

STATUTE

DICO - GERMAN INSTITUTE FOR COMPLIANCE

§1

NAME, REGISTERED OFFICE AND FINANCIAL YEAR

1.1 The association has the name

DICO - German Institute for Compliance

and shall be entered in the register of associations; after the entry it shall contain the addition "e. V.".

1.2 The Association has its seat in Berlin.

1.3 The financial year is the calendar year.

§2

PURPOSE AND TASKS

2.1 The association pursues exclusively and directly non-profit purposes in the sense of the section "tax-privileged Purposes" of the Tax Code (AO). The purpose of the association is to promote science and research as well as training and further education in the field of compliance.

The purpose of the statutes is realized in particular by:

- (a) Research and scientific work on the development of generally applicable compliance standards and the development of compliance measures for free use in private and public enterprises as well as information for experts and the interested public;
- (b) scientific non-profit research on compliance as a non-material activity or as a paid activity within the framework of § 68 No. 9 AO as well as prompt publication of the research results;
- (c) Development of programs for training and education of compliance personnel;
- (d) scientific and practical training in the field of compliance through seminars, lectures, conferences and workshops;
- (e) Informing experts and the general public about compliance through seminars, lectures, conferences, workshops and the creation and operation of a website;



(f) free information of the general public and of non-profit institutions and public corporations as well as companies and authorities, legislative bodies and other institutions with regard to the tasks, functioning and implementation of compliance and the establishment of the compliance function;

(g) Establishment and maintenance of the non-profit scientific and technical exchange of experience between practice and science at national and international level through lectures and discussions in committees, working groups, seminars and conferences;

(h) Editorially and contentwise responsible publication of scientific literature and specialist publications in the field of compliance as well as the promotion of author contributions.

2.2 The association is selflessly active; it does not primarily pursue its own economic purposes.

2.3 The Association's funds may only be used for statutory purposes. The members do not receive any contributions from the association's funds. No person may benefit from expenses that are alien to the purpose of the association or from disproportionately high compensation.

§3

MEMBERSHIP

3.1 Members of the Association may be:

(a) Companies;

(b) Authorities;

(c) trade associations and other associations;

(d) Universities and institutes;

(e) auditing firms and law firms;

(f) Heads and employees of departments related to compliance;

(g) natural persons whose training or active or former professional activity may be expected to contribute to the objectives of the Association.

3.2 The application for membership must be addressed in writing to the board of the association. The board finally decides on the admission. In the event of a negative decision, the Executive Board is not obliged to give reasons for this. There is no entitlement to admission.



3.3 By joining the association, the members accept the obligation:

- (a) to observe the Articles of Association;
- (b) to promote the tasks of the association;
- (c) to pay the membership fee determined by the general meeting.

3.4 Persons who have distinguished themselves through the support of the association may be appointed honorary members. The appointment is made on joint proposal of the Executive Board and the Board of Directors by the General Assembly. Honorary members have all rights of a member, but are exempt from membership fees.

3.5 The members of the association are entitled to representation and promotion of their common interests. They are entitled to ongoing information about the activities of the association.

3.6 Membership is terminated by:

- (a) Withdrawal. The resignation can only take place at the end of a financial year and must be declared in writing to the Executive Board at least 3 months before the end of the financial year;
- (b) Exclusion by decision of the board with immediate effect if the member is in arrears with payment of membership fees despite two unsuccessful reminders;
- (c) expulsion by decision of the board in case of another important reason, especially if the member (i) violates his duties towards the association, or (ii) has otherwise acted against the interests of the association;
- (d) Loss of civil rights;
- (e) Death;
- (f) Opening of insolvency proceedings against a member's assets or by refusal to open insolvency proceedings for lack of assets or by opening liquidation.

3.7 The exclusion decision in accordance with para. 3.5, letter 3.5. (b) and (c) shall be deemed to have been received on the third day after dispatch by registered letter to the address last communicated to the Association in writing by the member and shall thus become effective. The member has the right of appeal against the decision. The appeal must be sent in writing to the board of the association within one month (exclusion period) after receipt of the notification of the exclusion and provided with a reason. The Board of Directors shall immediately submit the appointment to the Board of Directors, which shall decide on the appointment. The decision of the Board of Directors is final.

§4

Association bodies

4.1 Bodies of the association are:

- (a) the general meeting (§ 5);
- (b) the Board of Directors (Section 6);
- (c) the Executive Board (Section 7).

