



CHANCEN eG

## Articles of Association of CHANCEN eG

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### Preamble

The CHANCEN Cooperative stands for equal opportunities and self-determination during an individual's period of studies, training and in the choice of career: Everyone should be able to educate themselves in the best possible way, regardless of the financial opportunities available to them. After their studies, training or further education, graduates should be able to make their career choices freely and without any interest or repayment pressures and shape their professional life.

With this goal in mind, CHANCEN eG offers the "Income Share Agreement" financing model, which has been successfully offered by the StudierendenGesellschaft Witten/Herdecke e.V. at the University of Witten/Herdecke, GER, since 1995. The Income Share Agreement makes downstream, income-based education funding possible.

The Cooperative is oriented towards the common good. It strives for the long-term economic viability of its activities – and not profit maximisation. It sees itself as a social enterprise and acts accordingly. It aims to support a wide range of study courses, training and further education and strives for the opportunities and risks in education funding to be shared in a fair way. In this sense, the recipients of the funding make an appropriate repayment contribution, the funding providers receive an appropriate interest rate and CHANCEN eG receives appropriate remuneration for its work.

In addition to financing their education, CHANCEN eG intends to provide content-related and promotional guidance and support for students, trainees and students in continuing education. For this purpose, a network of alumni, sponsors, institutions and other partners is to be created.

## I. FIRM, REGISTERED OFFICE, PURPOSE AND OBJECT OF THE COMPANY

### § 1 Name and Registered Office

- 1) The firm of the Cooperative is  
  
Chancen eG.
- 2) It has its Registered Office in Witten.

### § 2 Purpose and Object

- 1) The purpose of the Cooperative is to promote the social, cultural and economic concerns of its members through joint business operations. In order to achieve its purpose, the Cooperative connects students, those providing training and further education with educational and further education institutions and serves as a platform for equal opportunities and self-determination in training, further education, when studying and shaping careers.
- 2) The object of the Cooperative is therefore broadly based:
  - a. Networking of educational and advanced training institutions of all kinds. Creation and, if applicable, operation of educational and advanced training institutions on its own, with the involvement of partners and in addition to existing institutions.
  - b. Content support, guidance and networking of students, trainers and further educators with the aim of enabling self-determination in training, further education, studies and career design.
  - c. Development and research of further promising and sustainable systems and ideas for improving general access to education and educational institutions, as well as self-determined career design.
  - d. Allocation of financial resources to students, trainees and students in continuing education according to the principle of the "Income Share Agreement". In this case the funds are to be paid back, but this occurs at a later time and is dependent on the income of the person concerned. For this purpose, the Cooperative offers the "Income Share Agreement" financing model. This enables the income-dependent and downstream financing of educational expenditures. The aim is to provide the necessary financing for the educational measure by dissociating it from interest and repayment pressures when the training bears fruit in the form of economically successful participation in professional life. Then the funds are to be repaid to the extent that is allowed by the income.
- 3) Within the scope of its object, the Cooperative is entitled to carry out all transactions that directly or indirectly promote its purpose. In order to achieve its objectives, the Cooperative may establish companies, acquire a share in them or manage them. It may establish branches and subsidiaries.

- 4) The expansion of business operations to non-members is permitted.
- 5) The Cooperative is established for an indefinite period of time.

## II. MEMBERSHIP

### § 3 Membership

- 1) The following can acquire membership:
  - a) natural persons,
  - b) non-incorporated firms
  - c) legal entities under private and public law.
- 2) Membership shall be acquired through a declaration of admission as a member, which is to be signed by the party being admitted and which meets the requirements of the German Cooperatives Act. The Executive Board shall decide on such admission. There shall be no automatic entitlement to admission.

If a member is accepted, he/she is to be entered in the list of members immediately.

### § 4 Termination of Membership

- 1) The membership shall come to an end by means of
  - a) Termination (§ 5)
  - b) Transfer of the business share (§ 6)
  - c) Death of a member (§ 7)
  - d) Insolvency of a member (§ 7 a)
  - e) Dissolution or termination of the legal entity or partnership (§ 8)
  - f) Exclusion (§ 9)

### **§ 5 Termination**

- 1) Each member may terminate his, her or its membership at the end of a financial year by giving five years' notice in writing to the Executive Board.
  
- 2) Insofar as a member participates with several shares without being obliged to do so by the Articles of Association or an agreement with the Cooperative, he, she or it may serve notice on one or more shares of his, her or its additional participation at the end of a financial year by giving five years' notice in writing to the Executive Board.

### **§ 6 Transfer of Cooperative Shares**

- 1) A member may at any time, including during the course of the business year, transfer his, her or its Cooperative share capital to another by means of a written contract and thereby withdraw from the Cooperative without dispute, provided that the acquirer is already a member or becomes a member.
  
- 2) A member can transfer part of his, her or its Cooperative share capital without withdrawing from the Cooperative, thereby reducing the number of his, her or its shares. § 6, para. 1 shall apply accordingly.
  
- 3) The transfer of a Cooperative share requires the consent of the Cooperative.

### **§ 7 Retirement due to Death**

A member shall be automatically retired upon his or her death. His or her membership shall pass to his or her heirs. The heir's membership shall not be terminated at the end of the financial year in which the case of succession occurred, but shall be continued if the heir fulfils the requirements necessary for acquisition of the membership. If the deceased individual is inherited by more than one heir, the membership shall be terminated at the end of the financial year following the case of succession if it has not been left to a co-heir by this time. The transfer shall take effect upon the entry of the co-heir on the list of members; for this purpose the transfer must be notified to the Executive Board in writing and in good time by the co-heirs. The co-heir must satisfy the above personal requirements at the time of the transfer.

