

STATUTE

of the Association

"European Forum for Reciprocating Compressors e. V."

Dresden

§ 1

Name and Location of the Association

- (1) The association is named " European Forum for Reciprocating Compressors e. V." and is called ASSOCIATION in the following.
- (2) The ASSOCIATION has its location in Dresden.

§ 2

Object of the Association

- (1) Object of the ASSOCIATION is the support of scientific research and technical development for the improvement of reciprocating compressors; it is non-profit making.
- (2) In the pursuit of this object the ASSOCIATION is obliged to support technical development and research of the reciprocating compressor, especially by
 - a) Promotion of research activities;
 - b) Promotion of the exchange of opinions and experience between science and practically active companies (manufacturers, users, and suppliers.) in the field of technical information;
 - c) Organisation of events, such as symposia, seminars, lectures and the like;
 - d) Distribution of information on the reciprocating compressor, its technical development and its possibilities of optimal use ;
 - e) Documentation of pertinent literature and research work;
 - f) Information of all the members of the association and all other persons and institutions interested in the technical development of the reciprocating compressor.
 - g) Technical advice to anybody interested in the use of the reciprocating compressor.
 - h) Input for the development of European standards for reciprocating compressors in view of European needs.
 - i) Promotion of students and junior scientists active in the field of reciprocating compressors

§ 3**Means for reaching the object of the Association**

The object of the association defined in § 2 of these statutes is aimed at in the first place by the following means:

- a) by the entrance fees to be paid once by each member;
- b) by the membership fees to be paid regularly by the members;
- c) by other payments and contributions.

§ 4**Membership in the Association**

- (1) Every natural and legal person interested in the research and technical development of the reciprocating compressor can become a member of the ASSOCIATION.
- (2) In case that legal persons are members of the association, they are represented by their organs nominated according to the statutes or by representatives who have to prove their identity by written authorisation. For reasons of continuity care should be taken when appointing a representative/an authorised person that generally the same representatives/authorised persons should become active and exercise the rights of the member of the association.
- (3) Full members can basically make use of all the rights and obligations out of these statutes.
- (4) Supporting members commit themselves to support the ASSOCIATION by a special payment or regular payments the height of which is defined in the regulations of contributions. Supporting members are granted the same rights as a full member with the exception of the right to vote in the general assembly of members and the right to be voted for functions reserved to full members.
- (5) Groups of affiliated companies have the possibility to be admitted to the ASSOCIATION as ordinary members with every legal entity. Companies shall be deemed to be affiliated if they are legally independent entities in the sense of § 15 AktG. Each affiliated company shall have full voting rights. However, the voting rights of a specific group of affiliated companies shall not exceed 10% of the total voting rights of the ASSOCIATION. (In order to assess this 10% threshold, the number five shall be rounded up to the next full number and the number four do be rounded down). Affiliated companies may mandate other affiliated companies to act as their representatives.

§ 5
Start of Membership

- (1) The admission of full and supporting members of the ASSOCIATION has to be applied for in writing. The admission is decided by the Board and confirmed by the chairman of the ASSOCIATION, in case he is prevented admission is confirmed by his substitute. Membership becomes only valid at receipt of the entrance fee, cf. § 7 subparagraph 1 of the statutes.
- (2) There is no right of admission, membership can be rejected without giving reasons.

§ 6
Termination of Membership

- (1) The membership in the ASSOCIATION ends
 - a) With natural persons at their death, with legal persons by their dissolution;
 - b) By notice of the member;
 - c) By exclusion;
- (1) Notice by a full member can only be given by the end of a year upon six months' notice. The declaration of notice has to be in writing and has to be addressed to the Board of the ASSOCIATION.
- (2) The declaration of notice does not release from the obligation to pay the membership fee for the current business year of the ASSOCIATION.
- (3) Supporting members can terminate their membership by giving notice at any time without a due period.
- (4) Members of the ASSOCIATION who
 - do not pay their contributions when due and after two reminders in writing (cf. § 7 subpara. 3 of the statutes)
 - who injure the statutes of the ASSOCIATION to a gross extent or
 - who injure the interests of the ASSOCIATION several times or to a considerable extent

can be excluded from the ASSOCIATION by the Board. The member has to be listened to prior to exclusion.

The member can appeal to a Court of Arbitration (cf. § 18 of the statutes) against the decision of exclusion, this has to take place within one month after receipt of the decision of the Board.

