

ARTICLES OF ASSOCIATION

Statutes of the bavAIRia e.V. Association

§ 1 Name, Legal Form, Registered Office, Business Year

- 1) The association must be listed in the official register of societies and associations. The association bears the name bavAIRia e.V. since its registration.
- 2) The seat of the association is in Gilching.
- 3) The fiscal year is the calendar year.

§ 2 Purpose and Goals of the Association

- 1) The purpose of the association is to intensify collaboration, the dynamics of development, and the initiation of innovative projects at the science and technology location of Bavaria in the field of aviation, aerospace, satellite navigation (AAS), and other related technologies in which the members have particular competence.
- 2) The purpose of the statutes is directed especially towards linking scientists with the business world through establishing new networking structures to facilitate contacts and communication.

The following goals serving this overall purpose are to be achieved in collaboration with industry:

1. strengthening research expertise,
 2. strengthening the competitiveness of aerospace industries along the entire supply chain,
 3. exploiting the potentials of satellite navigation,
 4. initiating new and spin-off companies,
 5. developing an integrated concept for internal and external communication in the AAS areas, proactive national and international marketing of Bavaria as a location with AAS expertise, drawing up and implementing a relevant strategy to develop a mission statement for the Bavarian AAS sector,
 6. coordinating training and further professional education to meet the requirements of private industry and users in commercial and university sectors,
 7. establishing networks; improving liaison between Bavarian research and industry, both internally and with third parties; in addition to setting up a suitable Bavaria Internet portal,
 8. representing various interests in establishing, expanding, and maintaining infrastructure.
- 3) Aiming for concrete improvement and enlargement of the science and technology communication structure in Bavaria, the association strives to achieve optimal coordination in the field of AAS among researchers and educators, public offices, politicians, companies and trade associations.

§ 3 Activities, Investments, Finances

- 1) The association is not actively involved in economic activity in a commercial sense. Its economic activity is limited to the extent required for the effective pursuit of its overall non-profit purpose as specified in its articles of association and only if it is functionally subordinate to that purpose and is simply a tool toward its realization. In particular, the association exists to facilitate communication, cooperation and innovation, without any

direct obligation to achieve the success of specific individuals, companies or institutions that may thereby benefit.

- 2) The association may set up or participate in corporations for its own purposes, which in turn may engage in trade as a company. The association is responsible for the investments and for the deficits resulting from the operation of such companies, whereas the financing and investment risks associated with specific projects of these companies are to be borne by the parties directly involved or by third parties.

The executive board (whose members are authorized to represent the association according to § 26 BGB) represent bavAIRia at the general assembly meetings and monitor the orderly administration of the association in accordance with regulations.

- 3) The association is financed by membership fees, donations, grants and government funding. Moreover, it generates financial means for achieving the purposes of the association within the limits specified in § 3, section 1) and following the guidelines currently stipulated in funding allocations.

§ 4 Full Members and Supporting Members

- 1) All institutions, companies and natural persons may become full or supporting members of the association if they are or intend to be active in, support, or otherwise advance one of the following fields in Bavaria: aviation, aerospace, satellite navigation, and directly related trades and services.
- 2) Members, who are not themselves natural persons, must provide the executive board with the names of natural persons who are authorized to exercise the rights of membership in the association, especially the right to vote. The executive board must be immediately informed of any change.
- 3) The executive board decides the admission of full members and supporting members upon written application with a description of the relevant activities undertaken by the applicant. The decision is conveyed to the applicant in writing. There is no right to membership, nor an obligation to communicate the reasons for denying membership.
- 4) Honorary membership can be awarded by decision of the general assembly to persons who have made an outstanding contribution toward meeting the purpose of the association.
- 5) The membership of natural persons ceases with their resignation, exclusion or death, and that of other legal entities with their dissolution. Membership fees for the calendar year in progress are not cancelled solely because membership ceases.

Membership is suspended if one of the partners in a legal partnership dies, or if the partnership is entrusted to some other body. This membership can be cancelled retroactively if it is not renewed within six months of the change in partnership.