### **§ 7 a Insolvency of a Member**

If insolvency proceedings are opened against a member's assets or if the opening of insolvency proceedings is rejected for lack of assets, the membership shall be terminated at the end of the financial year in which the insolvency proceedings were opened or the opening of insolvency proceedings was rejected for lack of assets.

### **§ 8 Dissolution of a Legal Entity or Business Partnership**

If a legal entity or a partnership is dissolved or lapses, membership shall be terminated at the end of the financial year in which the dissolution or lapse became effective. In the event of universal succession, the membership

shall be continued until the end of the financial year by the universal successor.

### **§ 9 Exclusion**

- 1) A member can be expelled from the Cooperative at the end of a financial year if
  - a) he, she or it fails to comply with his, her or its obligations to the Cooperative under the Articles of Association or other obligations towards the Cooperative in spite of a written request under threat of exclusion;
  - b) he, she or it submits incorrect annual financial statements or statements of assets and liabilities or otherwise makes incorrect declarations about his, her or its legal or economic circumstances;
  - c) he, she or it damages, has damaged or threatened to damage the Cooperative by failing to fulfil his, her or its obligations towards the Cooperative or if legal action is required due to the non-fulfilment of an obligation;
  - d) he, she or it has moved to an unknown address or his, her or its permanent whereabouts are unknown;
  - e) he, she or it has become insolvent or over-indebted or insolvency proceedings have been opened against his, her or its assets or have been dismissed for lack of assets;
  - f) his, her or its conduct is not compatible with the interests of the Cooperative.
  
- 4) The Executive Board is responsible for the exclusion. Members of the Supervisory Board or the Executive Board can only be excluded by a resolution of the General Meeting.
  
- 5) Before the resolution is passed, the person to be excluded shall be given the opportunity to comment on the intended exclusion. In this process, the important facts on which the exclusion is to be based, as well as the reason according to the Articles of Association for the exclusion shall be communicated to him or her.
  
- 6) The resolution on the basis of which the member is excluded shall state the facts on which the exclusion is based, as well as the reason for exclusion according to the Articles of Association.
  
- 7) The Executive Board shall immediately notify the excluded person of the resolution by means of registered letter. From the date of dispatch of the letter, the member may no longer participate in the General Meeting and may not be a member of the Executive Board or Supervisory Board.
  
- 8) The person concerned may, unless the General Meeting has decided otherwise, appeal to the Executive Board against the exclusion within 1 month of the dispatch of the registered letter. The Executive Board shall then take the final decision on the exclusion. If the member does not take advantage of this right of appeal within the one-month period, ordinary legal action shall be excluded.

### **§ 10 Settlement**

- 1) The approved annual financial statements shall be decisive with respect to the settlement between the retired member and the Cooperative; losses carried forward shall be taken into account in proportion to the shares held. In the event of the transfer of the Cooperative share capital as well as parts of the share capital, and in the event of the continuation of the membership in the case of succession, there shall be no settlement.
- 2) After the termination of the membership, the Cooperative shall attempt to reach a settlement with the retired member. The retired member shall be entitled to the payment of the settlement balance. Beyond that, the member shall have no claims to the assets of the Cooperative. In the event of a settlement, the Cooperative shall be entitled to set off the claims due to it from the member who has retired from the Cooperative against the settlement balance. The Cooperative shall be liable for the member's settlement balance as a pledge for any default, in particular in the event of insolvency proceedings of the member. The payout shall be suspended if the payout would cause the minimum capital (§ 38, paragraph 5) to be fallen short of.
- 3) Paragraphs 1 and 2 shall apply accordingly to the settlement following termination of individual Cooperative shares.

### **§ 11 Rights of the Members**

Every member has the right to make use of the services of the Cooperative and to participate in the shaping of the Cooperative in accordance with the Cooperatives Act and the §§ of Association.

He or she shall in particular have the right

- a) to participate in the General Meeting and in its deliberations, votes and elections;
- b) to participate in motions to convene extraordinary General Meetings; such motions shall require the written and signed motion of at least one tenth of the members;
- c) to request information on the affairs of the Cooperative;
- d) to submit items for the proposal of a resolution by the General Meeting; this shall require a formal motion submitted by at least one tenth of the members;
- e) to participate in the distributions resolved in accordance with the Articles of Association;
- f) to request in good time – and before the adoption of the annual financial statements by the General Meeting – at his, her or its own expense a copy of the annual financial statements, the management report, insofar as this is legally required, as well as the report of the Supervisory Board;
- g) to inspect the minutes of the General Meeting;
- h) to inspect the list of members and to receive a copy of it on request;

- i) to inspect the summarised result of the audit report;
- j) to transfer all or part of his, her or its Cooperative share capital;
- k) to terminate his, her or its membership by ordinary termination.

### **§ 12 Members' Duties**

Every member has the duty to protect the interests of the Cooperative. He or she shall in particular

- a) comply with the provisions of the Cooperatives Act, the Articles of Association and the resolutions of the executive bodies;
- b) to take over shares in accordance with these Articles of Association and to make payments on the share or on further shares;
- c) to notify the Cooperative without delay of any change to his, her or its address, changes to the legal form and changes to the ownership and shareholding structure;
- d) to pay an admission fee to be allocated to the capital reserve (§ 41) when the amount and method of payment have been determined by the General Meeting.

