



ARTICLES OF ASSOCIATION

of Bundesverband Deutscher Kinderausstattungs-Hersteller e. V. (BDKH)

The Articles of Association were established on 12.09.2013.

§ 1

Name, Legal Form, Registered Office and Financial Year

1. The German manufacturers of nursery products are establishing a community of interests and working group under the name of "Bundesverband Deutscher Kinderausstattungs-Hersteller" – hereinafter, "Verband" – The Verband will be established in the legal form of an association (Verein) and entered in the Register of Associations (Vereinsregister). Upon registration, the name of the association is given the additional element "e. V." (eingetragener Verein – registered association).
2. The Verband is an association pursuant to Sec. 21 German Civil Code (Bürgerliches Gesetzbuch – BGB).
3. The registered office of the Verband is Cologne.
4. The financial year is the calendar year.
5. The Verband is established for an indefinite period.

§ 2

Purpose of the Verband

1. The task of the Verband is to protect and promote all common interests of the enterprises combined therein. In this capacity, it will collaborate with the other leading promoters of entrepreneurship. The Verband aspires to become a member of the European Nursery Products Confederation (ENPC).
2. The core tasks required to realise the purpose of the Verband are:
 - (a) the promotion and protection of the interests of the Verband and its members
 - (b) the promotion of a positive attitude towards the sector in politics, administration and society
 - (c) the improvement of safety standards for nursery products
 - (d) the dialogue with the relevant consumer organisations regarding the safety of nursery products
 - (e) the representation of interests before the state and federal states as well as before international institutions (EU Commission, EU Parliament, UN etc.)
 - (f) close cooperation with the relevant ministries and authorities
 - (g) cooperation with national and international associations/organisations
 - (h) involvement in the preparation of official orders, ordinances and laws affecting the joint interests of the members
 - (i) presentation of the goals of the Verband at national and international trade fairs and trade events.
 - (j) facilitation of the collection of market data within the nursery products industry
3. The Verband will adopt at its general meeting a Code of Conduct in which the Verband and its members undertake to observe all statutory provisions within the scope of its corporate management and the work of the association, including in particular the prohibition of cartels. The Code of Conduct of the Verband will not establish any third-party rights.
4. The Verband does not undertake any commercial activities.

§ 3

Membership

1. The Verband has
 - (a) ordinary members,
 - (b) passive members and
 - (c) honorary members.
2. Membership is voluntary.
3. Ordinary members can be all enterprises with a registered office or a distribution structure in German-speaking countries and which achieve a significant amount of their turnover with
 - (a) the manufacturing and the distribution of nursery products or
 - (b) the import and marketing of nursery products.Nursery products within this meaning encompass: prams, babies' and children's furniture or other items which are predominantly produced for babies and children, or components and accessories of the aforesaid products. Not included here are clothing or toys for children over three years of age.
4. Passive members can be natural persons or legal entities or associations of persons who have a close association with the sector and who wish to support the Verband in the achievement of its goals either financially, materially or by providing services without becoming an ordinary member.
5. Membership applications are to be addressed in writing to the association's office. The board decides on membership.
6. Founding members are:
 - (a) Artsana Germany GmbH
 - (b) Britax Römer Kindersicherheit GmbH
 - (c) Dorel Germany GmbH
 - (d) Lässig GmbH
 - (e) NWL Germany Services GmbH
 - (f) PEG Kinderwagenvertriebs- und Service GmbH
 - (g) Rotho Babydesign GmbH
7. Honorary membership without a membership contribution can be offered to persons who have rendered outstanding services to the Verband. The general meeting decides upon the conferment of honorary membership at the suggestion of the board.

§ 4

Membership Term

1. Membership begins with the board's decision on the acceptance of membership. The acceptance decision will be confirmed to the member in writing.
2. Membership ends through voluntary withdrawal, dissolution of the member's organisation, exclusion of the member, removal of the member from the membership list or, in case of a natural person, upon death.
3. Withdrawal from the Verband is only possible at the end of a calendar year and with six months' notice. Termination of membership is made to the board in writing. The member remains bound by the Articles of Association, the Schedule of Membership Contributions and any further obligations, such as cost shares, until the time of withdrawal.

