



Statute

in accordance with the General Assembly of June 07th, 2023,
entered into the Register of Cooperatives on January 29th. 2024

KWS Energy Knowledge eG



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I. COMPANY, OFFICE AND PURPOSE

Article 1 Company and Head Office

(1) The trade name of the cooperative is:

KWS Energy Knowledge eG.

(2) The head office of the cooperative is in Essen, Germany.

Article 2 Purpose and Subject Matter of the Cooperative

(1) The purpose of the cooperative is the promotion of and assistance for the businesses of members.

(2) Subject matter of the cooperative is basic and advanced training of expert and management personnel of members in the framework of vocational training through qualified personnel basic and skill enhancement training covering processes and installations for energy conversion from handling primary energy or any particular energy source, respectively, via all stages of conversion, conveyance, and distribution including the treatment of exhaust gases, of waste as well as of other byproducts up to residue disposal by providing and maintaining establishments for such events and by conducting examinations. In addition, the cooperative assists members in the fields of environmental protection, specifically immission control and water conservation, occupational safety as well as accident prevention through measures for improving workplace safety. The cooperative operates room and board infrastructure for training participants and provides counseling in personnel and organization development.

(3) The cooperative may invest in other businesses and set up subsidiaries.

(4) Business transactions with non-members are permissible.

II. MEMBERSHIP

Article 3 Membership Acquisition

- (1) Membership may be acquired by
 - a. Individuals,
 - b. Non-corporate entities,
 - c. Corporate bodies under private or public law.
- (2) Membership is acquired through
 - a. An unconditional declaration of accession to be signed by the acceding party in accordance with the Cooperative Societies Act and
 - b. By approval of the Board of Directors.
- (3) A new member is to be entered into the registry and to be notified thereof immediately.

Article 4 Shares, Payments, Additional Contributions, Reimbursements

- (1) Any member may acquire one share in the cooperative. One share amounts to 1,000 euros, payable immediately and in full. There is no return on capital employed.
- (2) A member cannot acquire more than one share in the cooperative.
- (3) Members are not obliged to make additional payments. This also applies specifically in case that creditors of the cooperative may not be fully compensated from the cooperative's assets during insolvency proceedings.
- (4) Payments made for the share plus additional credits minus write-off amounts for loss coverage comprise a member's business assets.

Article 5 Termination of Membership

Membership is terminated by

- (1) Cancellation,
- (2) Exclusion,
- (3) Transfer of business assets,
- (4) Commencement of insolvency proceedings of a member or dismissal of such proceedings due to lack of sufficient assets,
- (5) Death of a member,
- (6) Dissolution of a non-corporate entity or a corporate body.

Article 6 Cancellation

Any member may cancel membership under observance of a time limit of 12 months before year's end. Cancellation must be in writing to take effect.

Article 7 Death of a Member

Membership ceases upon death and passes on to the member's legal heir. Membership ceases at the end of the respective business year during which the case of succession occurs.

Article 8 Dissolution of a Non-Corporate Entity or a Corporate Body

If a non-corporate entity or a corporate body dissolves or expires, membership ceases at the end of the respective business year during which the dissolution or expiration becomes effective. In case of universal succession, membership by the universal successor continues until the end of the business year.

Article 9 Exclusion

- (1) A member may be excluded from the cooperative by the end of the business year in case of
 - a. Non-payment of running fees in spite of a payment reminder within an appropriate grace period according to Article 12,
 - b. Active or attempted harm to the cooperative,
 - c. Unknown place of business or permanent residence,
 - d. Conduct incompatible with concerns of the cooperative.
- (2) Exclusions are the responsibility of the Board of Directors, prior consent of the Board of Supervisors provided. Members of the Board of Directors or Supervisors can be only be excluded by resolution of the General Assembly.
- (3) Prior to a resolution to exclude, the member to be excluded must be given the opportunity to make a statement on the matter. The respective member is to be advised of the essential facts justifying the exclusion and the statutory grounds for exclusion.
- (4) Any resolution to exclude a member must state the facts justifying the exclusion and the statutory grounds for exclusion.
- (5) The Board of Directors shall immediately notify the member to be excluded by registered mail. Upon the dispatch of the letter, the respective member can neither take part in the General Assembly nor participate in the Board of Directors or Board of Supervisors.

- (6) Unless the General Assembly has enacted the exclusion, the member to be excluded may file a complaint with the Board of Supervisors within one month of the dispatch of the letter. The Board of Supervisors' ruling on the complaint is final within the cooperative. If the member to be excluded does not file a complaint within the period prescribed, there is no legal recourse.

