



## **Special Rules of Procedure for Annual General Meetings (BGoG) ZUKUNFTSGENOSSENSCHAFT SCE mit beschränkter Haftung (FUTURECOOPERATIVE with limited liability) Status 23 March 2020**

### **1. Joining the cooperative, further shares**

The declaration of membership has the following wording:

*"With a mandatory share of EUR 10 each pursuant to § 15a and § 15b in conjunction with § 30 section 2 Cooperatives Act (GenG) I declare my membership of the Zukunftsgenossenschaft SCE mbH (with limited liability) as a user member according to § 4 (1) of the Statutes and I undertake to make the payments due to the amount of € 10.00 per share in accordance with the Statutes and the law.*

*Name, first name, date of birth, profession, address, telephone, email address, signature:"*

*If several shares are taken over in connection with the membership, the declaration of membership reads:*

*"With a mandatory share and further optional shares of 10 euros each in accordance with § 15a and § 15b in conjunction with § 30 Section 2 GenG, I declare my membership and participation with further optional shares in the ZUKUNFTSGENOSSENSCHAFT SCE mit beschränkter Haftung (with limited liability) as a user member in accordance with § 4 (1) and undertake to make the payments due in accordance with the Statutes and the law. Name, first name, date of birth, profession, address, telephone, email address, signature:"*

The Management Board shall decide on the admission of members who use the services of the Cooperative. The members are permitted to use their optional business shares as contributions in kind. Contributions in kind can be movable and immovable assets, for example real estate, or intangible services, for example in the form of services, research and development work. The cash value of contributions in kind must be assessable. Proof of this can be:

- Purchase contracts for the item which are not older than 6 months
- Current valuations made by an expert third party.
- In the case of real estate, the notarial purchase price, less ancillary acquisition costs (e.g. notary and registration fees, real estate transfer tax), which the cooperative incurs.
- For intangible services, a maximum hourly rate of € 50.00 or a daily rate of € 500.00 is accepted.

There is no limit to the number of shares that a member can take over.

### **2. Mandatory shares**

The members have to purchase the following mandatory shares:

- Membership requires 1 mandatory share

### **3. List of members**

The Management Board is obliged to keep a list of members. The list of members can be inspected by any member at the business premises of the Cooperative.

#### **4. Support of members**

The Cooperative promotes its members from the result of the joint business operations, in particular through participation in other companies, or in investment projects of other companies for the purpose of concluding group-related benefit agreements with suppliers from a wide variety of industries. In addition, the Cooperative also promotes its members through purchasing advantages and other privileges described in the promotion guidelines of the Cooperative.

#### **5. Convening Annual General Meetings, Agenda**

The General Meetings are convened by the Chairman of the Supervisory Board or his/her deputy and, if the latter is prevented from doing so, by the Management Board. The invitation must be sent/published in text form at least 30 calendar days prior to the Annual General Meeting. Additions and amendments to the agenda must be submitted in text form at least ten calendar days prior to the Annual General Meeting. The Annual General Meeting is convened by direct notification to all members in text form (postal, telex, electronic) or by publication in the gazette provided for in § 22 of the Statutes.

At least one Annual General Meeting is to be held annually in the first half of the year to decide on the adoption of the annual financial statements and approval of the appropriation of the profit or compensation for the loss. If the Cooperative was audited in the year by the Cooperative Auditing Association, the result of the audit and the conclusions that may have been drawn are to be resolved.

Further Extraordinary General Meetings are to be convened if this appears necessary in the interest of the Cooperative. An Annual General Meeting must be convened immediately if 10 % of the members so request in a statement signed by them. This must state the purpose and reasons for convening the meeting.

In the same way, members may request that certain items are announced for resolution at an already planned Annual General Meeting (Addition to the agenda).

#### **6. Resolutions passed at the Annual General Meeting, Representation**

The Annual General Meeting passes resolutions by a majority of the votes cast (simple majority of votes), unless a larger majority is stipulated by law or the Statutes. Simple majority means that more yes than no votes are counted. Abstentions and absent members are not taken into account.

If, in elections, more applicants receive the required majority than there are seats to be allocated, the applicants with the most votes are elected; in the event of a tie, a random draw will decide after a run-off vote. The number of votes per member is stated in the Statutes.

The members should exercise their voting rights in person. Only members can grant proxy and receive the right to vote. For the proxy the written form is required (with signature of the authorising member). A proxy cannot represent more than two members. If the authorising member himself/herself has more than one vote, he/she may not have more than a total of five votes (see § 21 (5) of the Statutes).