- 6) Membership may be cancelled at year end with three months' notice in a written declaration to the executive board which becomes effective upon receipt.
- 7) Membership can be revoked by resolution of the general assembly if requested by the executive board or one quarter of the membership, if:
 - a) the member seriously disrupts the routine or cooperation in the association, or if considerable damage is done to its purpose or to the association itself, or is directly threatened,
 - b) the conditions for membership as specified in §4, section 1) are no longer met,
 - c) the member has not paid the required dues despite being twice requested to do so. The requests must be made by registered mail at intervals of at least four weeks, the second one to contain the threat of exclusion,

d) bankruptcy proceedings have been initiated against the member, or if an application to initiate such proceedings has been made and not withdrawn within four weeks.

Those proposing exclusion and the member in question are given an opportunity to make an informal statement concerning the proposal at the general assembly meeting at which a decision is to be made on its acceptance.

Membership ceases as of the date of exclusion. The expelled member loses all claims to the assets of the association; in particular he has no right to dispute the decision.

§ 5 Rights and Obligations of Members, Membership Fee

- 1) Every full member has a vote at general assembly meetings as well as active and passive voting rights.

Supporting members are invited to the association's public events and have a seat at those committee meetings that have been declared by invitation only or by ad hoc decision to be open to all members. Honorary members are not required to pay annual dues and have a seat at general assembly meetings. If a full member becomes an honorary member, he/she retains his/her voting rights.

- 2) All members have the right to submit proposals to the association, to make use of its services, and to participate in events open to members. Any member may allude to his membership in the association for his own commercial purposes.
- 3) All members are obligated to advance the goals of the association, to respect its decisions, and to maintain strict silence to outside parties about any confidential information they obtain through association activities, particularly about trade secrets.
- 4) All organs and administrators of the association, especially the executive board, the persons appointed as financial auditors or assessors of the arbitration judge, are obligated to:
 - a. fulfill their duties conscientiously and impartially,
 - b. maintain strict silence about the internal affairs known to them about the association and the business transactions of its members and the companies and institutions to which members belong.

The administrators of the audited subjects are obligated to provide all required documents and information to the auditors and judges as well as to any third parties appointed by the general assembly.

- 5) Membership fees and dues are to be paid within four weeks of receipt of invoice.

§ 6 Organs of the Association, Committees and Staff

- 1) The organs of the association are the general assembly, the executive board, board of directors and the advisory board.
- 2) The executive board is additionally authorized to appoint special deputies and to determine their field of activity. In cases of doubt, the responsibilities of such deputies extend to all legal transactions customarily associated with their assigned field of activity.
- 3) The organs of the association can establish committees that are not organs of the association. The executive board co-ordinates the creation of specialist working committees.
- 4) Committee chairmen can be invited by the chairman of the executive board to attend executive board meetings. External experts can be invited to contribute to the work of committees with the agreement of the executive board, except in those cases when trade secrets, internal company affairs, or research data are under discussion.

- 5) Within the limits set by these articles of association, all committees can establish their own rules of procedure to regulate their business routine and the procedures for setting up and disbanding the committee.
- 6) The executive board may make decisions about employing permanent staff to carry out general management activities and other duties of the association if they have been budgeted for the year in question. The legally binding regulations in effect for allocation of funds, including any changes and additions, must be followed unconditionally. Decisions about employing permanent staff for general management activities must be made by the general assembly if they have not been budgeted for the year in question.
The executive board supervise the staff of the association and grants the necessary authority. Staff members are formally obliged to uphold the purpose of the association and the regulations in the articles of association.
If the position of a full-time cluster managing director has been created, he or she automatically has the right to attend meetings of the executive board unless it decides otherwise in particular cases.