Article 10 Settlement

- (1) Any settlement between the ex-member and the cooperative is based on the annual financial statement; accumulated deficits relative to shares are to be taken into account.
- (2) During settlement, the cooperative has the right to balance payments owed by the ex-member against assets covered by the settlement.

Article 11 Member Rights

Every member has the right to claim the cooperative's benefits and services and to take part in the design of the cooperative as stipulated by the Cooperative Societies Act and the statute.

Article 12 Member Obligations

- (1) Every member has the obligation to protect the interests of the cooperative. In particular, the provisions of the Cooperative Societies Act, the statute, and the rulings of the General Assembly must be observed.
- (2) The cooperative imposes fees on its members for services provided for the benefit of the members. Determining the amounts of fees, altering or voiding fees is the responsibility of the General Assembly.

The following classification of members applies exclusively for the purpose of charging fees:

- a. Ordinary members are defined as:
 - aa. Persons or associations of persons in terms of Article 3 (1) owning or operating installations for electricity and/or heat generation, for heat extraction and desalination as well as
 - bb. individuals in terms of Article 3 (1) lit. a who are members of the Board of Directors or the Board of Supervisors and do not belong to the circle of individuals in accordance with Article 14 (2), Clause 4 or Article 15 (1), Clause 3, respectively.

- b. Extraordinary members are government agencies and institutions, technical and scientific associations, trade associations and similar organizations in terms of Article 3 (1).
 - c. Affiliated members are persons or associations of persons in terms of Article 3 (1) interested in the cooperative's goals.
- (3) Members—except those defined under lit. a bb—are obligated to pay fees exacted in accordance with membership fee regulations.

III. BODIES OF THE COOPERATIVE

Bodies of the cooperative are the General Assembly, the Board of Supervisors, the Board of Directors, the Training Committee, and the Finance and Legal Committee.

Article 13 General Assembly

- (1) The General Assembly decides all fundamental matters concerning the cooperative, unless this statute explicitly reserves such matters for the Board of Supervisors or one of the committees to decide. Each member has one vote.

In particular, the General Assembly decides the following:

- a. Election or revocation, respectively, of the Board of Supervisors,
 - b. Declaration of the annual statement of accounts,
 - c. Discharge of the Board of Supervisors and the Board of Directors,
 - d. Release of the Investment, Finance and Business plan compiled by the Board of Directors,
 - e. Determination of the contributions plan and member fees,
 - f. Changes to the statute,
 - g. Reorganization measures,
 - h. Dissolution.
- (2) The ordinary General Assembly takes place once a year. Extraordinary General Assemblies are held by ruling of the Board of Supervisors or by request of at least 10 percent of all members in accordance with Article 45, Sec.1, of the Cooperative Societies Act.
- (3) The Chairman of the Board of Supervisors or, in case of absence, the Deputy Chairman, conducts the General Assembly. The General Assembly may rule to transfer the chairmanship to another member of the cooperative or to a representative of the Audit Association. This person is responsible for conducting the General Assembly in an orderly and appropriate manner.

- (4) Invitation to the General Assembly by the Board of Directors must be in writing at least two weeks prior to the event. The invitation letter must state the General Assembly's agenda.
- (5) Members may be represented in the General Assembly by proxies. Valid proxies must be in writing. The same applies to revocations of proxies. Sub-proxies are permissible. Issuance and revocation must also be in writing for validity.
- (6) The General Assembly has a quorum irrespective of the number of members or proxies present.

Rulings of the General Assembly require a simple majority unless a larger majority is mandated by law or this statute. Rulings concerning changes to the statute, reorganization measures, the dissolution of the cooperative as well as rulings of exceptional economic significance, especially for the purpose of acquiring assets of other businesses or the establishment of subsidiaries, require a three-fourths majority of votes cast unless a larger majority is mandated by law. Abstentions and invalid votes do not count.

The Chairman determines the type of ballot.

- (7) A General Assembly must be recorded in writing. This record requires the signatures of the Chairman and the reporter. The reporter is elected by the General Assembly by recommendation of the Chairman. The members receive a hardcopy or PDF copy of the record.

Article 14 Board of Supervisors

- (1) The Board of Supervisors oversees the business management of the Board of Directors and concerns itself with the affairs of the cooperative for this purpose.
- (2) The Board of Supervisors consists of not less than three and not more than nine members elected by the General Assembly for a period of three years. This period commences upon the conclusion of the electing General Assembly and ends upon the conclusion of the General Assembly taking place in the third business year after the election. The members of the Board of Supervisors must be members of the cooperative and individuals. Should other incorporated cooperatives be members of the cooperative, their members may be elected to the Board of Supervisors provided they are individuals. Should other individuals or non-corporate entities be members of the cooperative, this ruling applies to their authorized representatives.
- (3) The Board of Supervisors elects a Chairman and a Deputy Chairman from its ranks.
- (4) The Chairman or, in case of absence, the Deputy Chairman, issues the invitations to the Board's sessions in writing at least two weeks in advance. A session is to be called by demand of at least one fourth of the members of the Board of Supervisors.