## **III. BODIES OF THE COOPERATIVE**

### **§ 13 Bodies of the Cooperative**

The bodies of the Cooperative are:

- A. The Executive Board
- B. The Supervisory Board
- C. The General Meeting

### **A. THE EXECUTIVE BOARD**

#### **§ 14 Management of the Cooperative**

- 1) The Executive Board is responsible for managing the Cooperative.
- 2) The Executive Board conducts the business of the Cooperative in accordance with the provisions of the law, the Articles of Association and – if applicable – the Rules of Procedure of the Executive Board.
- 3) The Executive Board represents the Cooperative both in court and out of court in accordance with § 15 of the Articles of Association.

### **§ 15 Representation**

- 1) The Cooperative is legally represented by two members of the Executive Board or by one member of the Executive Board together with an authorised signatory.
- 2) The issuing of procuration, limited commercial authority and other powers of attorney for legal representation is permissible. Further details are regulated in the Rules of Procedure for the Executive Board.
- 3) The Supervisory Board may exempt individual or all members of the Executive Board from the prohibition of multiple representation referred to in Section 181 Alt. 2 of the German Civil Code (BGB), i.e. the Board may authorise them to act as representatives of third parties at the same time in all legal acts which the Cooperative undertakes with or with respect to third parties.
- 4) Further details are regulated – if necessary – by the Rules of Procedure of the Executive Board.

### **§ 16 Tasks and Duties of the Executive Board**

- 1) The members of the Executive Board shall exercise the due care and diligence of a prudent and conscientious manager of a cooperative in the conduct of their business. They shall maintain secrecy with respect to confidential information and secrets of which they have become aware through their activities on the Executive Board, unless the special purpose of the Cooperative requires otherwise or unless exemption from the obligation to maintain secrecy has been issued.
- 2) In particular, the Executive Board is obliged
  - a) to properly manage the Cooperative's business in accordance with the corporate purpose and object;
  - b) to plan and carry out the personnel, material and organisational measures that are required necessary for proper business operations in good time;
  - c) to ensure proper accounting and controlling;
  - d) to decide on the admission of the acquisition of membership and on participation with further shares, as well as to maintain the list of members in accordance with the Cooperatives Act and deal with the registrations and notifications incumbent upon it according to the Cooperatives Act;
  - e) to prepare – to the extent required by law – the annual financial statements and the management report within the statutory time limits after the end of the financial year and to submit them to the Supervisory Board without delay and then, with its comments, to the General Meeting for the adoption of the annual financial statements;
  - f) to notify the statutory Auditing Association in good time of the convening, date, agenda and motions for the General Meeting at which the annual financial statements are to be adopted;
  - g) to remedy any deficiencies referred to in the audit report.

### **§ 17 Reporting to the General Meeting and the Supervisory Board**

The Executive Board shall report to and inform the Supervisory Board at least every quarter, or immediately upon request or in the case of an important reason, about the development of the Cooperative in terms of content and any economic aspects in the past period, as well as the corporate planning.

### **§ 18 Composition and Employment Relationship**

- 1) The Executive Board consists of at least two members. Insofar as registered cooperatives belong to the Cooperative as members, their members may – provided that they are natural persons – be appointed to the Executive Board; if other legal entities or commercial partnerships belong to the Cooperative, this shall apply to the individuals who are authorised to represent them.
- 2) The Executive Board shall be appointed and dismissed by the Supervisory Board, which may appoint a Chairperson or Spokesperson of the Executive Board. The Supervisory Board shall be responsible for concluding, amending and terminating employment contracts or other agreements relating to their work as a member of the Executive Board with each full-time or part-time member of the Executive Board, as well as for the conclusion of termination agreements. The declarations of the Supervisory Board shall be made by its Chairperson. Termination of the employment relationship shall result in the termination of the position as an executive at the time of resignation.
- 3) The members of the Executive Board may only resign from office before the expiry of their term of office after the submission of due notice and not in an untimely manner in order that a replacement can be appointed – unless there is an important reason for the resignation from office.
- 4) Members of the Executive Board shall retire from the Executive Board when they have reached the age of 67. The date of retirement shall be the end of the next ordinary General Meeting.

### **§ 19 Decision-Making Process**

- 1) The decisions of the Executive Board shall require the adoption of a resolution as a matter of principle. Executive Board meetings shall be convened as required, but on a monthly basis as a rule. A meeting of the Executive Board must be called immediately if a member of the Executive Board requests this with the statement of reasons. Meetings of the Executive Board shall be convened by a member of the Executive Board, who shall state in the invitation the main items that are to be discussed. A resolution may also be passed without convening a meeting by way of written, telephone or electronic voting if a member of the Executive Board initiates such a resolution and no other member of the Executive Board

objects to this procedure. Further details are regulated – if necessary – by the Rules of Procedure of the Executive Board.

- 2) If there is a need for rules of procedure, these shall be adopted by the Supervisory Board at the proposal of the Executive Board.
- 3) The Executive Board shall have a quorum if more than half of its members participate. It is required to adopt its resolutions unanimously if possible. Otherwise, it shall pass its resolutions by a majority of the valid votes cast. In the event of a tied vote, a motion shall be deemed to have been rejected.
- 4) Insofar as matters of the Cooperative are discussed which affect the interests of a member of the Executive Board, his or her spouse, parents, children, siblings or a person represented by him or her by virtue of the law or power of attorney, the member of the Executive Board concerned may not participate in the discussion or vote. However, the Executive Board member shall be heard before the resolution is passed.
- 5) Resolutions shall be duly recorded in the minutes for evidentiary purposes. The minutes shall be numbered consecutively. These shall be approved by the members of the Executive Board participating in the discussion (signature, approval in writing, by e-mail, electronically or comparable procedures are possible here). Further details shall be regulated – if necessary - by Rules of Procedure.

