

Statute of Bundesverbandes Vermögensanlagen im Zweitmarkt Lebensversicherungen

(As of: 09/24/2012)

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§ 1. Name, Registered Office and Business Year

- 1.1. The Association bears the name “Bundesverband Vermögensanlagen im Zweitmarkt Lebensversicherungen” [“Federal Association for Investments in the Secondary Market Life Insurances”] (BVZL).
- 1.2. It will be entered in the Register of Associations at the Local Court of Munich, and shall have the affix “e.V.” [“Registered Association”].
- 1.3. The Association’s registered office is in Munich.
- 1.4. The business year is the calendar year.

§ 2. Purpose of the Association

The Association represents the interests of initiators, service providers and investors who are active in the secondary market for life insurances. It promotes the economic, legal and political concerns of its members.

§ 3. Acquisition of Membership

- 3.1. In addition to the founding members, entrepreneurs as defined by § 14 BGB [German Civil Code] who are active as initiators in the secondary market for life insurances can be admitted as full members of the Association.
- 3.2. In addition, entrepreneurs as defined by § 14 BGB who render services for providers in the secondary market for life insurances can be admitted as sustaining members of the Association.

- 3.3. With the application for admission, the new member acknowledges the statutes and all the rights and obligations resulting hereof.
- 3.4. The application for admission shall be submitted in writing and must indicate whether the future member applies for membership as a full member or as a sustaining member.
- 3.5. The Executive Board must inform the Association's members about the application for admission, and give them an opportunity to comment within a reasonable period. If a member does not speak out against the membership within the set period, the new member is considered as accepted. If a member speaks out against the admission, the General Meeting of Members shall decide on the admission. In such case the admission as a member shall be granted by Executive Board decision, upon which the new member shall be notified of in writing. The final admission as a member shall only be effected upon receipt of the pro rata membership fee in the Association's account in accordance with the Association's subscription ordinance for the remaining period of the business year.
- 3.6. The Executive Board can reject applications for membership with substantiation. The rejected enterprise can file an appeal against the notice of rejection by the Executive Board with the General Meeting of Members within a period of one month after service of notice. The next regular General Meeting of Members shall take the final decision on the appeal.
- 3.7. A right to admission does not exist.

§ 4. Membership

- 4.1. In addition to the founding members, full members and sustaining members form part of the Association.
- 4.2. Full members are active members. They have the right to vote in the General Meeting of Members.
- 4.3. Sustaining members are passive members without the right to vote in the General Meeting of Members.

§ 5. Obligations of the Members

- 5.1. The members are obligated to outwardly represent the concerns and interests of the Association, and to safeguard its reputation.
- 5.2. The members are obligated to support the Executive Board in the fulfillment of their responsibilities, and to contribute to the fact that the decisions made are implemented. Decisions made within the scope of the statutes are binding for the members.
- 5.3. Before undertaking activities, which have an effect on the Association's responsibilities, the members have to inform the Executive Board and give them an opportunity to make a comment.

§ 6. End of Membership

- 6.1. Membership ends
 - Upon the member's death
 - Upon the dissolution of the legal entity or upon the dissolution of the incorporated partnership
 - By means of voluntary termination (§ 7)
 - Through expulsion from the Association (§ 8)
- 6.2. All of the member's rights against the Association shall lapse upon withdrawal from the Association. A right to reimbursement of membership fees does not exist.

§ 7. Termination of Membership

- 7.1. Membership ends with termination.
- 7.2. Termination is only permissible at the end of a calendar year under observation of a notification period of three months.
- 7.3. The termination must be sent in writing to the Executive Board.
- 7.4. The termination does not exempt the member from the obligation to pay any due membership fees.

§ 8. Expulsion of Members

- 8.1. Membership can also be terminated through expulsion.
- 8.2. The expulsion from the Association is only permissible for good cause. In particular, good cause is apparent in the event of a serious infringement of the statutes, behavior that is severely detrimental to the Association, or a default in payment of more than three months after the due date for membership fees
- 8.3. Other sanctions (e.g. rebuke, reprimand, admonition or administrative fine) are possible before exclusion, but are not obligatory.
- 8.4. The Executive Board decides on the expulsion by means of unanimous decision. The Executive Board must give the member an opportunity to make a verbal or written statement before the resolution. The decision of the Executive Board is to be substantiated in writing and delivered to the member. The member can file an appeal against the decision by the Executive Board with the General Meeting of Members within a period of one month after arrival of the decision. The next regular General Meeting of Members shall take the final decision on the appeal. Ordinary legal recourse is excluded.
- 8.5. The member's membership rights lapse after opening of the expulsion proceedings.