§ 7
Duties of the Members

- (1) The members commit themselves to promote the purpose of the association and refrain from any behaviour which endangers the fulfilment of the duties and purpose of the ASSOCIATION.
- (2) Each member has to pay an entrance fee once at confirmation of admission. The height of this fee is defined in the regulations of contributions valid at the moment of admission. Membership becomes only valid at receipt of the full entrance fee, prior to that moment all the rights of the member are suspended.
- (3) Furthermore the members have to pay an annual membership fee, the height of which is defined each year by the general assembly of members for the next business year of the association.
- (4) Members, who do not pay the current membership fee up to the end of the business year of the association and who do not pay it in spite of two reminders by registered letter to the last address given to the ASSOCIATION and in spite of being granted a additional period of at least a fortnight can be excluded of the ASSOCIATION after expiry of this second period.

§ 8
Rights of the Members

- (1) The members are entitled to take part in the general assemblies and other activities of the ASSOCIATION. For participation in special events a separate fee can be charged.
- (2) The right to vote in the general assembly is only granted to full members; each member has got one vote.
- (3) Only full members can be elected into the Board.

§ 9
Bodies of the Association

- (1) Bodies of the ASSOCIATION are
 - a) The general assembly,
 - b) The Board,
 - c) The auditor,
 - d) The Court of Arbitration.
- (1) He who is exempt from a liability or who is to be granted a benefit by decision making in one of the above bodies, does not have a vote in such a case –neither in his own nor in somebody else’s name. The same applies to decision making which concerns legal

business with a member, or introduction or termination of a legal dispute between the member and the ASSOCIATION.

§ 10
General Assembly of Members

- (1) The General Assembly is the supreme body of the ASSOCIATION. It shall take place within the first seven months of each year in form of an ordinary General Assembly of Members.

All the full and supporting members have the right to participate; the Board decides on the participation of further persons.

An extraordinary General Assembly of Members has to be summoned within three months upon decision of the Board, the ordinary General Assembly of Members, upon written request by at least thirty-five percent of the full members or upon request of the auditor.

- (2) The general assembly of members is summoned by the Board who sends written invitations to the single members of the association. The invitations have to be sent at least a fortnight ahead of the meeting of the general assembly of members. Time and place of the assembly have to be exactly defined and the agenda has to be published.
- (3) If the Board does not observe the request acc. to subpara (2) for the summoning of an extraordinary general assembly of members within one month after receipt of the request, then the person entitled to apply is granted the right for summoning the assembly himself
- (4) The invitation must contain the agenda. Each member has got the right to apply with the Board for the admission of further items into the agenda in writing. Such an application has to be received by the Boards at least four work days before the meeting of the general assembly of members.
- (5) Valid decisions can only be made in the general assembly of members upon topics which were orderly put onto the agenda. Except thereof are only applications for the summoning of an extraordinary general assembly.
- (6) Invitations and written information to the members are sent to the last address of the member made known to the ASSOCIATION.
- (7) The general assembly of members constitutes a quorum , if at least half of the members are present or properly substituted. If the general assembly of members constitutes no quorum at the defined moment of its start, it has to be postponed for half an hour. The general assembly of members then held, constitutes a quorum without regards to the number of present or substituted votes and it is limited to the agenda of the earlier date.

Course of the General Assembly of Members

- (1) A record of the course of the general assembly of members has to be made, in which all the decisions taken have to be noted. This record has to be signed and kept in safe by the chairman of the Board and the secretary.
- (2) The general assembly of members is presided by the chairman of the Board, in case of his being prevented by his substitute in the Board, in case of the latter being prevented by the cashier of the ASSOCIATION. If there is no member of the Board present, then the oldest by age full member of the association who is present presides over the general assembly of members.
- (3) The general assembly of members starts with the statement who presides over the meeting before the agenda is worked off. The chairman may for reasons of acceleration, order another sequence of the agenda or that items of the agenda are treated together.
- (4) Subject to mandatory law or divergent clause of the Articles of Association, the general meeting passes its resolutions by a majority vote of the members attending or their substitutes. In case of parity of votes, the Chairman has the casting vote.
- (5) Decisions upon the dissolution of the association request a majority of 2/3 all the present members entitled to vote.
- (6) Each member of the association is entitled to be substituted in the general assembly of members or in the exercise of his rights as a member of the association, by a person authorised in writing, who is either member of the association or by a representative bound to the professional duty to observe secrecy (e.g. lawyer).
- (7) The power of attorney to exercise the right of vote in the general assembly of members has to be in writing and has to be attached to the minutes of the meeting. Such powers of attorney have to be given to the chairman at latest at the beginning of the general assembly of members.