#### **§ 20 Participation in the Meetings of the Supervisory Board**

The members of the Executive Board shall be entitled to attend the meetings of the Supervisory Board unless their attendance is excluded by a special resolution of the Supervisory Board. At the meetings of the Supervisory Board, the Executive Board shall provide the necessary information on business matters. The members of the Executive Board shall have no right to vote on the resolutions of the Supervisory Board.

#### **§ 21 Granting of Loans or Special Benefits to Members of the Executive Board**

The granting of loans or other special economic benefits to members of the Executive Board, their spouses or life partners, minor children or third parties acting on behalf of one of these individuals shall require the adoption of a resolution by the Executive Board and the express agreement of the Supervisory Board.

### **B. THE SUPERVISORY BOARD**

#### **§ 22 Tasks and Duties of the Supervisory Board**

- 1) The Supervisory Board shall monitor the Executive Board in its management of the Cooperative and, for this purpose, inform itself about all matters of the Cooperative. The Supervisory Board may at any time request reports from the Executive Board and inspect and review the books and records of the

Cooperative itself or through individual members to be appointed by the Supervisory Board.

- 2) The Supervisory Board shall examine the annual financial statements, the management report, insofar as this is required by law, and the proposal of the Executive Board for the appropriation of the net income for the year or the coverage of a net loss for the year. The Board shall report on the result to the General Meeting before the adoption of the annual financial statements.
- 3) The Supervisory Board may form committees from among its members in order to fulfil its legal and statutory duties and may avail itself of the assistance of experts at the Cooperative's expense. Insofar as the Supervisory Board forms committees, it shall determine whether these have advisory or decision-making powers. It shall also determine the number of committee members. A committee shall constitute a quorum if more than half of its members are present.
- 4) Details on the due and proper fulfilment of the duties incumbent on the Supervisory Board shall be governed by the Rules of Procedure of the Supervisory Board.
- 5) The members of the Supervisory Board shall exercise the diligence of a prudent and conscientious member of the Supervisory Board of a cooperative in their activities. They shall maintain confidentiality with respect to all confidential information and secrets of the Cooperative and of the members and customers of which they have become aware through their activities on the Supervisory Board.
- 6) The members of the Supervisory Board may not receive any remuneration (bonus) based on the business result. In contrast, in addition to the – possibly lump-sum – reimbursement of expenses, Supervisory Board remuneration may be granted, which shall be decided upon by the General Meeting.
- 7) The Supervisory Board shall represent the Cooperative with respect to the members of the Executive Board both in court and out of court.

#### **§ 23 Joint Meetings of the Executive Board and Supervisory Board**

- 1) The Executive Board and the Supervisory Board shall decide on the following matters by means of a separate vote after joint deliberation:
  - a) the acquisition, building development, encumbrance and sale of real property and rights equivalent to real property, with the exception of the acquisition of real property and rights equivalent to real property for the purpose of rescuing their own receivables;
  - b) the acquisition and sale of permanent investments;
  - c) the conclusion of contracts of special importance, in particular those contracts that substantiate recurring obligations of considerable scope for the Cooperative;
  - d) determination of the date and location of the ordinary General Meeting;
  - e) the adoption of a budget for the future fiscal year;

- f) the appropriation of the reserves;
  - g) the distribution of a refund.
- 2) Joint meetings shall be convened by the Chairperson of the Supervisory Board or his or her Deputy.
  - 3) The joint meetings shall be chaired by the Chairperson of the Supervisory Board or his or her Deputy.
  - 4) The Executive Board and the Supervisory Board shall constitute a quorum if more than half of the members of the Executive Board and more than half of the members of the Supervisory Board are present.
  - 5) A motion shall be deemed to have been rejected if it fails to obtain a majority of both the Executive Board and the Supervisory Board.
  - 6) Resolutions shall be recorded in joint minutes for evidentiary purposes; the results of the separate votes shall be recorded.

#### **§ 24 Composition and Election**

- 1) The Supervisory Board shall consist of a minimum of three and a maximum of seven members. The members of the Supervisory Board shall be elected by the General Meeting. The members of the Cooperative intend to exercise their voting rights to the effect that one member each of the Supervisory Board has been proposed by GLS Treuhand e.V. and StudierendenGesellschaft Witten/Herdecke e.V.. There shall be no legal obligation to exercise voting rights in this sense. Insofar as registered cooperatives belong to the Cooperative as members, their members may be appointed to the Supervisory Board if they are natural persons; if other legal entities or commercial partnerships belong to the Cooperative, this shall apply to the individuals authorised to represent them. The number of Supervisory Board members shall be odd.
- 2) In the election of the members of the Supervisory Board, every individual who is entitled to vote must have the opportunity to vote on each individual candidate. In all other respects, § 34 of these Articles of Association shall apply to the election.
- 3) As a rule, the term of office shall be three years. This shall commence at the close of the General Meeting at which the election was held and shall end at the close of the General Meeting that is held for the third financial year following the election. The financial year in which the Supervisory Board member is elected shall be included in this calculation. One third of the members of the Supervisory Board shall resign annually; if the number is not divisible by three, the lower number shall resign first. In the first two years the decision shall be taken by lot and subsequently according to the term of office. In the event of the expansion of the Supervisory Board, the longest-serving third of the existing Supervisory



Board members shall retire; of the new members, one third shall also retire by lot until there is a rotation system; then the term of office shall also be decisive for these members. Re-election is permitted.