No-one may exercise the right to vote for him/herself or another if a decision is to be taken as to whether to discharge him/her or the represented member or release him/her from a liability or whether the Cooperative should assert a claim against him/her or the represented member.

## **7. Approval of the annual financial statements**

The Annual General Meeting decides on the approval of the annual accounts. It decides on the appropriation of the annual surplus or the covering of an annual deficit. The annual financial statements (and, if applicable, the management report) and the associated report of the Supervisory Board should be laid out for the members' inspection in the Cooperative's premises at least one week before the Annual General Meeting or otherwise made available to them.

Each member is entitled to request a copy of the annual financial statements (and, if applicable, the management report) and the corresponding report of the Supervisory Board at his/her own expense. The annual financial statements and, if applicable, the management report can also be sent to members free of charge as a PDF by email, if they expressly wish this.

## **8. Treatment of the audit report**

After receipt of the Auditing Association's audit report, the Management Board has to announce the Auditor's report on the agenda when the next Annual General Meeting is convened as a matter for resolution.

Each member of the Supervisory Board must take note of the audit report. At the Annual General Meeting the Supervisory Board has the right to decide on significant findings or to comment on objections to the audit.

The summary of the audit report shall be read. Every member, including members not attending the Annual General Meeting, has the right to inspect the summarised result of the audit. Members not attending the Annual General Meeting may therefore, at their own expense, request a copy of the summary of the audit report. Members not present at the Annual General Meeting may obtain a copy of the summary of the audit report also free of charge as a PDF by email, if they expressly request this.

The Annual General Meeting may adopt resolutions for the purpose of remedying identified defects.

## **9. Minutes of the Annual General Meeting**

Minutes shall be taken of the proceedings of the Annual General Meeting. These minutes shall contain:

- Place and date of the Annual General Meeting
- Name of the chairman of the Annual General Meeting
- Wording of the resolutions of the Annual General Meeting
- Declarations by the chairman of the meeting regarding the majority in the adoption of resolutions.

An attendance list is to be attached; the number of votes of each member present or represented is to be noted. The minutes must be signed by the Chairman of the Annual General

Meeting and at least one other member of the Management Board present at the Annual General Meeting. A copy of the invitation to the Annual General Meeting as well as a note on its dispatch must be attached to the minutes.

The minutes shall be kept by the Management Board. Every member has the right to inspect the minutes. For dispatch, the provisions of Sections 7 and 8 shall apply.

#### **10. Management Board - Appointment, premature dismissal and employment contracts**

- The Management Board is appointed and dismissed by the Supervisory Board, for which appointment period the provisions of the Statutes shall apply. Employment contracts with members of the Management Board are concluded with the Supervisory Board, which is represented by its Chairman. If members of the Management Board work part-time, their expenses shall be reimbursed by the Cooperative.
- A salary may be agreed in the employment contracts if the financial situation of the Cooperative permits this. Board members can use a company car from the Cooperative also for private use, if the financial situation of the Cooperative permits, or if this leads to a reduction in the amount to which they are entitled for reimbursement of expenses. Within the scope of the promotion of members, the Cooperative can assume the tax expenses for private use of company cars.

#### **11. Management Board - Deputy**

The Supervisory Board may appoint individual members of the Board as deputies for unavailable members of the Management Board in advance for a limited period of time. During this period and until the discharge of the representative has been granted, the deputy member of the Management Board may not perform an activity as a member of the Supervisory Board. If the Supervisory Board consists of only three members and one of them is appointed the deputy member of the Management Board, a new member of the Management Board must be found within four weeks and appointed by the Supervisory Board or a new member of the Supervisory Board is elected by the Annual General Meeting.

#### **12. Due diligence and liability of the Management Board members**

In managing the enterprise, the members of the Management Board have to exercise the due diligence of a regular and conscientious manager of a cooperative. They are bound to secrecy regarding any confidential information and secrets of the Cooperative, specifically trade or business secrets which have become known to them through their work on the Board of Management.

Members of the Management Board who fail to meet their obligations shall be jointly and severally liable to compensate the Cooperative for any damage arising therefrom.

#### **13. Supervisory Board - election and dismissal, term of office**

Should a Supervisory Board be elected, the Supervisory Board shall consist of at least three and a maximum of five members. The Annual General Meeting may decide that the

Supervisory Board is to have a larger number of members. This decision is made before the elections.

The Supervisory Board members are elected by a majority of the votes of the members present. If, in elections, more candidates receive the required majority than the number of seats to be allocated, the candidates with the most votes are elected; after a run-off vote, a tie vote is decided by lot.