§ 7 General Assembly

As the highest organ of the association, the general assembly itself determines what powers it has. The following tasks are reserved for it alone:

- 1) electing, appointing and exonerating the members of the executive board, the advisory board, and the auditors,
- 2) amending the “Articles of Association,”
- 3) supervising the executive board, particularly in discussions and by resolving to accept progress, financial, and auditing reports,
- 4) passing resolutions to approve the association’s annual accounts, budgets, and membership fees and dues, including their amount,
- 5) deciding shared costs and basic decisions about association policies,
- 6) excluding members and dealing with applications for honorary membership,
- 7) conducting legal transactions of the association with its appointed authorized representatives,
- 8) deciding whether to grant memberships to third party associations,
- 9) dissolving the association or merging it with other legal entities.

§ 8 Convening and Conducting a General Assembly Meeting

- 1) The general assembly meets at least once per year in a duly-called meeting scheduled for the first half of every year.

An extraordinary meeting shall be convened whenever the executive board determines this to be necessary for some important reason, or when a member officially requests that one be held. In the latter case the request must be signed by a quarter of the membership and the topic to be addressed must be specified.

- 2) The executive board sends out written invitations to attend general assembly meetings along with the agenda. The deadline for invitations is met if there are at least three weeks between the date of their postal or email dispatch and the date of the meeting.

The agenda takes into account all proposals that have been received no later than two days before the date the invitation is sent. Urgent proposals can be presented at a general assembly meeting and added to its agenda if two thirds majority of the votes is cast.

- 3) No legally binding decisions can be made under a generalized agenda item, such as "Other proposals."
- 4) A general assembly quorum is constituted if all members have been duly invited by written invitation and if at least one third of the membership is present or duly represented. Due procedures have also been followed if the contents of the written invitation have demonstrably entered the sphere of control of a member within the period specified as the deadline for receiving invitations.
- 5) Minutes of the resolutions made at a general assembly are to be prepared in writing and retained for five years. The transcript writer must be named. Both the writer and the chairman of the meeting confirm with their signatures the accuracy and completeness of the minutes.
- 6) The chairman of the general assembly meeting is the chairman of the executive board, or someone he/she authorizes in writing to represent him/her. If the chairman of the executive board does not exercise this authority, the general assembly elects ad hoc from its midst a chairman for that meeting.
- 7) Of all valid votes cast, a simple majority suffices for accepting a proposal; an absolute majority for elections; a two-thirds majority for changes to the "Articles of Association" or disbanding the association; and a unanimous vote for changing the purpose of the association. Unless unanimity is required, abstentions and invalid votes are classified as not cast, as if those members were absent.

If there is a tie during voting on a proposal or when only one uncontested candidate is up for election, the proposal or candidate is considered as having been rejected. If two candidates for election receive the same number of votes, the winner is determined by drawing lots. If there are more than two candidates and none of them obtains an absolute majority of positive votes in the first round of voting, the winner is determined in a run-off election.

- 8) Voting rights are exercised either personally or by proxies authorized in writing to cast a vote. A voter present at the meeting may not represent more than two absent voters in addition to his/her own vote. Written authorization to cast a proxy vote must be given to the chairman of the meeting before it begins.
- 9) Instead of holding a general assembly meeting, all members can make decisions by casting a unanimous vote. If the election takes place by correspondence, their vote must be received within three weeks of the date of the postmark of the invitation to vote. If unanimity cannot so be achieved, the proposal is rejected, but not categorically disallowed.
- 10) Deviating from the regulations otherwise in effect, the association's very first executive board is elected at the association's founding meeting.

§ 9 Directors, Executive Board, Representation of the Association

- 1) As a minimum, the executive board consists of at least the 3 directors, who must be entered in the registry of organizations as those with authority to represent the association according to § 26 BGB.
- 2) The executive board consists of at least 3 directors, who carry out their work collectively and share responsibilities. At the time the executive board is elected, one of the directors is elected chairman by the general assembly. If the Bavarian Ministry of Economic Affairs, Infrastructure, Transportation and Technology submits a proposal for the election of the chairman, it is brought to the attention of the general assembly by the executive board. The chairman represents the association externally. He has two votes in cases of a tie. Otherwise, the directors have equal rights.