- 4) Insofar as members of the Supervisory Board or members whom they are entitled to represent resign from the Cooperative during the course of their term of office or if the power of representation of members of the Supervisory Board comes to an end among members of the Cooperative, the Supervisory Board shall consist only of the remaining members until the next ordinary General Meeting at which the elections for replacements are held. An earlier election of a replacement at an Extraordinary General Meeting shall only be required if the number of Supervisory Board members falls below the legal minimum of three. Elections of replacements shall be held for the remainder of the term of office of the retired member.
- 5) Members who have resigned from the Executive Board may only be elected to the Supervisory Board after they have been discharged with respect to their entire Executive Board activities.
- 6) Members of the Supervisory Board may not be members of the Executive Board at the same time or permanent deputies of the members of the Executive Board of the Cooperative. The Supervisory Board may – for a limited period of time – appoint individual members of the Supervisory Board as deputies for members of the Executive Board who are prevented from attending; during this period of time, and until the discharge as a deputy member of the Executive Board has been granted, this member may not carry out his, her or its activities as a member of the Supervisory Board.
- 7) Members of the Supervisory Board shall retire from the Supervisory Board when they have reached the age of 70. The date of retirement shall be the end of the next ordinary General Meeting.

#### **§ 25 Constitution, Passing of Resolutions**

- 1) After each election, the Supervisory Board shall elect a Chairperson and a Deputy from among its members. Meetings of the Supervisory Board shall be convened by its Chairperson or, if he or she is unable to do so, by his or her Deputy. The Supervisory Board is authorised to take a further decision on the distribution of offices at any time. For as long as a Chairperson and a Deputy Chairperson have not been elected, the meetings of the Supervisory Board shall be convened by the oldest Supervisory Board member in terms of age.
- 2) The Supervisory Board shall constitute a quorum if more than half of its members are present. It shall adopt its resolutions by a majority of the valid votes cast. Abstentions and invalid votes shall not be counted. In the event of a tie, the Chairperson shall have the casting vote; in this case, elections shall be decided by drawing lots; § 34 of the Articles of Association shall apply accordingly.
- 3) A resolution may also be adopted without convening a meeting by way of written, telephone or electronic voting if the Chairperson of the Supervisory Board or his or her Deputy initiates such a resolution and no member of the Supervisory Board objects to this procedure.

- 4) The meetings of the Supervisory Board shall be held at least every quarter. Furthermore, the Chairperson shall convene a meeting, stating the agenda, insofar as and as often as this appears necessary in the interests of the Cooperative or if the Executive Board or half of the members of the Supervisory Board request this in writing, stating the purpose and the reasons. Insofar as this request is not complied with, the applicants may convene the Supervisory Board themselves, stating the facts of the case.
- 5) The resolutions of the Supervisory Board shall be recorded in the minutes for evidentiary purposes. The minutes shall be numbered consecutively and signed by the Chairperson of the Supervisory Board or his or her Deputy and by the Secretary.
- 6) Insofar as business matters of the Cooperative are discussed which affect the interests of a member of the Supervisory Board, his or her spouse, parents, children and siblings or a person represented by him or her by virtue of the law or power of attorney, the member of the Supervisory Board concerned may not take part in the discussion or vote. However, the Supervisory Board member shall be heard before the resolution is passed.
- 7) In addition, the Rules of Procedure of the Supervisory Board shall apply.

## **C. THE GENERAL MEETING**

### **§ 26 Responsibility of the General Meeting**

The General Meeting represents the interests and rights of its members in the affairs of the Cooperative.

### **§ 27 Exercising of Membership Rights**

- 1) The members shall exercise their rights in the affairs of the Cooperative at the General Meeting.
- 2) Each member shall have one vote.
- 3) Individuals who are not capable of contracting, persons with limited legal capacity as well as legal entities shall exercise their voting rights through their legal representative, and non-incorporated firms through their shareholders or representatives who are authorised to represent them.
- 4) Members, their legal representatives or shareholders or representatives that are authorised to represent them may be represented by proxies. More than one heir of a deceased member may only exercise the voting right by means of a joint proxy. A proxy may not represent more than two members. Proxies can only be members of the Cooperative.

- 5) Legal or authorised representatives or proxies who are entitled to vote must provide proof of their power of representation in writing.
- 6) Members of the Executive Board and the Supervisory Board shall have voting rights as members of the Cooperative at the General Meeting.
- 7) No-one may exercise the right to vote on his/her own behalf or on behalf of another when a decision is taken as to whether he or she or the member represented is to be discharged or released from a liability, or whether the Cooperative is to assert a claim against him or her or the represented member. However, the member shall be heard before the resolution is adopted.

#### **§ 28 Deadline and Venue of the General Meeting**

- 1) The Ordinary General Meeting must be held within the first six months of the end of the financial year.
- 2) Extraordinary General Meetings can be convened as required.
- 3) The General Meeting shall be held at the Registered Office of the Cooperative, unless the Executive Board and the Supervisory Board specify a different venue.