The term of office of the Supervisory Board members is 3 years.

Election to the Supervisory Board may be terminated before the end of the term of office by the Annual General Meeting. The resolution requires a majority of  $\frac{3}{4}$  of the votes cast.

#### **14. Supervisory Board – Rights and obligations**

The Supervisory Board has to monitor the Management Board in all areas of management and for this purpose to inform itself comprehensively about the affairs of the Cooperative. It may at any time request reports from the Management Board on the course of business.

The Supervisory Board may itself or through members of the Supervisory Board commissioned by it inspect the books and documents of the Cooperative, check the cash and examine the fixed and current assets. The Supervisory Board shall examine the annual financial statements (and the management report, if applicable) and the proposal for the appropriation of the net income or the covering of the net loss for the year. It must report on the results of the audit at the Annual General Meeting before the annual financial statements are approved.

The Supervisory Board must convene an Annual General Meeting if this is necessary in the interest of the Cooperative.

The work of the Supervisory Board is honorary, with members being entitled to an attendance fee, which is regulated in the Rules of Procedure of the Supervisory Board.

Expenses are reimbursed within the framework of the tax regulations. The Annual General Meeting may decide to pay a fee to the members of the Supervisory Board.

#### **15. Representation of the Cooperative vis-a-vis members of the Management Board**

The Supervisory Board represents the Cooperative in concluding contracts with the Management Board. The same applies to lawsuits against members of the Management Board, which have been decided by the Annual General Meeting.

The Annual General Meeting shall issue guidelines on the employment contracts with members of the Management Board.

#### **16. Minutes of the Supervisory Board meetings**

Minutes are to be taken of the course of the Supervisory Board meetings. These minutes shall contain the following:

- Place and day of the meeting
- List of attendees
- Wording of the resolutions
- Majority of votes
- Other findings which have been requested to be recorded in the minutes.

The minutes are to be signed by the Chairman of the Supervisory Board or his deputy.  
The minutes shall be kept by the Management Board.

### **17. Due diligence and liability of the Supervisory Board members**

In managing the enterprise, the members of the Supervisory Board have to exercise the due diligence of a regular and conscientious manager of a cooperative. They are bound to secrecy regarding any confidential information and secrets of the Cooperative, specifically trade or business secrets which have become known to them through their work on the Supervisory Board.

Members of the Supervisory Board who fail to meet their obligations shall be jointly and severally liable to compensate the Cooperative for any damage arising therefrom.

### **18. Meetings of the Management Board and Supervisory Board, matters requiring approval**

The following matters require the approval of the Supervisory Board:

- conclusion and termination of contracts of particular importance, in particular of such contracts which involve recurring obligations of significant scale or, for the promotional purpose of the Cooperative, of substantial interest;
- acquisition and sale of property and real estate with a value of more than 10,000 euros;
- important proposals for deliberation and resolution by the Annual General Meeting;
- joining and leaving cooperative, association-related and other associations and organisations for cooperation;
- definition of long and medium-term corporate goals;
- principles for borrowing and lending;
- the granting and take-up of loans and subordinated loans by the Cooperative.

The Chairman of the Supervisory Board chairs the joint meetings. A motion is rejected if it does not obtain a majority. Resolutions are to be recorded for evidence in joint minutes. The result of the split vote is to be recorded.

### **19. Discharge of the Management Board and Supervisory Board**

The Annual General Meeting shall decide on the discharge of the Management Board and the Supervisory Board. A special motion is not required. For the discharge of the Management Board and Supervisory Board, the members of the Management and Supervisory Boards have no voting rights.

### **20. Business operations**

The Cooperative conducts its business in the following areas:

- a. research and the further development of elements of basic human needs, such as energy, housing and food through active cooperation,
- b. project planning, construction, maintenance and trading of plants for generation of renewable and alternative energies at home and abroad, development, project planning, construction and maintenance of methods and plants for the opening up of new



water resources, use and treatment of existing and new water resources at home and abroad, and implementation of all associated measures for the optimal use of the value chain,

- c. sale of electrical energy to third parties and to members within the promotional purpose,
- d. consultation in all questions of energy production and sustainable use of energy sources,
- e. participation in research projects and own research and development on new technologies and applications of holistic energy conversion and information applications for the optimal use of resource cycles and to protect the planet from resource over-exploitation,
- f. application for patents and granting of licences to third parties, with the immaterial services of the participating members being particularly promoted,
- g. joint buying and selling within the scope of a purchasing and supplier cooperative for goods of all kinds.
- h. the evaluation and comparison of sustainable investments as a service for the members within the scope of member promotion,
- i. promotion and implementation of sustainability in all areas,
- j. creation and support of sustainable regional economic cycles,
- k. cultural and social measures, in particular to develop self-sufficiency systems and sustainable economic approaches in appropriate countries of the Third World,
- l. and transfer of individual fields of activity within the remit of the SCE to third parties.

