *Ibid.*

¹⁸⁵ MICHIELSEN S., 'Makkelijk geldgewin voorbij voor sociale secretariaten', *De Standaard* 26 January 2019.

for certain government subsidies or may recruit volunteers whose compensation is exempt from personal income taxation and social security contributions.¹⁸⁶

4. CONCLUSION

67. While steward ownership is often well-intentioned, it is important to approach it with a critical perspective. In some cases, it could serve as a façade for structures driven by motivations other than long-term purpose and social responsibility. Such purpose-washing not only leads to governance failures within the hybrid structure in question but also has broader implications. It erodes the signalling function of steward ownership, undermining the trust and credibility the latter seeks to foster (see above, nos. 13 and 37).

68. In the absence of clear indications of the founders' motivations, there is a risk that the assessment made by the public becomes a subjective matter of interpreting intentions. This can be effectively illustrated by the example with which this chapter began (see above, nos. 1 and 31), namely the donation by Yvon Chouinard of 2% of the shares in Patagonia Inc. to a trust and of 98% of the shares in Patagonia Inc. to a foundation. Through the trust, the Chouinard family retains control to ensure that the company continues to pursue its mission of protecting the planet. The technique employed by Yvon Chouinard – particularly the donation to the foundation – is one that is also used by billionaires to avoid substantial federal estate and gift taxes, which amount to 40%.¹⁸⁷ The Chouinard family would have paid significantly more in taxes if the shares had been sold, transferred to a non-tax-exempt person or organisation, or passed on to heirs upon Yvon Chouinard's death.¹⁸⁸ Instead, their chosen structure allows them to retain control while minimizing their tax burden. While this decision has drawn criticism, it is not excluded that the Chouinard family was purely motivated by a desire to protect the planet. We cannot look into their minds, but we can do further research that does not uncritically embrace steward ownership.

¹⁸⁶ This is for instance the case in Belgium. Circulaire Ci.RH.241/509.803 of 5 March 1999 jo. Art. 3 Volunteering Act of 3 July 2005.

¹⁸⁷ SORKIN A.R., GIANG V., GANDEL S. e.a., 'Philanthropy, the Billionaires' Way', *The New York Times* 16 September 2022.

¹⁸⁸ EICKHOLZ L., 'Have Your Cake and Eat It Too: How Patagonia's Founder "Gave Away" The Company While Maintaining Control And Avoiding Millions In Taxing', *Kentucky L.J.* 6 October 2022; LU R., 'Set It in Stone: Patagonia and the Evolution toward Stakeholder Governance in Social Enterprise Business Structures', *Col. J. L. & Soc. Problems* 2024, (587) 628.