4. If a member repeatedly acts in contravention of the interests of the Verband, despite a warning from the board, or if it would negatively affect the Verband's reputation if the member were to remain in the Verband, or if the member violates its duties under these Articles of Association, the board can resolve with a $\frac{3}{4}$ majority of the votes to advise the general meeting to exclude such a member from the Verband. Membership is suspended until the exclusion has been confirmed by the general meeting with a $\frac{3}{4}$ majority of the votes. The member in question is to be heard prior to the resolution of the general meeting.
5. Members who fail to pay their due contributions, despite having been requested to do so twice, can be excluded from the membership list by resolution of the board. The payment demands shall be sent by registered delivery with a period of at least four weeks between dispatch dates. The member's obligation to pay the contribution and the fulfilment of other demands are not affected by said member's removal from the membership list.
6. Members who withdraw or are excluded from the Verband lose any and all claims to the Verband's assets upon the date of their withdrawal or exclusion. Contributions that have been paid will not be reimbursed.

§ 5

Rights and Obligations of the Members

1. Members are bound by the resolutions of the Verband adopted in accordance with the Articles of Association. They are obliged to pay the membership contributions and cost shares and to provide the board or, if appointed, the management in a timely manner with the relevant information required for it to conduct its duties.
2. Ordinary members who pay the maximum membership contribution (Contribution Class 03) pursuant to the Schedule of Membership Contributions have a triple voting right. Ordinary members who pay the middle membership contribution (Contribution Class 02) pursuant to the Schedule of Membership Contributions have a double voting right. Ordinary members who pay one of the minimum membership fees (Contribution Classes 01 or 00) pursuant to the Schedule of Membership Contributions have a single voting right.
3. Passive members and honorary members have no voting rights.
4. Ordinary members exercise their voting rights through an authorised member of their enterprise or via another member with written power of attorney.
5. The members notify the board or, if appointed, the management of a postal address and email address to which the invitations to the general meetings and other Verband notifications can be sent. The members shall ensure that this information is always kept up-to-date.

§ 6

Contributions

1. The Verband funds itself through the contributions of the ordinary members and passive members. Honorary members pay no membership contribution.
2. Contributions of the ordinary members are levied pursuant to the Schedule of Membership Contributions determined at the board's proposal by the general meeting of the Verband. The membership contribution of the ordinary members shall be in proportion to the turnover of the respective member. The Schedule of Membership Contributions shall envisage turnover-dependent contribution classes. The members are obliged to allocate themselves truthfully to one of the Contribution Classes according to their turnover. The allocation is to be reviewed periodically. A simple majority of the votes present is required for the Schedule of Membership Contributions to be determined by the general meeting.

3. At the proposal of the board, the general meeting can resolve with a simple majority of the votes that the ordinary members must pay a general costs share to cover the expense of certain projects within the scope of the purpose and tasks of the Verband. The costs share may amount to a maximum of 50 % of the basic contribution of the respective member in the financial year; in the event that the costs share is absolutely indispensable for the continued existence of the Verband, the costs share can also be higher. Any member not willing to pay the costs share can submit an extraordinary termination of its membership within one week of receipt of the payment demand as per the end of the month. In this case, the obligation to pay the costs share lapses; Sec. 4 Para. 6 Sentence 2 remains unaffected.
4. The amount of the contributions paid by the passive members is determined by the board in agreement with the passive member in question. The Schedule of Membership Contributions can stipulate a minimum amount for the contributions of passive members.

§ 7

Organs of the Verband

1. The organs of the Verband are:
 - (a) the general meeting and
 - (b) the board.
2. The board may decide to establish a management.

§ 8

General Meeting

1. The general meeting handles in ordinary and extraordinary meetings the affairs of the Verband that are of fundamental importance. Passive members and honorary members have the same right to attend and speak as the ordinary members.
2. The ordinary general meeting which approves the statement of accounts, authorises the budget plan and approves the actions of the board, should be convened no later than 30 June of the following financial year. In addition, the general meeting deals with the following matters:
 - (a) Election of the board and its dismissal for cause
 - (b) Approval of the statement of accounts for the financial year and formal approval of the actions of the board
 - (c) Approval of the budget plan prepared by the board
 - (d) Stipulation of the fees or the Contribution Classes for the respective financial year within the scope of the Schedule of Membership Contributions
 - (e) Cost shares at the proposal of the board
 - (f) Amendments to the Articles of Association
 - (g) Nomination of honorary members
 - (h) Exclusion of members pursuant to Sec. 4 Para. 4
 - (i) Dissolution of the association
3. The invitation to the general meeting is made by the President or, in his absence, the Vice President, in writing (in particular by email) to one of the addresses provided pursuant to Sec. 5 Para. 5 and must be made with at least two weeks' notice for an ordinary general meeting and at least eight days' notice for an extraordinary general meeting. The invitation must contain the agenda. The date on which the invitation is posted and the date of the meeting are not included in the notice period.