## **21. Accounting and annual accounts**

The Management Board shall ensure that the necessary books of the Cooperative are properly kept. The annual financial statements (and, if applicable, the management report) must be submitted to the Supervisory Board immediately after their preparation and then, with the comments of the Supervisory Board, to the Annual General Meeting.

## **22. Appropriation of profit and loss**

After deduction of the reserves and the legal reserve, the profit for the financial year resulting from the adoption of the annual financial statements is distributed to members. The distribution is made in proportion to the status of the credit balances at the end of the previous financial year. The Annual General Meeting may also decide to absorb losses from reserves and to carry profits and losses forward to the new account.

The creation of legal reserves is regulated in the Statutes.

## **23. Serious losses**

If the annual balance sheet or an interim balance sheet is drawn up or if, in the opinion of the Management Board, it is reasonable to assume that a loss exists which is not covered by half of the total amount of the credit balances and reserves, the Management Board has to convene the Annual General Meeting without delay and report it to them.



## **24. Transfer of business credit balance**

A member may at any time, including during the financial year, transfer his/her credit balance to another member by written agreement and thereby leave the Cooperative without any settlement or reduce the number of his/her shares in the enterprise. It is a prerequisite that the transferee becomes a member in his/her place by way of a resolution of the competent body or, if he/she is already a member, that the shares are credited to his/her previous credit balance, provided that he/she has fully paid up his/her subscribed shares.

## **25. Termination of membership**

Each member has the right to terminate his/her membership of the Cooperative. The termination shall only become effective at the end of a business year. The notice period is set out in the Statutes.

## **26. Settlements with former members**

- For the settlement between the former member and the Cooperative, the most recently adopted annual financial statements are applicable. The recognition of losses carried forward is governed by the Statutes. The member has no claim on the reserves or other assets of the Cooperative. In the event that the business credit balance is transferred to another member, no settlement is made.
- The credit balance of the settlement is in principle to be paid out to the departing member within six months of his/her leaving. Payment requires the approval of the Management Board and Supervisory Board.
- In a settlement proceedings, the Cooperative shall be entitled to offset the due claims it has on the departing member against the credit balance to be paid to the member.
- The settlement between the departing member and the Cooperative is determined by the financial situation of the Cooperative, the minimum capital and the balance of the member's business credit balance at the time of his/her exit. If the assets of the Cooperative, including the reserves and all assets, are not sufficient to cover the debts, the departing member is obligated to pay a share of the deficit to the Cooperative, up to a maximum of the amount of the liability. The member is liable to the Cooperative with his/her settlement credit balance for a possible loss, especially in insolvency proceedings. Insofar as the minimum statutory capital of the Cooperative is undercut due to the payment of the settlement credit balance, the entitlement to payment is either entirely or partially suspended until payment is possible again without the minimum capital amount being undercut. Claims from previous years affected by a suspension will be given priority, also in relation to each other.
- If a member leaves the Cooperative without having made the agreed payments in full, the Cooperative is entitled to reduce an expense allowance.
- Sections 1 to 5 shall apply accordingly to the settlement in the event of termination of individual business shares.

## **27. Member recruitment**

All members have the possibility to introduce the Cooperative and its promotional mission to other interested people and to recruit and promote them as members of the Cooperative within the framework of the "Member recruits member" campaign. The Cooperative promotes its members in this advertising and support by means of appropriate marketing instruments.

## **28. Amendment of the Statutes and the General Rules of Procedure**

An amendment of the Statutes can only be decided by the Annual General Meeting. A majority of  $\frac{3}{4}$  of the votes cast is required.

The amendment of the Statutes only becomes effective when it is registered in the Register of Cooperatives. Until then the previous provisions of the Statutes shall apply,

Amendments to these Special Rules of Procedure are decided unanimously by the Management Board and Supervisory Board in a joint meeting. The amendment of the Rules of Procedure becomes effective upon adoption of the resolution.

**These Special Rules of Procedure were adopted by the Annual General Meeting on 18.06.2018 and amended by resolution of the joint meeting of the Management Board and Supervisory Board on 23.03.2020.**