Each director represents the association in person. If additional representatives are named to serve as deputies and entered as such in the registry of organizations, each of them represents the association in person. The directors are authorized to confer powers of attorney for financial accounts to individual employees to the extent this is meaningful for duly carrying out the business routine. He/she is also authorized to grant the right of representation to a cluster manager of the association. Other authorized representatives who are not members of the executive board are obligated by the association to use this authorization only if the chairman of the executive board, or others with high authority to represent the association have declared their inability to act or, in cases of urgent need for action, cannot be contacted in time.

- 3) The number of executive board members can be increased by the general assembly, particularly if a treasurer and secretary of the association are to be named as deputies of the directorship and entered in the registry of associations as additional executive board members.
- 4) Each director may personally assume an additional office only as a temporary measure. Such offices must be independent of the work of the executive board. A cluster manager may be a member of the executive board, but not its chairman.
- 5) The members of the executive board and other authorized representatives are not exempt from the restrictions specified in § 181 BGB.

§10 Tasks and Business Routine of the Executive Board

- 1) In addition to its responsibility for external representation, the executive board is responsible for the association's ongoing internal business routine and for implementing the regulations in the articles of association as well as the other rules of the association. The execution of these duties may be delegated to other persons or committees by the executive board or by the general assembly, whereby powers of attorney to represent the association to outside parties can only be granted to those so authorized persons for specifically defined individual cases.
- 2) In particular, the executive board is responsible for orienting the association's activities toward the purpose and goals of the association, for compliance with legal and insurance obligations and duties, for managing assets, financial planning and accounting in accord with regulations, and for safeguarding membership data that is under the control of the association.
- 3) In all affairs of the association that are not the responsibility of other organs, the chairman of the executive committee, or whoever has been given rights of external representation as per §10, section 1), has the right of final decision, for which he/she must give reasons.
- 4) Ongoing business is jointly managed by the members of the executive board. Consensus is achieved by voting. Management decisions require a simple majority of those voting. The executive board can set up its own rules of procedure. They are to be submitted to the general assembly for approval and are considered valid only after the general assembly has confirmed them in a resolution. This is also the case for modifications to the rules of procedure.

§ 11 Election and Term of Office of the Executive Board; Eligibility for Election

- 1) The members of the executive board are elected for a period of five years. The terms of office of other members of the executive board are decided by the general assembly. Re-election is possible.
- 2) Full members who have not yet turned 70 years of age and those authorized to exercise the rights of full membership in terms of §4, section 2) are eligible for election; they

should preferably have a direct professional relationship to the aerospace industry, satellite navigation, or closely related technology fields.

- 3) Members of the executive board whose term of office has expired, whose appointment has been revoked, or who are not eligible for re-election, may remain in office until the names of their successors have been entered in the registry of associations.

If one of the members of the executive board is no longer available during his/her term of office, then the remaining members of the executive board remain authorized to represent the association according to § 26 BGB until the name of a successor has been entered in the registry of associations. If this cannot in fact be accomplished, the executive board or the general assembly appoints an interim director. The validity of this appointment is governed by the regulation on urgent appointments by a district court, § 29 BGB.

- 4) Other members of the executive board remain in office until their successors are appointed in a valid resolution. If the executive board decides not to have a successor appointed, the official responsibilities associated with the former executive board position are assumed by the remaining members. They determine by resolution how these responsibilities are to be allocated among themselves.

§ 11a Advisory Board

- 1) The association has an advisory board which does not exceed 14 members, including its chairman.
- 2) A representative of the Bavarian Ministry of Economic Affairs, Infrastructure, Transportation and Technology and its Aerospace Moderator are permanent members of the advisory board. The other, individual members are elected by the general assembly. In advance of the election, a list of proposed candidates is drawn up by the Bavarian Ministry of Economic Affairs, Infrastructure, Transportation and Technology in consultation with the general assembly. It includes the current professional activities and employer for every name listed. The list also includes candidates proposed by members of the association for election as individual advisory board members. Proposals can be made in writing up to one week before the election. The willingness of those proposed to accept their possible election must be confirmed in advance.