4. The agenda of the general meeting is decided by the board. Each ordinary member can apply in writing for an item to be added to the agenda eight days before an ordinary general meeting at the latest or four days before an extraordinary meeting at the latest. Whether or not this item is added to the agenda is at the due discretion of the board, which decides with a simple majority. However, it must be added if the motion is supported by members who account for at least 10 % of the votes at the general meeting. The board must inform the members of the amended agenda three days after the expiry of the period in sentence 2 at the latest.
5. The general meeting constitutes a quorum if all members have been duly invited and at least 50 % of the voting shares of the ordinary members are represented.
6. The general meeting decides with a simple majority of the votes cast, unless these Articles of Association stipulate otherwise. Amendments to the Articles of Association and the dissolution of the association require a 3/4 majority of the votes cast.
7. If a general meeting does not constitute a quorum, the board must convene a second general meeting with the same agenda, which must in every event constitute a quorum. This fact must be pointed out when the meeting is convened. The meeting is convened without undue delay with an invitation notice period of no less than one and no more than four weeks after the general meeting that failed to constitute a quorum.
8. The general meeting is chaired by the President, or in his absence, by his eldest (in age) representative, or by another person unanimously elected by the general meeting.
9. Conducting the general meeting without a physical gathering by way of telephone or video conference, or by other means of modern communication, is permissible provided no member objects.
10. The adoption of a resolution by written vote is permissible if members who account for the simple majority of the votes at the general meeting, have declared their consent to the written adoption of the resolution. In the event of the adoption of a resolution by written vote, the person who, pursuant to Para. 8, would have chaired the general meeting that has been replaced by such written vote, must transmit the proposed resolution in text form to all members with voting rights. In addition to the factual issue, this proposed resolution must also contain the question of whether the voting may be conducted in writing. Simultaneously, members are to be set a reasonable period of no less than five working days within which they must submit their responses. Responses received after expiry of the period will no longer be considered. The responses are to be sent to the association's office.
11. The resolutions of each general meeting shall be recorded in writing. The record shall be signed by the chairman of the meeting. Each member of the Verband shall be sent one copy of the record. In the event of a written vote, a record of the outcome shall be prepared and signed by the President together with a Vice President or one managing director, and each member shall be sent one copy thereof.
12. The board can convene an extraordinary meeting of members at any time. This must be convened if the interests of the Verband necessitate this action or if the convening of such a meeting is demanded of the board in writing and stating the purpose and reasons for such a meeting, by ordinary members who account for at least 20 % of the votes.

§ 9

Board

1. The association is jointly represented by two members of the board both in and out of court.
2. The board has the following duties, in particular:
 - (a) to define the goals for the Verband's policy and management;
 - (b) to define the managerial directives arising from the Verband's policy and to make the necessary decisions for the transformation of the Verband's policy into managerial activities;
 - (c) to decide on the establishment of a management and to draw up the guidelines pursuant to which the association's office must be run, and to appoint one member of the board to monitor their implementation;

- (d) to create or dissolve specialist committees of members of the Verband or staff of its members for specific tasks and to monitor their activities;
 - (e) to prepare the budget plan for each financial year, to keep accounts, to prepare an annual statement of accounts (which must contain, in particular, a structured list of income and outgoings);
 - (f) to prepare the general meeting, and to comment on the statement of accounts and the budget plan;
 - (g) to decide on membership applications in compliance with Sec. 3 Para. 5 and to reach decisions on the termination of memberships;
 - (h) to decide on the appointment and dismissal of managing directors as well as their remuneration.
3. The board comprises 3 or more, or at most 6 persons. The main managing director, if appointed, is to be present at the meetings and the adoption of resolutions by the board, but does not have the right to vote.
4. If the board comprises 6 persons
- 1 board member will represent an ordinary member who predominantly operates in the product sector of prams and child car seats,
 - 1 board member will represent an ordinary member who predominantly operates in the manufacture of babies' and children's furniture, and
 - 1 board member will represent an ordinary member which predominantly operates in the product sector of component production/safety products (except car seats)/accessories.
- If the board initially comprises fewer than 6 persons, its expansion to 6 persons will have no effect on the office nor on the terms of office of the already appointed board members.
5. The President, or in the event of his absence, his deputy, represents the association on an external level within the scope of the goals of the Verband's policy.
6. No more than a third of the members of the board may belong to a single enterprise or a group, or be representatives of a Verband member.
7. Membership on the board is a personal membership. Eligible for election are:
- (a) company proprietors or members of the board/management of an ordinary member, or
 - (b) employees of the respective member delegated by the company proprietors or members of the board/management of an ordinary member.
- Board members can be re-elected.
8. Membership of the board expires
- (a) with the withdrawal of the board member from the ordinary member represented by him,
 - (b) with the withdrawal of the ordinary member represented by him from the Verband.
9. The board is elected by the general meeting. The person appointed pursuant to Sec. 8 Para. 8 to chair the general meeting determines the form and further details of the voting. If a member of the board withdraws during the term of office, then the ordinary member that he represented/that has delegated him appoints a replacement member for the residual term of office of the person who has withdrawn. Sec. 9 Para. 10 is not applicable in this instance.
10. The term of office for the board members is 3 years from the date of the election.
11. The board members also remain in office once their term of office has ended until the new board members are elected and the new board has been formed. The new election of the board members should take place within three months after the term of office of the previous board members has ended.