The invitation issued by the Chairman or the Deputy Chairman specifies the procedure under which the session of the Board of Supervisors is to take place in detail. The session may take place by physical presence or by way of electronic communication in a virtual chamber (online procedure) accessible only to members and registered guests.

The Chairman or the Deputy Chairman may call a session on location without members having to be physically present. In this case, members may exercise their rights in full or in part by way of electronic communication (online attendance).

- (5) The Board of Supervisors has a quorum if more than half of its members are present. It rules by simple majority of valid votes cast. If the vote is tied, the Chairman's vote decides. In the absence of the Chairman, the Deputy Chairman's vote decides.
- (6) Decisions made by the Board of Supervisors are to be recorded in writing and to be signed by the Chairman or the Deputy Chairman.
- (7) The Board of Supervisors represents the cooperative towards the members of the Board of Directors and assumes all tasks assigned to it by law.
- (8) The Board of Supervisors is a voluntary body.

Article 15 Board of Directors

- (1) The Board of Directors consists of at least two members, one of whom is a full-time officer.

The members of the Board of Directors must be members of the cooperative and individuals. Should other incorporated cooperatives be members of the cooperative, their members may be elected to the Board of Directors provided they are individuals. Should other individuals or non-corporate entities be members of the cooperative, this ruling applies to their authorized representatives.

- (2) The cooperative is legally represented by two members of the Board of Directors or jointly by one member of the Board of Directors and a proxy holder. The Board of Supervisors may release some or all members of the Board of Directors from the prohibition of acting as an agent for others as mandated by Sec. 181, Alternative B, of the German Civil Code. This means that members of the Board of Directors may perform legal acts on behalf of the cooperative vis-à-vis third parties while acting as representatives of said third parties.
- (3) The Board of Directors is appointed and discharged by the Board of Supervisors. The Board of Supervisors is in charge of the annual financial statement, changing, as well as terminating service contracts with members of the Board of Directors.

- (4) The Board of Directors runs the cooperative on its own responsibility. It must create rules of procedure previously coordinated with the Board of Supervisors. In cases detailed by law, statute or rules of procedure, the Board of Directors must obtain the consent of the Board of Supervisors. General consent may be given for business activities of similar nature.
- (5) Sessions of the Board of Directors may be conducted without personal presence at any location via electronic communication (virtual session) provided no member of the Board objects to this procedure. Under the same conditions, a session of the Board of Directors may be conducted with as well as without personal presence at this location via electronic communication (hybrid session). The adoption of resolutions in writing or via electronic communication without convening a session is permissible if no member of the Board objects to this procedure.
- (6) Resolutions exceeding the scope of ordinary business operations are to be recorded in writing.

Article 16 Training Committee

- (1) A Training Committee is to be formed.
- (2) The Training Committees is tasked with the following:
 - a. Advising and assisting the Board of Supervisors and the Board of Directors in the conduct of their duties.
 - b. Advising the Board of Directors in the definition of admission requirements for training courses and, if so defined in these requirements, advising the Board of Directors in its decisions regarding admissions to training courses.
 - c. Collaborating in examinations conducted by the cooperative in observance of examination regulations.
 - d. Filing of applications to the cooperative for the procurement of teaching materials; handling of other schooling and training matters.
 - e. Assisting instructor recruitment and engagement.
- (3) Members of the Training Committee should preferably be recruited from the following organizations, businesses and agencies:
 - a. Members of the cooperative,
 - b. Chambers of Industry and Commerce,
 - c. Northrhine-Westphalian ministry responsible for the power industry,
 - d. Engineering department of a university or university of applied sciences,
 - e. Trade supervisory authorities,
 - f. Technical supervisory organizations,
 - g. Labor unions,
 - h. Head of Training of the cooperative,
 - i. Faculty of the cooperative.

- (4) Members are appointed by the Board of Supervisors for a period of three years. Re-appointment is permissible.
- (5) The Training Committee selects a Chairman and a Deputy Chairman from its ranks.
- (6) Training Committee sessions are called in writing at least two weeks in advance by the Chairman or, in case of absence, by the Deputy Chairman.

The invitation issued by the Chairman or the Deputy Chairman specifies the procedure under which the session of the Training Committee is to take place in detail. The session may take place by physical presence or by way of electronic communication in a virtual chamber (online procedure) accessible only to members and registered guests.