#### **§ 29 Convening and Agenda of the General Assembly**

- 1) The General Meeting shall be convened by the Executive Board. The Executive Board is entitled and obliged to convene a meeting if there is a legal or statutory reason for doing so or if this is necessary in the interests of the Cooperative.
- 2) The members of the Cooperative may request in text form that an Extraordinary General Meeting be convened, stating the purpose and the reasons. This shall require at least one tenth of the members.
- 3) The General Meeting shall be convened by the direct notification of all members in text form, observing a period of notice of at least two weeks which must lie between the day of receipt of the notification and the day of the General Assembly. The agenda shall be announced when the meeting is convened.

- 4) The members of the Cooperative are shall be obliged to inform the Executive Board immediately of any changes to their postal and electronic contact details. An invitation sent by e-mail shall be deemed to have been officially delivered.
- 5) The Executive Board shall set the agenda. Members of the Cooperative may, in a motion signed by them and stating the purpose and the reasons, request that items be announced for resolution at the General Meeting; this shall require the signatures of at least one tenth of the members.
- 6) Resolutions may not be passed on items whose discussion was not announced at least one week prior to the General Meeting; however, resolutions on the conduct of the meeting and on motions to convene an Extraordinary General Meeting are excluded from this.
- 7) No notification shall be required for motions or negotiations for which a resolution will not be adopted.
- 8) In the cases referred to in paragraphs 3 and 6, the notices shall be deemed to have been received if they were sent two working days before the beginning of the period.

### **§ 30 Chairmanship of the Meeting**

The General Meeting shall be chaired by the Chairperson of the Executive Board. If no Chairperson of the Executive Board has been appointed, a member of the Executive Board shall chair the meeting. By resolution of the General Meeting, the chairmanship of the meeting may be transferred to another member of the Cooperative or to a representative of the Auditing Association. The person chairing the meeting shall appoints a Secretary and the required vote counters.

### **§ 31 Items on the Agenda**

- 1) The General Meeting shall decide on the matters specified in the German Cooperatives Act and in these Articles of Association, in particular on
  - a) an amendment to the Articles of Association;
  - b) the adoption of the annual financial statements, the appropriation of the net profit for the year or the coverage of the net loss for the year, as well as the extent of the disclosure of the audit report;
  - c) the discharge of the Executive Board and the Supervisory Board, whereby a separate vote shall be required for each body;
  - d) the election of the members of the Supervisory Board and the stipulation of their remuneration;
  - e) the revocation of the appointment of members of the Supervisory Board;
  - f) the exclusion of members of the Executive Board and the Supervisory Board;
  - g) the pursuit of recourse claims against members of the Supervisory Board who are in office or

- who have left office due to their position as an executive;
- h) stipulation of the restrictions on the granting of loans in pursuant to Section 49 of the Cooperatives Act;
  - i) the stipulation of a joining fee;
  - j) The inclusion, transfer or abandonment of a significant business area (§ 2, para. 2 of the Articles of Association);
  - k) the introduction and, in accordance with § 43 a, para. 7 of the German Cooperatives Act, also the abolition of the Representatives' Meeting;
  - l) the abolition of the restriction on the claim to the payment of the settlement balance (§ 38, para. 5 of the Articles of Association);
  - m) withdrawal from associations, central offices and organisations;
  - n) on matters for which a resolution of the General Meeting is required under the German Reorganisation of Companies Act;
  - o) the dissolution of the Cooperative;
  - p) continuation of the Cooperative after the decision to dissolve it.

### **§ 32 Majority Requirements**

- 1) The resolutions of the General Meeting shall require a simple majority of the valid votes cast, unless a larger majority is specified by law or by these Articles of Association.
  
- 2) A majority of three quarters of the valid votes cast shall be required in the following cases:
  - a) amendment of the Articles of Association;
  - b) revocation of the appointment of members of the Supervisory Board;
  - c) exclusion of members of the Executive Board and the Supervisory Board;
  - d) matters for which a resolution of the General Meeting is required under the German Reorganisation of Companies Act;
  - e) the pursuit of recourse claims against members of the Supervisory Board who are in office or who have left office due to their position as an executive;
  - f) the abolition of the restriction on the claim to the payment of the settlement balance (§ 38, para. 5 of the Articles of Association);
  - g) withdrawal from associations and consortia of the Cooperative;
  - h) continuation of the Cooperative after the decision to dissolve it;
  - i) dissolution of the Cooperative;
  
- 3) For the passing of resolutions on dissolution as well as the change of legal form, two thirds of all members must be present or represented at a General Meeting that is convened for this purpose only. If this number of members is not reached at the meeting, any further meeting may decide on the dissolution or the change to the legal form within the same financial year, irrespective of the number of

members present. The second General Meeting may only be convened after the date for the previous meeting and a subsequent period of at least 14 days have elapsed.

- 4) The Auditing Association shall be heard before a resolution is passed on a merger, dissolution or continuation of the dissolved cooperative and on a change to the legal form. An opinion of the Auditing Association shall be applied for by the Executive Board in good time and shall be read out at the General Meeting.
- 5) Paragraphs 3 and 5 may be amended only under the conditions set forth in paragraph 3.

### **§ 33 Discharge**

- 1) Noone may exercise the right to vote on his/her own behalf or on behalf of another when a decision is taken as to whether he or she or the member represented is to be discharged.
- 2) The discharge of members of the Executive Board and the Supervisory Board shall be voted on separately.