§ 9. Membership Fee

- 9.1. All members pay an annual membership fee.
- 9.2. Full members pay an annual membership fee of Euro 5,000.
- 9.3. Sustaining members pay an annual membership fee of Euro 4,000.
- 9.4. The General Meeting of Members issues (with a simple majority) a subscription ordinance, which defines the more specific details pertaining to the membership modalities.

§ 10. Bodies of the Association

The bodies of the Association are

1. The General Meeting of Members (§ 11),
2. The Executive Board (§ 16),
3. The Advisory Board (§ 19).

§ 11. The General Meeting of Members

- 11.1. Every member has the right to participate in the General Meeting of Members and to take part in the discussions.
- 11.2. Every member has one vote; this does not apply to sustaining members.
- 11.3. Only another full member or a third party obligated to professional secrecy can be authorized in writing to exercise the right to vote. The authorization shall be granted separately for every General Meeting of Members. The authorization shall be submitted to the Executive Board or the business office before voting. The General Meeting of Members can exclude the representation by the third party with a simple majority, insofar as the Association's interests are objectively endangered through the representation. The reasons for expulsion are to be communicated upon the member's written request, per fax or e-mail.
- 11.4. The General Meeting of Members is exclusively responsible for the following affairs:
 - The election of the Executive Board and the Advisory Board
 - The election of a cash auditor. This individual must not be a member of the Executive Board and does not have to be a member of the Association
 - The approval of the budget for the next business year put forward by the Executive Board
 - The acceptance of the statement of accounts rendered by the Executive Board and the cash auditor
 - The discharge of the Executive Board
 - The adoption of a resolution pertaining to the fee ordinance and the amount of a contribution
 - Every amendment or new version of the statutes
 - The decision pertaining to the appeal against expulsions of members
 - The dissolution of the Association
 - The adoption of a resolution pertaining to matters of fundamental importance
- 11.5. In matters, which fall under the purview of the Executive Board, the General Meeting of Members can make recommendations to the Executive Board. On its part the Executive Board can obtain an opinion or a decision by the General Meeting of Members in matters within its purview.

§ 12. Calling of the General Meeting of Members

- 12.1. The regular General Meeting of Members shall be held at least once a year.
- 12.2. Under observance of a three-week notification period the Executive Board invites all members of the Association in writing by stating the agenda for the General Meeting of Members. The invitation can also be accomplished through publication in a circular letter or Association announcement sheet.
- 12.3. The notification period commences on the day following the dispatch of the invitation letter.
- 12.4. The Executive Board specifies the agenda and accepts amendment motions by the members. If the Executive Board refuses to accept an amendment to the agenda, the General Meeting of Members is to be informed hereof during the General Meeting of Members, which can place the agenda topic on the Meeting's agenda with the simple majority of the members present or effectively represented votes.

§ 13. Adoption of a Resolution in the General Meeting of Members

- 13.1. Every duly summoned General Meeting of Members is quorate if at least one fourth (25 %) of the full members are present or orderly represented.
- 13.2. In the event of the inability to constitute a quorum, the Executive Board is obligated to call another General Meeting of Members.

- 13.3. The Executive Board determines the chairperson of the General Meeting of Members.
- 13.4. The General Meeting of Members is not open to the public.
- 13.5. Voting will be conducted by show of hands. A motion of at least 1/5 of those members present or orderly represented members authorized to vote is to be voted upon by secret ballot.
- 13.6. With regard to the passing of a resolution, the majority of those members present or orderly represented members authorized to vote decide (by simple majority) insofar as the statutes do not provide otherwise. Abstentions apply as votes that are not cast. The majority is calculated according to the 'yes' and 'no' votes cast.
- 13.7. A majority of three fourths of those present or orderly represented members authorized to vote is required for a resolution that entails an amendment of the statutes or dissolution of the Association.
- 13.8. Meeting resolutions can also be passed in writing and/or per fax and by phone or web conference, if all full members have been given three-week notice to participate in the resolution. For the written voting or voting by fax, a deadline is set of minimum two weeks. If the member does not cast his/her vote within the set period, this applies as an abstention.