§ 12

Scope of functions of the general assembly of members

The general assembly of members is especially reserved the following functions:

- (1) Approval of the annual budget;
- (2) Definition of the entrance fee to be paid once and the membership fee for the next business year of the association;
- (3) Disposition of the assets of the association, especially assets in real estate and receipts of the association;
- (4) Appointment and dismissal of the members of the Board and the auditor;
- (5) Acceptance and approval of the year-end closure;
- (6) Taking out loans by the ASSOCIATION;
- (7) Granting the power of representation to the Board exceeding the extent defined in the statutes;

- (8) Adoption and amendment of the Articles of ASSOCIATION;
- (9) Adoption and amendment of executive and other regulations and of the Code of Conduct of the members, within the purpose and duties of the Association;
- (10) Resolution on topics in the general assembly of members, if they are on the agenda.
- (11) Development of an annual plan with topics of special interest.

§ 13 **The Board**

- (1) The Board consists of three full members; with legal persons their organs or parties obliged to perform services can become member of the Board. The Board selects a chairman, his substitute and the cashier of the association among its members. It defines the secretary among its members.
- (2) The term of office of the Board is three years; it does not end until a new Board is appointed.
- (3) The general assembly of members can dismiss the entire Board or single members of it, of their duty at any time. Each member of the Board can give a statement of resignation at any time in writing; the statement has to be addressed to the other members of the Board. In case of a common resignation of the entire Board, it has to be addressed to the extraordinary assembly of members summoned by the resigning Board. The old Board has to take all the actions for the ASSOCIATION which are necessary to avoid imminent irrevocable damage until the above assembly of members has appointed the new Board.
- (4) If the number of members of the Board goes down below three, the remaining members of the Board are entitled to cooptation of a legible member into the Board, this member has to fulfil the functions of the Board until the meeting of the next ordinary general assembly of members. The term of duty of a coopted member ends at the decision-making upon the appointment of a member of the Board in the next general assembly of members.
- (5) The chairman of the Board and upon his prevention, the substitute can summon a meeting of the Board at any time in case of need. He presides the meeting.
- (6) The Board is competent to pass a resolution, if all the members have been invited to the meeting and if at least two of them are present.
- (7) The Board passes its resolutions with bare majority of votes. With parity of votes the vote of the chairman of the Board is decisive.
- (8) Each member of the Board can be substituted by another member of the Board upon written power of attorney and in case of important reasons.
- (9) Minutes of the meeting have to be taken on each meeting of the Board, they must contain the subjects of negotiation, the resolutions passed and their validity according to the statutes. The minutes have to be signed by the chairman and the secretary.

- (10) The Board may invite other persons with advisory capacity to the meeting of the Board, namely the auditor.

§ 14

Scope of functions of the Board

The board is entrusted with the management of the ASSOCIATION unless this is reserved to other bodies. The Board has mainly the below functions:

- a) Preparation of the agenda and other preparatory work for the general assembly of members;
- b) Summoning of the ordinary and extraordinary general assembly of members;
- c) Implementation of the resolutions of the general assembly of members;
- d) Handling of all business not restricted by the statutes to the general assembly of members or attributed to another body of the association;
- e) the representation of the ASSOCIATION to the outside according to the stipulations of § 16 of these statutes.
- f) The Board reports at the general assembly of members on its activity and the financial status of the ASSOCIATION.

§ 15

Special duties of single members of the association

- (1) The chairman of the ASSOCIATION is entrusted with summoning the meetings of the Board and presiding them.
- (2) The secretary is obliged to take the minutes of the general assembly of members and the meetings of the Board.
- (3) The cashier is responsible for the orderly administration of the assets of the association.
- (4) In further cases the Board decides with majority of votes upon the distribution of functions among the members.

§ 16

Representation of the association to the outside

- (1) The ASSOCIATION is represented to the outside by the chairman of the Board or his substitute together with another member of the Board. In all money matters the cashier has to take part in the representation, either as the member of the Board exercising representation or by co-signature.
- (2) The members of the Board have to sign written declarations/documents of the ASSOCIATION or legal business in writing for the ASSOCIATION in such a way

that they write their signature plus their function as a member of the Board underneath the name of the association written or printed by whom ever.