4.2 The Board of Directors may set up committees to advise on technical matters (§ 8).

4.3 The Board of Directors and the Board of Directors may appoint a management board for their work (§ 9).

4.4 In agreement with the Administrative Board, the Executive Board may also appoint a Scientific Advisory Board (§ 10) to provide scientific advice to the Association.

§5

THE GENERAL MEETING

5.1 The general meeting is the supreme body of the association. It is chaired by the Chairman of the Board of Directors or, in his absence, by his deputy or another member of the Board of Directors. On the proposal of the Board of Directors, the General Assembly may elect another person to chair the meeting.

5.2 The general meeting is especially responsible for the following tasks:

- (a) Election of the members of the Board of Directors;
- (b) Election of the members of the Board;
- (c) appointment of at least two auditors or appointment of an auditor or an auditing firm;
- (d) Discharge of the Board of Directors;
- (e) Discharge of the Executive Board;
- (f) discharge of the audit if no external auditor or external auditing company has been appointed for this function;
- (g) Resolution on the budget for the following financial year;
- (h) Resolution on the amount and due date of membership fees;
- (i) Appointment of Honorary Members;



(j) Resolution on amendments to the Articles of Association;

(k) Dissolution of the Association.

5.3 The general meeting takes place at least once a year. It receives the annual report of the Board of Directors, the annual report of the Board of Directors including the annual financial statements and the audit report.

5.4 Further general meetings may be convened by the board at any time if the interests of the association so require. General meetings shall be called if the Board of Directors or at least 1/5 of the members of the Association so request. The motion must contain the subjects of the resolution. The meeting must be convened within two months of filing the application.

5.5 The board has to invite to the general meetings with a notice period of at least three weeks, stating the agenda. Decisive for the start of the deadline is the dispatch of the invitation by the office of the association. The invitation can be sent electronically (e-mail) if the member has given the association a corresponding e-mail address; otherwise the invitation must be sent in writing to the last address given by the member of the association's office.

5.6 Each member has one vote in the general meeting. Voting rights are exercised personally by the members entitled to vote, in the case of legal entities by a representative appointed by them. Written power of attorney is permissible and must be submitted to the board before the beginning of the general meeting.

5.7 The general meeting has a quorum if at least 1/20 of the members of the association are present in person or are represented by written proxies.

5.8 If a general meeting does not have a quorum, the board has to call a new general meeting with the same agenda within one month, which then has a quorum without regard to the number of members present.

5.9 The general meeting decides with a simple majority of the votes present and represented in the general meeting, if nothing else is determined. The following resolutions require a majority of $\frac{3}{4}$ of the votes cast:

(a) Amendment of the Articles of Association. This resolution is only admissible if the proposed amendment to the Articles of Association is dispatched with the invitation and the change to the wording is on the agenda (Item 5.5).

(b) the dissolution of the association. The resolution is only admissible if the dissolution of the association is included in the agenda to be sent.

Abstentions and invalid votes shall not be taken into account when determining the majority.

5.10 Minutes must be taken of the general meeting by a member of the management, in his absence by a representative appointed by the chairman of the meeting. This must be signed by the spokesman of the board or his deputy, the minute-taker and the chairman of the

meeting as well as another member of the association who was present at the general meeting. The chairman of the meeting decides on the other member.

5.11 Should it become necessary to amend the provisions of the Articles of Association because otherwise the Articles of Association violate mandatory provisions of the law governing associations or mandatory provisions for safeguarding the tax exemption of charitable bodies, the executive committee authorized to represent the association shall be entitled, after consultation with the administrative board, to amend and register the Articles of Association of the association on these points. This is particularly necessary if the tax office or the register of associations requires the adjustment. The changes of the statutes and the Begründung the necessity of the changes of the statutes are to be brought to the knowledge of the members by the executive committee in the next meeting of the members.

§6

THE BOARD OF DIRECTORS

6.1 The Board of Directors consists of up to twelve persons. The members of the Board of Directors are elected by the General Assembly for a term of three years. Re-election is possible.

6.2 In principle, members of the Board of Directors shall be personalities from business, science, administration and consultancy who pursue their respective activities as main occupations.

6.3 The Board of Directors shall elect a Chairman and his deputy from among its members. Elections shall be by simple majority of the votes cast. The Board of Directors acts within the Association and vis-à-vis the Board of Directors and the Management by the Chairman or his deputy.