The general assembly first confirms by resolution that the list of candidates has been compiled in the authorized manner and then elects the other advisory members from this list.

- 3) The advisory board is elected for a term of three years from the date of its election. It remains in office until a new board is elected. If a vacancy arises in the position of one of the individual members, the board continues in office with its remaining members. The general assembly has the right to put the election of a replacement for the vacancy on the agenda of its next duly called meeting. As an alternative, the executive board have the right to arrange for the election of a replacement by correspondence, in analogy to § 8, section 9. A by-election takes place if the executive board so decide in connection with an invitation to attend a duly called general assembly meeting, or if at least one member of the association expresses a corresponding wish within one week after receiving the invitation. Any member of the association can make a proposal for the election of a replacement for one of the individual members.
- 4) The advisory board advises the executive board on important affairs of the association. It prescribes and regularly verifies the association's strategic, goal-based alignment. This means, for example, that that the goals set by the executive board and cluster managers—in agreement with the advisory board—can be periodically verified and if necessary modified. The executive board report to the general assembly and present

to it the advisory board's proposal about the next steps to be undertaken. The general assembly decides about implementation of the agreement.

- 5) At its meetings or for specific agenda items the advisory board can require or exclude the presence of any of the executive board members.

The advisory board meets at least once a year. It decides itself whether additional meetings are to be held. Meetings of the advisory board are called and prepared by the executive board in coordination with the chairman of the advisory board. A written agenda is to be distributed at least 2 weeks before the meeting. A meeting of the advisory board must be held if demanded of its chairman in writing by at least one quarter of its members. Advisory board meetings are conducted by its chairman. If he/she is prevented from doing so, then those members present elect from their midst a chairman for the meeting.

The advisory board forms its opinions by voting. Every board member has one vote. A quorum is constituted if at least one half of its members are present. Resolutions are passed if they receive a majority of valid votes cast. The right of attendance and the right to vote cannot be delegated.

The advisory board elects a secretary who is responsible for compiling the minutes of the meeting, signing them, and promptly distributing them to the advisory board members and the executive board. Meetings of the advisory board normally take place on the business premises of the association. The chairman of the advisory board has two votes in the case of a tie. The advisory board can make an interim decision by correspondence to meet at another location.

- 6) The advisory board has the right to pass a resolution establishing its rules of procedure for regulating invitations to and the conducting of advisory board meetings if it considers this to be appropriate. Such rules of procedure are to be submitted to the general assembly for approval. They become valid only after the general assembly confirms them in a resolution. The same is true for changes to the advisory board rules and regulations.
- 7) The members of the advisory board are not bound by instructions. They make decisions based on their best knowledge and judgment.

§ 12 Court of Arbitration

The organs of the association or any immediately affected member can appeal to a court of arbitration to settle disagreements within the association resulting from the wording of the "Articles of Association" instead of having the matter settled by a court exercising civil and criminal jurisdiction. The accompanying "Rules of Arbitration" are part of these "Articles of Association."

§ 13 Auditors

- 1) The general assembly can annually appoint one or several financial auditors, who may not be members of the executive board in the period being audited or in the year following. Reappointment is possible.
- 2) The auditors assess the annual financial accounts and the budget of the association as to their conformity with regulations and economic viability and report the results of their examination to the general assembly.
- 3) External accountants or tax advisers can also be appointed to perform these tasks if the general assembly should so decide.

§ 14 Stipulations Relating to the Articles of Association

The chairman of the executive board has the authority to independently make minor changes in the "Articles of Association" that become necessary during the process of registration as a result of official stipulations. The chairman of the executive board promptly informs the members of the association about such changes.

§ 15 Dissolution of the Association's Assets

If the association is dissolved, its assets are dealt with in accordance with relevant legal procedures.

Gilching, July 13, 2017