- (3) The power of representation of the Board is however limited to the object of the association. The Board cannot represent the ASSOCIATION in a legally effective way in legal business which exceeds the object of the association. As such the Board is especially not entitled without explicit consent of the general assembly of members to:
- a) sell or debit real estate belonging to the ASSOCIATION;
 - b) sign bills in the name of the ASSOCIATION, in what property ever (be it as drawer, acceptant, guarantor of a bill or indorser);
 - c) to assume guarantees or warranties in the name of the ASSOCIATION;
 - d) to constitute liabilities for the ASSOCIATION, without being confronted with real counter performance in the frame of the purpose of the association;
 - e) to the participation of the ASSOCIATION in other enterprises;
 - f) to lead legal disputes exceeding daily business of the ASSOCIATION.

- (4) The Board lacks the necessary legal authorisation for legal business exceeding the object of the association and the limitation of the power of representation of the Board in the sense of the above paragraph.

§ 17

The auditor

- (1) The general assembly of members appoints an auditor for a three years' period. Here the stipulations for appointment and period of function of the Board have to be applied in an analogue manner.
- (2) The auditor must not be at the same time member of the Board.
- (3) The auditor is entrusted with
 - a) the auditing of the annual balancing of accounts; he has to report to the general assembly of members at least once per year;
 - b) the current supervision of the assets of the ASSOCIATION; for this purpose he is entitled to take insight into the correspondence and the books, as well as into all other documentation and the records of the ASSOCIATION at any time and to request explanation by the bodies of the association; he must at least once a year make an unexpected examination of the cash of the ASSOCIATION ;
 - c) report to the general assembly of members on the observations made;
 - d) consulting of the Boards for all pecuniary matters of the ASSOCIATION.
- (1) After the auditing of the annual balancing the auditor has to put a certificate of audit onto it, to sign it and to lay the annual balancing with the certificate of audit open in the office of the ASSOCIATION for at least two weeks for insight by the members of the association.

§ 18

Court of arbitration

- (1) All disputes arising of the relation of association, be they between the members of the associations, or the members and the bodies of the ASSOCIATION, will be solely settled by arbitration; the ordinary jurisdiction of a court is ousted.
- (2) The court of arbitration is composed of three members of the association. The parties of dispute have to define a member each within a period defined by the Board. These two members define by majority of vote a third member of the association as the president of the court of arbitration. With parity of votes decision among the persons proposed is made by drawing lots.
- (3) The court of arbitration decides at presence of all its members with bare majority of votes. The decision has to be issued in writing, arguments have to given, and it has to be signed by the president.

- (4) Claims and appeals at the Court of arbitration have to be submitted in writing, proposals can also be made in the oral hearings. The president invites the parties in writing to the oral hearing. Written minutes which must be signed by the secretary and the president must be taken at the hearing. All the parties involved in the procedure have to be listened in accordance with the law. The period for a comment or for the summons to a hearing has at least to be two weeks, unless the party concerned agrees to a shorter period. With default of a party the court may decide according to the documents before the court after having heard the party which has appeared.
- (5) The decisions of the court of arbitration are definite and have the effect of a sentence of a court of law among the parties.

§ 19
Office

- (1) An office will be installed at the location of the ASSOCIATION.
- (2) The Board can employ a full-time or part-time occupied person for current support of the work of the ASSOCIATION in the office. Kind, extent and payment of activity is defined by the Boards in rules of procedure. The employment of further members of staff is subject to decision by the general assembly of members.
- (3) The person employed reports to the Board; he is entitled to take part in the general assembly of members and upon invitation by the Board also in the Board meetings.

§ 20
Business Year of the Association

The business year of the association corresponds to the calendar year.

§ 21
Publications of the ASSOCIATION

Publications of the association are generally issued by simple letter to the last known address of the member of the association. Each member of the association has to inform the ASSOCIATION about change of address.

§ 22
Voluntary dissolution

- (1) Voluntary dissolution of the association is effected by the decision of an ordinary or extraordinary general assembly of members convoked for this special purpose. The application may only be taken into the agenda, if it is either issued by the Board or supported by 2/3 of the members in writing and if it is provably delivered to the Board at the attention of the chairman of the Board two weeks prior to the general assembly of members taking the decision hereupon.
- (2) Members have to be invited by recorder letter to general assemblies where they have to decide upon such an application.

- (3) The resolution of the general assembly of members requires for its validity the presence of at least $\frac{2}{3}$ (two thirds) of all the members and has to be resolved unanimously.
- (4) In case of voluntary dissolution the general assembly of members has to further appoint liquidators, which have to implement the above mentioned resolutions of the general assembly of members. Such liquidators have only together the power of action and representation.