

# **Statutes**

## **Ecologic Institute gemeinnützige GmbH**

**Pfalzburger Str. 43-44, 10717 Berlin**

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## **§ 1 Company name and seat**

(1) The company's name is -

Ecologic Institute  
gemeinnützige GmbH

(2) The company's seat is Berlin.

## **§ 2 Objectives**

(1) The company's object is the conduct and promotion of scientific research in the areas of nature conservation and environmental protection, ecologically sustainable resource management and environmentally friendly economic, political and social development, in particular at international and European level, as well as the promotion of public and professional education. The company pursues this object in particular by:

- a) Analysing and promoting environmental policy in Europe and other policy areas having a bearing on nature conservation and environmental protection, resource management and economic, political and social development.
- b) Assisting in heightening the awareness of the need to protect nature, the environment and resources in Europe and on an international scale, in particular through lectures, publications and educational events.
- c) Making its scientific findings available without undue delay to the general public for the purposes of nature conservation and environmental protection and of an ecologically sustainable resource management in Europe and on an international scale.

(2) The company primarily implements its object by:

- a) sponsoring seminars and other scientific events;
- b) engaging in scientific research activities;
- c) Co-operating with other organisations in Germany, which pursue [non-profit and public-interest] objectives covered by §§ 51 et seq. of the German Tax Code, or

with public law corporations, associations or organisations in other countries, which pursue similar objectives;

- d) Education, teaching and training within the institute;
  - e) Granting of scholarships or fellowships (in accordance with established rules of procedure).
- (3) The company exclusively and directly pursues scientific and non-profit-making purposes within the meaning of §§ 51 et seq. Tax Code. The company is guided by selfless motives. It does not primarily work towards its own economic ends. The company's funds must not be used for any purposes other than laid down in the shareholders' agreement. Its shareholders shall not in that capacity receive any allocations from company funds. No-one must be advantaged by spending that is alien to the company's object nor by disproportionately high emoluments. The company is economically and politically independent. It is scientifically free.
- (4) Allocations for the implementation of certain company projects may only be accepted if they conform to the company's object. This shall also apply to assets being managed by the Institute within the framework of its activities. The company's income and surplus, if any, may only be used for the funding of tasks incumbent upon the company according to this shareholders' agreement.
- (5) Within the defined limits the company may engage in any business and other activities that are required for or instrumental in the pursuit of its corporate object.
- (6) The company is a member of the network of European environmental policy institutes which is run by the Dutch Stichting voor Europees Milieubeleid. Its purpose - and hence the purpose of each of its member institutes - is the promotion of European environmental policy.
- (7) Ecologic Institute may transfer funds for the promotion of tax-exempt objectives to other non-profit and public-interest organisations, including in other countries.

### **§ 3 Accounting year and term**

- (1) The business year coincides with the calendar year.
- (2) The company is established for an indefinite period.

#### **§ 4 Nominal capital and initial contributions**

- (1) The company's nominal capital amounts to 120 000.00 Euro (in words: one hundred and twenty thousand Euro).

#### **§ 5 Withdrawal**

- (1) The withdrawal of one or more shareholders from the company does not entail its dissolution but rather the retirement of the shareholders concerned. The company is carried on by the remaining shareholders.
- (2) Any withdrawing shareholder is obligated, at the company's discretion, to either assign his/her share(s) in whole or in part to the company proper, to one or more of its shareholders or to any third party designated by the company, or to accept redemption. The pertinent shareholders' resolution requires the consent of the person who is expected to assume the given share(s).

The compensation claim of the withdrawing shareholder against the company is governed by § 15 para. 1 of this agreement.

- (3) The period of notice is six months to the end of the given business year. Notice must be given in writing, the criterion for timeliness being the time of receipt of the notice by the company.

#### **§ 6 Dissolution and appropriation of assets**

- (1) The General Assembly may decide to dissolve Ecologic Institute by a majority of at least seventy-five per cent of all votes.
- (2) In the event of Ecologic Institute's dissolution or lapse of its objectives, its assets shall pass to a public institution of the Federal Republic of Germany or to another body tax-privileged under the laws of the Federal Republic of Germany for exclusive use for

the promotion of science and research in the field of nature conservation and environmental protection.

- (3) The provisions of § 15 para. (1) and (2) shall remain unaffected by the above.