§ 14. Recording the Assembly Resolutions

- 14.1. Minutes pertaining to the resolutions passed in the General Meeting of Members are to be recorded by the Meeting chairperson.
- 14.2. The minutes are to be signed by the Meeting chairperson and delivered to all members per post, fax or e-mail.

§ 15. Extraordinary General Meeting of Members

- 15.1. The Executive Board can call an Extraordinary General Meeting of Members at any time.
- 15.2. An Extraordinary General Meeting of Members must be called if it necessitates the interest of the Association or if the calling is requested in writing by one fourth of all full members by stating the Executive Board's reasons.

§ 16. Executive Board

- 16.1. The Executive Board consists of at least one person and a maximum of three individuals.
- 16.2. The Executive Board is an executive board as defined by § 26 BGB. The Association is represented in court and out of court by the Executive Board. If two or more Executive Board members are appointed, the Association will be jointly represented by two Executive Board members.
- 16.3. The Executive Board can adopt rules of procedure.

§ 17. Executive Board: Term of Office

- 17.1. The members of the Executive Board will be elected individually by the General Meeting of Members– with at least a simple majority of the present members authorized to vote – for the duration of two years (calculated from the day of the vote). The members of the Executive Board remain in office until the statutory appointment of the next Executive Board.
- 17.2. The reelection of Executive Board members is possible as often as optionally possible.

17.3. If a member of the Executive Board resigns during the term of office, the Executive Board can propose a substitute member for the remaining term of office and elect this individual by means of written circular letter procedure or through the General Meeting of Members.

§ 18. Executive Board: Responsibility

18.1. The Executive Board is responsible for all matters of the Association, insofar as they are not assigned to a different body of the Association through the statutes.

18.2. The Executive Board conducts the Association's business dealings within the scope of the approved budget and also manages the Association assets.

18.3. Above all things, the Executive Board has the following responsibilities:

- Preparation of General Meetings of Members and generation of agendas.
- Calling of the General Meeting of Members.
- Execution of the resolutions passed by the General Meeting of Members.
- Preparation and submission of the statement of accounts.
- Resolutions pertaining to admission and expulsion of members.
- Representation of the Association, in particular through participation in trade fairs, exhibitions and conferences
- Execution of the liquidation of the Association after dissolution.
- The Executive Board determines the Association's policy under observance of the statutes.

§ 19. Advisory Board

19.1. The Association has an Advisory Board. The Advisory Board has the responsibility to provide advice in important Association matters and to provide support during the execution of Association responsibilities.

19.2. The Advisory Board members participate in the Executive Board meetings at the invitation of the Executive Board. The Advisory Board members cannot allow their responsibilities to be represented through other individuals.

19.3. The Advisory Board consists of up to five individuals, who do not have to be members of the Association. Executive Board members cannot be members of the Advisory Board at the same time.

19.4. The Advisory Board will be proposed by the Association's Executive Board and elected by the General Meeting of Members with a simple majority for a two-year term of office.

19.5. If an Advisory Board member withdraws prematurely, the Executive Board can appoint a substitute member until the next General Meeting of Members.

§ 20. Office and Business Management

20.1. The Association, represented by the Executive Board, established a business office in Munich.

20.2. It is to be duly administered according to the rules of a clearly arranged business management in accordance with commercial principles. The business office must perceive its responsibilities independently of the interests of individual members or groups of members.

§ 21. Dissolution of the Association

21.1. The Association can be dissolved through a resolution of the General Meeting of Members (see § 13 Paragraph 7 of the Statutes).

21.2. The liquidation of the Association is accomplished through the Executive Board.

21.3. After the liquidation, the Association assets are proportionately accrued by the existing members at the time of the dissolution of the Association.

21.4. The aforementioned regulations shall correspondingly apply in the event that the Association is dissolved for another reason or loses its legal capacity.

§ 22. Effective Date

These statutes have been decided upon at the General Meeting of Members from April 30, 2004, and enter into effect immediately.