12. The President and two deputies (Vice Presidents) are elected by the board from amongst the board members with a simple majority of the votes cast for a period of three years. The election of the President and Vice Presidents is considered quorate if at least 50 % of the board members are present.
13. The President and the Vice Presidents may stand for re-election.
14. The President convenes and chairs the board meetings. In his absence, the meeting is chaired by his eldest (in age) deputy, or where both deputies are absent, by the eldest (in age) board member. The board can give itself rules of procedure.
15. The board constitutes a quorum if the board members have been invited in writing with a notice period of 7 days and if at least 2 board members with voting rights are in attendance. Absent board members can participate in the passing of a resolution by casting their votes in writing which can be submitted by another board member, or by telephone. The verbal casting of votes by absent board members must be confirmed in writing. Abstention from a vote by a board member with voting rights is deemed as participation.
16. Unless otherwise stipulated in the Articles of Association, resolutions are adopted with a simple majority of the votes cast. In the case of a parity of votes, the President has the casting vote.
17. Resolutions can also be adopted without convening a meeting by way of written, telexed/faxed, telegraphed, telephoned or electronic voting (also in telephone and video conferences), if this is stipulated by the President or, in the event of his absence, the eldest (in age) deputy, and every board member with a voting right has sufficient opportunity to be involved in the adoption of the resolution.
18. The board entrusts one board member with the position of treasurer. The treasurer prepares a structured list of the association's income and outgoings, monitors the implementation of the budget plan and must notify the entire board without undue delay in the event that the budget plan is exceeded.
19. The members of the board exercise their office on an honorary basis.

§ 10

Management and Office

1. Depending on the decision of the board pursuant to Sec. 7 Para. 2, a possible management consists of one or more managers. The task of the management is the execution of the resolutions initiated by the Verband's organs in accordance with the Articles of Association and conducting the ordinary course of business of the Verband within the guidelines stipulated by the board.
2. The managing directors are appointed by the board; the same applies to their removal. The board can appoint a main managing director. If the board appoints a main managing director, then – should there be several managing directors – he heads the management. The managing directors can be appointed by board resolution as special representatives of the Verband within the meaning of Sec. 30 German Civil Code for the administration of the Verband's affairs, including in particular day-to-day management.
3. Managing directors and the main managing director can receive reasonable remuneration for their activities. The board decides whether remuneration is appropriate and, if so, the amount.
4. The Verband can maintain branch offices with the consent of the board.

§ 11

Committees

1. The board can create committees to handle specific tasks.
2. The committees are subject to the ongoing supervision of the board, which is to be informed of the status of their work upon request.
3. Rules of conduct for the establishment and activities of committees will be adopted by the board.

§ 12

Dissolution of the Verband

1. A resolution on the dissolution of the Verband can only be adopted with 3/4 of the votes at an ordinary or extraordinary general meeting.
2. Once the Verband's organs have discontinued their activities and the Verband has been removed from the Register of Associations then, unless the general meeting should decide otherwise, the documents and deeds of the Verband are to be handed into the trust of the Chamber of Commerce at the headquarters of the Verband or, should this not be possible or only possible at unreasonable financial expense, to the enterprise to which the last President of the Verband belonged, with the instruction to destroy them unpublished after ten years.
3. Upon the dissolution of the Verband, the last general meeting shall determine the appropriation of any residual assets of the Verband after it has been wound down.

§ 13

Formation Costs

The costs associated with the foundation and registration of the Verband are borne by the Verband.

§ 14

Precedence of the German Version

The relevant text for these Articles of Association shall be the German text. In case of a different interpretation of the German and English text, the German text shall, therefore, prevail.