## **§ 7 Assignment and encumbrance of shares**

- (1) Sale of all or part of a share to a third party is permissible. Transactions of this nature shall require the company's consent. This shall also apply to any sale to relatives, other shareholders, descendants and spouses.
- (2) In the event of a sale of all or part of a share by a shareholder, the other shareholders shall have a pre-emptive right. If the purchaser is a shareholder, the former shall, if a pre-emptive right is exercised by another shareholder, also be deemed an entitled party that has exercised its pre-emptive right.
- (3) The pre-emptive right may be exercised by the parties entitled thereto at the ratio of their relative share holdings in terms of nominal amount. Where a party entitled to a pre-emptive right fails to exercise such right or fails to do so on time, such right shall accrue to the other entitled parties at the ratio of their relative share holdings in terms of nominal amount.
- (4) The seller is required to immediately communicate the substance of the contract concluded with the purchaser by registered letter/advice of delivery or by e-mail with acknowledgement of receipt to all parties entitled to a pre-emptive right. A pre-emptive right may only be exercised within one month of receipt of the above communication and only by a written declaration addressed to the seller or the certifying notary public. The time of receipt of the declaration shall be authoritative.
- (5) A party entitled to a pre-emptive right may exercise such right only in respect of the entire share to which it is either entitled from the very outset pursuant to para. 3, first sentence or which accrues to it pursuant to para. 3, second sentence. Where a pre-emptive right is exercised by several shareholders, the interest shall be divided accordingly. Indivisible residual amounts of a share shall be owed to that entitled party which has been the first to exercise its pre-emptive right after receipt of the communication pursuant to para. 4.

- (6) In the event that a share offered for sale is sold to an entitled party by virtue of a pre-emptive right, the shareholders are obligated to consent to its assignment as required of them pursuant to para. 1 and to instruct the managing directors to agree to a splitting requiring approval pursuant to § 17 para. 1 GmbHG (Law on Limited Liability Companies). If a pre-emptive right is not exercised or if this is not done on time, the shareholders are obligated to grant the approval of assignment to the purchaser required of them pursuant to para. 1 except if this is opposed by a good cause inherent in the person of the purchaser. Such good cause shall in particular be deemed to exist if the purchaser holds a stake in one of the company's competitors.
- (7) Any assignment made prior to decision-making by the parties entitled to a pre-emptive right as provided for above shall be ineffective.

## **§ 8 Encumbrance of interests**

Shares may not be encumbered or pledged except with the company's approval.

## **§ 9 Redemption of shares**

- 1) Shares may be redeemed with the consent of the shareholder concerned.
- 2) A redemption of a shareholder's shares without his/her consent shall be permissible if:
  - a) the share concerned is attached by a creditor of the company or is otherwise judicially enforced in the latter's favour unless such enforcement action is rescinded within two months or, at the latest, by the time the share is turned to account.
  - b) insolvency or composition proceedings are instituted against the shareholder's property or the institution of such proceedings is refused for insufficiency of assets or the shareholder has affirmed in lieu of an oath that his/her schedule of property is accurate.

- c) there is a reason warranting the shareholder's exclusion inherent in his/her person. Where a share is jointly held by several persons, it is sufficient for the reason for redemption to relate to only one of them.
  - d) the shareholder brings an action for dissolution or declares his/her withdrawal from the company or
  - e) the shareholder has died.
- (3) Redemption shall be declared by the board of management. It is subject to a shareholders' resolution carried by a majority of the votes cast. The shareholder concerned shall not be entitled to vote.
- (4) Redemption is made against payment of a compensation pursuant to § 15 para. (1) of this agreement. Redemption or a resolution demanding assignment shall be legally effective irrespective of a potential dispute over the level of such compensation.
- (5) If a share is attached, the company or the shareholders may satisfy the pertinent claim of the enforcing creditor and thereafter redeem the attached share. The shareholder concerned may not contradict such satisfaction. He/she must allow the amount expended to satisfy the enforcing creditor to be deducted from his/her claim to compensation (para. 4).
- (6) The meeting of shareholders may, in lieu of redemption, unanimously resolve that the share shall be transferred to one or more shareholders or third parties designated by it. The compensation payable pursuant to para. 4 shall then be solely owed by the transferee concerned. In case of third party acquirers, their consent shall be additionally required.

## **§ 10 Conduct of business and representation**

- (1) The company shall have one or more managing directors. If only one managing director has been appointed, he/she shall represent the company alone. If more than one managing directors have been appointed, the company shall be represented by two managing directors jointly. Each managing director may be granted sole power of

representation and exemption from the restrictive provisions of § 181 BGB (German Civil Code).

The managing directors shall be appointed and recalled by shareholder resolution. If there is more than one managing director, the distribution of responsibilities may be regulated in rules of procedure.

- (2) Subject to approval are all transactions declared to require approval by shareholder resolution.

## **§ 11 General Assembly**

- (1) Meetings of shareholders shall be convened by the managing directors. Each managing director is entitled to convene a meeting of shareholders on his/her own. A meeting of shareholders must be called if a shareholder resolution is required, if this is demanded by shareholders representing at least 10% of the voting shares or if the calling of such a meeting is in the company's interest for any other reason. In any event, a shareholder's meeting must be called annually within 2 months of the submission of the annual financial statements.
- (2) A meeting of shareholders shall be convened in writing by registered mail, by fax or by e-mail with acknowledgement of receipt. The invitation, which must specify the place, the date, the hour and the agenda of the meeting, must be transmitted at least 3 weeks in advance. The time limit shall start from the mailing of the invitation or from the dispatch of the fax or the e-mail message. Shareholders residing abroad hereby accept that they will be answerable for any resultant delay in communications by post.
- (3) Meetings of shareholders shall be held at the company's seat. They may also be held elsewhere for a justified reason.
- (4) A meeting of shareholders is presided over by the chairman. If a majority of the shareholders present cannot agree on a chairman, the meeting shall be chaired by the eldest of the shareholders present.