The Chairman or the Deputy Chairman may call a session on location without members having to be physically present. In this case, members may exercise their rights in full or in part by way of electronic communication (online attendance).

- (7) The Training Committee has a quorum if at least half of its members, among them the Chairman or the Deputy Chairman, are present or represented by proxy. One member of the Training Committee may represent several other members.
- (8) As a rule, Training Committee resolutions are made during sessions or, if the Chairman or the Deputy Chairman so decides, in writing. A simple majority of the participating members is necessary. If a vote is tied, the deciding vote rests with the Chairman or, in case of absence, with the Deputy Chairman.
- (9) Resolutions are to be recorded and require the signature of the reporter and the Chairman or Deputy Chairman, respectively.
- (10) Members of the Training Committee are unpaid.

Article 17 Finance and Legal Committee

- (1) A Finance and Legal Committee is to be formed.
- (2) The tasks of the Finance and Legal Committee are:
 - a. Advice and assistance for the Board of Supervisors and the Board of Directors in financial and legal matters,
 - b. Counseling for the annual investment, finance and business plan and recommendations to that effect to the Board of Supervisors and the Board of Directors,

c. Deliberating on the annual audit and issuing decision-making recommendations for the Board of Supervisors.

- (3) The Finance and Legal Committee consists of not less than three and not more than nine members.
- (4) Members are appointed by the Board of Supervisors for a period of three years. Re-appointment is permissible.
- (5) The Finance and Legal Committee selects a Chairman and a Deputy Chairman from its ranks.
- (6) Invitations to sessions of the Finance and Legal Committee are issued by the Chairman or, in case of absence, by the Deputy Chairman in writing at least two weeks prior to the date of the session of the Finance and Legal Committee. A session of the Finance and Legal Committee is convened by demand of at least one quarter of its members.

The invitation issued by the Chairman or the Deputy Chairman specifies the procedure under which the session of the Finance and Legal Committee is to take place in detail. The session may take place by physical presence or by way of electronic communication in a virtual chamber (online procedure) accessible only to members and registered guests.

The Chairman or the Deputy Chairman of the Finance and Legal Committee may call a session on location without members having to be physically present. In this case, members may exercise their rights in full or in part by way of electronic communication (online attendance).

- (7) The Finance and Legal Committee has a quorum if at least half of its members, among them the Chairman or the Deputy Chairman, are present or represented by proxies. One member of the Finance and Legal Committee may represent several other members.
- (8) As a rule, Finance and Legal Committee resolutions are made during sessions or, if necessary, in writing, by email, or telephone. A simple majority of the participating members is necessary. If a vote is tied, the deciding vote rests with the Chairman or, in case of absence, with the Deputy Chairman.
- (9) Resolutions are to be recorded and require the signature of the reporter and the Chairman or Deputy Chairman, respectively.
- (10) Members of the Finance and Legal Committee are unpaid.

IV. ACCOUNTING

Article 18 Business Year

The business year equals the calendar year. The first business year begins with the registration of the cooperative and expires at the end of the calendar year.

Article 19 Audit

- (1) The audit and status report are to be compiled by the Board of Directors within three months after the conclusion of the business year. Following an assessment by the auditor as well as deliberation by the Finance and Legal Committee and the Board of Supervisors, they are to be submitted to the General Assembly for approval.
- (2) The audit, the status report, if the latter is mandated by law, and the report by the Board of Supervisors are to be brought to the attention of the members at least two weeks before the General Assembly.
- (3) The Board of Supervisors' report on its examination of the audit and the status report, if the latter is mandated by law, are to be submitted to the ordinary General Assembly.

Article 20 Distribution of Profits and Statutory Reserve

- (1) Profits will not be distributed among or reimbursed to the member, but credited to the statutory reserve and other operating reserves.
- (2) At least 10 percent of the annual net profits are to be credited to the statutory reserve until at least 100 percent of the sum totals of shares have been achieved.

V. LIQUIDATION

Article 21 Liquidation

Following its dissolution, the cooperative is to be liquidated in accordance with the Cooperative Societies Act. This means that the cooperative's property will be distributed in a manner that enables the disbursement of surpluses among the members relative to their respective business assets.

VI. NOTIFICATIONS AND COURT OF JURISDICTION

Article 22 Notifications

Notifications issued by the cooperative are advertised on its publicly accessible internet page unless otherwise mandated by law or the statute. The audit and the status report, if the latter is mandated by law, as well as documents specified in Article 325, German Commercial Code, are published solely in the German Federal Gazette. Notifications must state the names of the issuer(s).

Article 23 Court of Jurisdiction

Court of jurisdiction in all legal disputes between a member and the cooperative is Essen, Germany.

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