### **§ 34 Voting and Elections**

- 1) Votes and elections shall be conducted by a show of hands. These must be carried out by means of a ballot paper if the Executive Board, the Supervisory Board or the majority of the valid votes cast in the adoption of the resolution requires this.
- 2) When the proportion of votes is being determined, only the valid yes and no votes shall be counted; abstentions and invalid votes shall not be taken into account. In the event of a tie, a motion shall be deemed to have been rejected; in such cases, elections shall be decided by the drawing of lots. Only one vote may be cast for each candidate to be elected.
- 3) Insofar as an election is held with ballot papers, each person who is entitled to vote shall have as many votes as there are mandates to be allocated. The person entitled to vote shall indicate on the ballot paper the proposed candidates to whom he/she wishes to award his/her vote; only one vote may be cast for any one candidate. The candidates receiving the highest number of votes cast by the members with voting rights participating in the vote or ballot shall be elected. If no candidate receives the required majority in the first round of voting, a run-off election shall be held between the two candidates who have received the most votes. In this case, the candidate who receives the most votes is elected.
- 4) If an election is conducted by a show of hands, a special round of voting shall be required for each mandate awarded. If no more candidates have been put forward than there are mandates to be filled,

the vote may be taken jointly (en bloc), unless this is objected to. The person who has received more than half of the valid votes cast shall be elected. If no candidate receives the required majority in the first round of voting, a run-off election shall be held between the two candidates who have received the most votes. In this case, the candidate who receives the most votes is elected.

- 5) The elected individual shall immediately declare to the Cooperative whether he/she accepts the election.

### **§ 35 Right to Information**

- 1) Each member shall, upon request, be provided with oral information at the General Meeting on matters relating to the Cooperative, provided that this is necessary for the appropriate assessment of an item on the agenda. The information shall be provided by the Executive Board or – insofar as its control task is affected – by the Supervisory Board.
- 2) The information may be refused insofar as
  - a) according to reasonable commercial judgement the provision of the information is likely to result in a not inconsiderable disadvantage to the Cooperative;
  - b) the question relates to the Cooperative's purchasing conditions and their calculation bases;
  - c) the question concerns valuations;
  - d) the provision of the information would be a criminal offence or a legal, statutory or contractual obligation to maintain secrecy would be infringed;
  - e) the request for information concerns the personal or business circumstances of a third party;
  - f) it relates to contractual employment agreements with members of the Executive Board or employees of the Cooperative.
- 3) The person chairing the meeting shall have the right to impose reasonable time limits on the right of members to ask questions and speak at the General Meeting.

### **§ 36 Minutes of the Meeting**

- 1) The resolutions of the General Meeting shall be duly recorded in the minutes for evidentiary purposes.
- 2) The minutes shall be written within two weeks at the latest. The location and day of the meeting, the name of the person chairing the meeting as well as the type and result of the votes and the ruling of the person chairing the meeting on the passing of the resolution shall be stated. The minutes shall be signed by the Chairperson and the members of the Executive Board who are present.

- 3) If a resolution is passed on the amendment of the Articles of Association that relates to one of the items listed in Section 47, subsection 3 of the German Cooperatives Act (Genossenschaftsgesetz) or a significant change to the object of the company, a list of the members attending or represented and the representatives of members shall also be attached to the minutes. The number of votes of each member present or represented shall be recorded.
- 4) The minutes shall be stored together with the associated appendices. Every member of the Cooperative shall be permitted to inspect the documents.

### **§ 37 Participation of the Associations**

Representatives of the Auditing Association shall be entitled to attend the General Meeting which adopts resolutions on the annual financial statements and to speak at any time.

## **IV. EQUITY CAPITAL AND AMOUNT OF LIABILITY**

### **§ 38 Share and Cooperative Share Capital**

- 1) The Cooperative share amounts to €100. Every member shall participate in the Cooperative with at least five shares. The following individuals may participate with at least one share if, upon joining the Cooperative, they are:
  - a) students enrolled at a university
  - b) apprentices or students in continuing education who are enrolled at an institute of training or further education or who have an apprenticeship contract
  - c) employees of the Cooperative.
- 2) The share is to be paid up in full immediately. With the agreement of the Executive Board, contributions in kind may also be made as payment on the share. Contributions in kind must be conducive to business operations. The contribution record shall describe the item to be contributed and its asset value as agreed upon by the Executive Board and the member, as well as the date of the contribution. The minutes shall be signed by the member and the Executive Board.
- 3) A member may, with the agreement of the Executive Board, participate with further shares. The participation of a member with a second share may – with the exception of a compulsory participation – only be admitted when the first share has been fully paid up; this shall also apply to the participation with further shares.
- 4) The payments made on the share(s), plus other credits and less amounts written off to cover losses, shall constitute the share capital of a member.

- 5) The minimum capital of the Cooperative shall be 90% of the total amount of the Cooperative share capital at the end of the previous financial year. It must not be fallen short of as a result of the payment of the settlement balance of members who have resigned or who have served notice on individual shares. The payment of the settlement balance shall be suspended in whole or in part in proportion to all settlement claims for as long as the payment would cause the minimum capital to be undercut; claims from previous years which have been affected by such a suspension shall be dealt with priority, also in relation to one other.
- 6) The Cooperative may not pay out, offset or use the share capital as security in its business operations for as long as the member has not resigned. Any deposit that is owed may not be waived; the member may not set this off against other amounts.
- 7) The assignment or pledging of the share capital to third parties is inadmissible and ineffective with respect to the Cooperative. The member shall not be permitted to offset the share capital against his/her/its liabilities to the Cooperative. § 10 shall apply to the settlement assets.