6.4 The Board of Directors has the following duties:

- (a) Advising the board in important matters of future developments - especially with regard to the principles of the association policy - as well as monitoring the – of the board;
- (b) Resolution on the annual report of the Executive Board and the financial statements for the past financial year;
- (c) Discussion of the budget proposal for the forthcoming budget period and medium-term financial planning;
- (d) Establishment and dissolution of committees;
- (e) Appointment of managers together with the Board;
- (f) Submission of proposals to the General Assembly for the election of members of the Board of Directors and the Administrative Board;



(g) Submitting proposals to the General Assembly for the appointment of honorary members together with the Board;

(h) Decision on appeals in the event of expulsion of members by the Board.

6.5 The Board of Directors shall meet at least once a year at the invitation of its Chairman, unless more frequent meetings are required. In addition, a joint meeting is held at least once a year with the Executive Board and the management.

6.6 The Board of Directors passes resolutions by a simple majority of the votes cast. It constitutes a quorum if at least half of its members are present. In the event of a tie, the Chairman has the casting vote.

If the Chairman of the Board of Directors or his deputy decide to vote outside meetings (by e-mail, fax or telephone), the Board of Directors has a quorum if at least half of its members take part in the vote. Abstention shall be deemed to be participation in the vote.

6.7 The Chairman of the Board of Directors or his deputy must immediately draw up minutes of the meeting and the result of the vote and forward them in writing to the members of the Board of Directors. A copy goes to the Chairman of the Board of Management and the Executive Board.

6.8 The Chairman of the Board of Directors has the support of the management to fulfil his duties under association law.

§7

THE EXECUTIVE BOARD

7.1 The board of the association consists of at least three and at most seven members. The board is responsible for managing the association and represents it in and out of court. The association is jointly represented by two board members. The Executive Board is exempt from the restrictions of § 181 BGB (German Civil Code).

7.2 Members of the Management Board shall be executives from compliance departments or consultants who perform their respective activities as main occupations.

7.3 The members of the board are elected by the general meeting for a term of two years. Re-election is possible. After leaving active professional life, an election/re-election is no longer possible.

7.4 The Board elects its spokesman and his representative from among its members. Elections shall be by simple majority of the votes cast. The respective board member remains in office until a new election. This does not apply if he resigns from this office.

7.5 Tasks of the Executive Board are in particular:

(a) Development of strategies and general principles of association policy;



- (b) Planning and directing the work of the association, in particular by setting up a programme committee and setting up project groups and working groups, appointing and dismissing their heads;
- (c) Carrying out all other measures which serve the objectives of the association;
- (d) Performing international tasks;
- (e) appointing directors together with the Board of Directors;
- (f) Preparation of the annual financial statements and the budget proposal as well as discussion and resolution of the other documents to the Board of Directors and the General Meeting;
- (g) Setting the agenda and convening the General Meeting in agreement with the Chairman of the Board of Directors;
- (h) Implementation of the resolutions of the General Assembly and the Administrative Council;
- (i) submitting proposals to the Board of Directors for the election of the members of the Board of Directors and the Executive Board;
- (j) submit proposals to the Board of Directors for the appointment of honorary members;
- (k) the management and judicial and extrajudicial representation of the association internally and externally, unless these tasks are assigned to other bodies in accordance with these statutes.

7.6 The Chairman of the Board of Management shall perform the following tasks in particular:

- (a) Supervision of management activities;
- (b) Coordination of the activities of the Executive Board;
- (c) Convening and chairing board meetings;
- (d) Convening of the General Assembly.

7.7 The Executive Board may issue its own rules of procedure. It may also regulate other tasks of the spokesman of the Board of Management and his deputy as well as the allocation of business responsibilities.

7.8 The Chairman of the Board of Management and the management inform the Board of Management about their activities and submit questions of fundamental importance to the Board of Management for resolution. The Board of Management may at any time obtain reports and issue instructions to the Board of Management.

7.9 The Board meets at least four times a year. The management participates in meetings of the Executive Board, unless the Executive Board decides otherwise.



7.10 Resolutions of the Executive Board are passed by a simple majority of the votes cast. The board has a quorum if at least half of its members are present. In the event of a tie, the vote of the spokesman of the Executive Board shall be decisive.

If the speaker of the board or his deputy decide to vote outside of meetings (by e-mail, fax or telephone), the board is quorate if at least half of its members take part in the vote. Abstention shall be deemed to be participation in the vote.