- (5) Each shareholder may arrange for his/her representation by another shareholder or by a third party committed to professional secrecy. Each of the other shareholders may require such authorised representative to submit a written power of attorney.
- (6) A meeting of shareholders has a quorum if at least half of the voting nominal shares are represented, failing which a new meeting shall be called within one week to deal with the same agenda. The second meeting shall always be deemed to have a quorum, which fact shall be noted in the invitation. The time limit for the calling of such follow-up meeting within the meaning of para. (2) is shortened to two weeks.
- (7) A resolution may be put to the vote even if in convening and announcing the given meeting the applicable provisions of law or of the shareholders' agreement have not been observed provided that all shareholders are present or represented and that all of them agree to such a procedure.
- (8) Shareholder resolutions are carried by a simple majority of the votes cast unless a larger majority is mandatory.
- (9) Rotary postal voting (Sternverfahren) is permissible. In the process account is taken of all ballots received by the company within one month of dispatch. Paragraphs (5) and (8) shall analogously apply.
- (10) Minutes shall be prepared by the chairman of all shareholder resolutions within three days of decision-making and shall be transmitted to all shareholders by registered mail/advice of delivery or by e-mail with acknowledgement or receipt. The shareholders may, within four weeks of receipt of the minutes by registered mail or by e-mail with acknowledgement of receipt, require the minutes to be amended or revised. The criterion for observance of the time limit shall be the day of dispatch.

Minutes that are not contradicted, amended and/or revised shall be presumed to be correct and complete.

- (11) Shareholder resolutions may be challenged only within 8 weeks of their adoption if the subject of the resolution had been announced in the context of the invitation. Otherwise, they may be challenged by bringing an action within 8 weeks of obtaining knowledge thereof.

- (12) Each amount of 50.00 Euro shall command one vote. Voting rights associated with shares held by the company shall be suspended.

## **§ 12 Ecologic Institute's advisory board**

The company may set up an advisory board that escorts its scientific activities. Details may be laid down in rules of procedure.

## **§ 13 Annual financial statements**

The board of management shall prepare annual financial statements within the statutory time limit at the end of each business year and shall submit them to the shareholders in time for adoption within the prescribed statutory time limit.

## **§ 14 Allocation of surpluses**

- (1) The General Assembly shall decide on the allocation of the surplus [or net profits] reported in the annual financial statements.
- (2) The General Assembly may by a resolution carried by a simple majority either allocate the surplus to reserves or carry them forward to the next financial year, subject to the provisions of § 58 nos. 6 and 7 Tax Code. Distributions of surpluses to the shareholders are excluded. Surpluses may only be used for the attainment of Ecologic Institute's objectives under these statutes.

## **§ 15 Compensation claims against Ecologic Institute**

- (1) Where a shareholder withdraws from the company, no matter on what legal ground, or if the company is dissolved, he/she is entitled to compensation for the value of his/her share, which is to be determined on the basis of the current market value of the given holding but must not exceed the nominal amount of the initial contribution. The compensation shall be payable in two equal instalments. The first instalment

shall be due upon adoption of the annual financial statements, the second six months later.

- (2) A withdrawing shareholder may not claim any collateral security for his/her entitlement to compensation.

## **§ 16 Exemption from the prohibition of competition**

The managing director may, on a case by case basis or in respect of certain types of transactions, be exempted by shareholder resolution from the prohibition of competition.

## **§ 17 Formation expense, service, notices, place of fulfilment**

- (1) The company shall bear the cost of a capital increase up to 1 500.00 Euro.
- (2) All documents and e-mail messages received by a shareholder under this agreement shall be deemed duly received if the document or the e-mail message was dispatched to the shareholder's last address known to the company even if the addressee can no longer be reached thereunder.
- (3) Notices of the company shall only be published in the official gazette.
- (4) Place of fulfilment is the company's seat.

## **§ 18 Requirement of writing**

All covenants among shareholders or between the company and shareholders concerning their relationship within the company shall require the written form in order to be effective unless notarisation is required by law or this agreement provides otherwise. The same shall apply to a party's own waiver, if any, of the requirement of writing.

**§ 19 Partial nullity**

If individual provisions of this agreement should be ineffective or if this agreement should have lacunae, the effectiveness of the remaining provisions shall not be affected thereby. In place of any such ineffective provision such effective provision shall be deemed agreed as corresponds to the meaning and purpose of the ineffective provision. In case of lacunae such provision shall be deemed agreed as corresponds to what the parties, in the light of the meaning and purpose of this agreement, are likely to have agreed if they had contemplated the lacunae from the very outset.