#### **§ 39 Statutory Reserve**

- 1) The statutory reserve only serves to cover balance sheet losses.
- 2) This shall be formed by an annual allocation of ten per cent of the net income for the year after offsetting against the loss carried forward plus any profit carried forward or minus any loss carried forward, as long as the reserve does not reach ten per cent of the balance sheet total.
- 3) The General Meeting shall decide on the appropriation of the statutory reserve.

#### **§ 40 Other Retained Earnings**

In addition to the statutory earnings reserve, another earnings reserve shall be formed, to which at least ten percent of the net profit for the year plus any profit carried forward and minus any loss carried forward, as well as an amount corresponding to at least five per cent of the planned cooperative reimbursement, shall be allocated annually. Further retained earnings may be formed. The Executive Board and Supervisory Board shall decide on their appropriation at a joint meeting.

#### **§ 41 Capital Reserve**

Insofar as joining fees are charged, these shall be allocated to a capital reserve. The Executive Board and the Supervisory Board shall decide on their appropriation at a joint meeting (§ 23, para. 2 f). The General Meeting shall retain the right to use them to cover balance sheet losses (§ 47).

#### **§ 42 Appropriation of the Net Profit for the Year**

The General Meeting shall take a decision on the appropriation of the net profit for the year or the covering of any net loss for the year. Insofar as it is not allocated to the statutory (§ 39) or another earnings reserve (§ 40) or used for any other purposes, any net income for the year may be distributed to the members in proportion to their share capital at the end of the preceding financial year. Upon the distribution of profits, the payments made on the share in the past financial year shall also be taken into account from the first day of the calendar quarter following the payment. The part of the net income for the year that is attributable to the individual member shall be added to the share capital until the required share amount is reached or a share capital that has been reduced due to a loss is replenished.

#### **§ 43 Additional Payment Obligation**

The members shall not be obliged to make additional payments.

### **V. ACCOUNTING**

#### **§ 44 Financial Year**

- 1) The financial year of the Cooperative is the calendar year.
- 2) The first financial year shall begin with the registration of the Cooperative and end on December 31th of that year.

#### **§ 45 Annual Financial Statements and Status Report**

- 1) Within the statutory period after the end of the financial year, the Executive Board shall prepare the annual financial statements and – to the extent required by law – the status report for the past financial year.
- 2) The Supervisory Board shall assist in the recording and examination of the inventories. It shall check and sign the inventories carried out.
- 3) The Executive Board shall submit the annual financial statements and the status report, insofar as this is required by law, to the Supervisory Board for approval without delay and then, with the Supervisory Board's comments, to the General Meeting for adoption of the annual financial statements.
- 4) The annual financial statements, the status report, insofar as this is required by law, and the report of the Supervisory Board shall be made available for inspection by the members at least one week before the General Meeting on the business premises of the Cooperative or at another location that is to be announced – this is also possible electronically – or brought to their attention in some other way – also electronically.

- 5) The annual financial statements and the status report shall be submitted without delay to the Auditing Association responsible together with the supporting document it requires.
- 6) The report of the Supervisory Board on its review of the annual financial statements and the status report (§ 22, para. 2 of the Articles of Association) shall be submitted to the Ordinary General Meeting.
- 7) Sections 53 et seq. of the German Cooperatives Act (Genossenschaftsgesetz) shall apply to the funding efficiency, overall management and accounting audit. Each member of the Supervisory Board shall take note of the contents of the audit report of the Auditing Association.

#### **§ 46 Reimbursement**

- 1) The Executive Board and the Supervisory Board shall decide on the distribution of any cooperative reimbursement at a joint meeting prior to the preparation of the balance sheet.
- 2) Until the share has been fully paid in, the refund that is to be paid to the member shall be added to the share capital.

#### **§ 47 Coverage of a Net Loss for the Year**

- 1) The General Meeting shall decide on the coverage of any net loss for the year.
- 2) To the extent that a net loss for the year is not carried forward to new account or covered by drawing on the other revenue reserves, it shall be covered by the legal reserve or the capital reserve or by a write-off of the members' share capital or by a mixture of these measures at the same time.
- 3) Insofar as the share capital is used to cover the loss, the share of the loss attributable to the individual member shall be calculated according to the ratio of the business shares of all members taken over or to be taken over in accordance with the Articles of Association at the beginning of the business year in which the loss occurred.

## **VI. LIQUIDATION**

#### **§ 48 Liquidation**

After dissolution, the liquidation of the Cooperative shall take place. For the distribution of the assets of the Cooperative, the law shall be applied subject to the proviso that surpluses are distributed to the members in proportion to their share capital.

## VII. NOTICES

### § 49 Notices

- i. The notices of the Cooperative provided for by law shall be published under its name in the Frankfurter Allgemeine Zeitung. All other notices of the Cooperative shall be submitted by direct notifications to all members in text form or on the internet at the Cooperative's address: [www.chancen-eg.de](http://www.chancen-eg.de).
- ii. The annual financial statements and the documents to be disclosed in this connection shall, insofar as this is prescribed by law, only be published in the electronic Federal Gazette under the name of the Cooperative.

## VIII. PLACE OF JURISDICTION

### § 50 Place of Jurisdiction

The place of jurisdiction for all disputes between the member and the Cooperative resulting from the membership relationship is the Local Court or the Regional Court that has jurisdiction over the Registered Office of the Cooperative.

Correct as of: August 30, 2020

*Please note: Only the German version is legally binding.*