7.11 The Chairman of the Board of Management must immediately draw up minutes of the meeting and the result of the vote and forward them in writing to the other members of the Board of Management.

7.12 The Board and the heads of the committees meet jointly.

§8

COMMITTEES

8.1 The Board of Directors may, in consultation with the Board of Directors, establish and dissolve standing or occasional/purpose committees. The committees are responsible for discussing the technical matters assigned to them by the Board of Directors and, if necessary, making recommendations to the Board of Directors or the Board of Directors.

8.2 The committees take their decisions by a simple majority of the committee members. Each committee member has one vote. A committee has a quorum if at least half of the committee members take part in the vote.

8.3 The committees may, with the approval of the Executive Board, form working groups within their area of responsibility and appoint members from among them.

8.4 Committee members may also be persons who are not members of the Association.

8.5 The composition and composition of the committees shall be determined by the Board of Directors in consultation with the Board of Directors and shall appoint its heads.

§9

THE MANAGEMENT BOARD

9.1 Management is appointed by the Executive Board in agreement with the Board of Directors. The number of managing directors and the duration of their appointment shall be determined by the Executive Board with the approval of the Board of Directors.

9.2 The respective managing director carries out his activity full-time or part-time. The employment contract is concluded between the association, represented by the spokesman of the board, together with another board member, and the managing director.



9.3 The management manages the office in accordance with the articles of association and the instructions of the board. Further details are regulated in the rules of procedure to be issued by the Executive Board.

§10

THE AUDIT OF ACCOUNTS

10.1 After the end of each financial year, the auditing of the annual accounts ensures the correctness of the annual accounts, unless the general meeting decides otherwise.

10.2 All selected auditors shall be involved in the audit and shall sign the auditor's certificate.

10.3 The management is obliged to provide the auditors with the necessary documents and to provide the information necessary for the audit. If questions are in dispute, the management submits the relevant question to the Executive Board for a final decision.

10.4 The auditing department prepares a written audit report for the Board of Directors and the Executive Board and reports on the audit result to the General Meeting.

§11

THE SCIENTIFIC ADVISORY BOARD

11.1 The Board may, in agreement with the Administrative Board, appoint a Scientific Advisory Board. The task of the Scientific Advisory Board is to provide scientific advice to the association.

11.2 Only be appointed as members of the Advisory Board:

- (a) Professors and lecturers at universities;
- (b) public figures who appear particularly suitable for scientific advice;
- (c) Representatives of public institutions with outstanding competence in the area of compliance.

11.3 The members of the Scientific Advisory Board shall be appointed for three years by the Executive Board of the Association in agreement with the Administrative Board. Dismissal also requires the approval of the Board of Directors. A repeated order is possible. After leaving professional life (main occupation), a vocation/repeated appointment is no longer possible; this does not apply to emeritus professors from universities.

11.4 The Scientific Advisory Board shall meet at least once a year.



11.5 The meetings of the scientific advisory board shall be convened and chaired by the responsible board member of the association. Minutes shall be taken of the meetings. The board decides on the responsibility of the board member.

§12

REIMBURSEMENT OF EXPENSES

12.1 The members of the Executive Board, the Administrative Board and the Scientific Advisory Board carry out their activities on an honorary basis. Travel and other material expenses incurred in the performance of their duties may be reimbursed by the Institute.

12.2 The Board of Directors shall decide on the rules for reimbursement with the approval of the Board.

12.3 The auditing of accounts shall receive an appropriate remuneration, which shall be determined by the Board of Directors.

§13

DISCLAIMER

13.1 As far as legally permissible, the association is not liable for damages or losses suffered by one member or third parties before, during or after association events or caused by association members.

13.2 Only the Association and its assets shall be liable for liabilities incurred by the Board for the Association.

13.3 The members of the board, the administrative board, the committee and the scientific advisory board are only liable to the association for intent and gross negligence.

§14

COMPLIANCE

14.1 All events of DICO - German Institute for Compliance are subject to general antitrust law regulations, i.e. participants and contributors are not allowed to exchange competition-sensitive data and information or agree on topics if this violates antitrust law and the so-called secret competition (e.g. in the case of tenders).



§15

FINAL PROVISIONS

In the event of dissolution or dissolution of the association or the discontinuation of tax-privileged purposes, the assets of the association shall be transferred to a legal entity under public law or another tax-privileged non-profit body for the promotion of vocational training.
