



# The People's SCE

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# Statutes

# Contents

1. COMPANY AND PLACE OF BUSINESS	1
2. PURPOSE AND BUSINESS OBJECTIVE	1
3. ECONOMIC SECTOR/AREA OF ACTIVITY	4
4. MEMBERSHIP, CATEGORIES OF MEMBERS	4
5. TERMINATION OF MEMBERSHIP	5
6. TERMINATION	5
7. EXPULSION OF MEMBERSHIP	5
8. DEATH, DISSOLUTION	6
9. DISPUTE	6
10. MEMBERS' RIGHTS	7
11. DUTIES OF THE MEMBERS	7
12. REGISTER OF MEMBERS	8
13. AMOUNT AND NUMBER OF SHARES	8
14. BUSINESS ASSETS	9
15. TRANSFER	9
16. SHARE CAPITAL, LIABILITY	9
17. BOARDS OF THE COOPERATIVE	9
18. COMPOSITION AND ELECTION OF THE EXECUTIVE BOARD	10
19. REPRESENTATION OF THE COOPERATIVE	10

20. MANAGEMENT	10
21. RESOLUTIONS OF THE EXECUTIVE BOARD	11
22. REPORTS TO THE SUPERVISORY BOARD	12
23. TRANSACTIONS SUBJECT TO APPROVAL	13
24. DISMISSAL OF MEMBERS OF THE EXECUTIVE BOARD	13
25. COMPOSITION, ELECTION AND CONSTITUTION OF THE SUPERVISORY BOARD	14
26. ORGANISATION OF THE SUPERVISORY BOARD	15
27. TASKS AND POWERS OF THE SUPERVISORY BOARD	15
28. RESOLUTION OF THE SUPERVISORY BOARD	16
29. DISMISSAL OF MEMBERS OF THE SUPERVISORY BOARD	16
30. ORDINARY AND EXTRAORDINARY GENERAL ASSEMBLY	16
31. CONVENING OF THE GENERAL ASSEMBLY	17
32. PLACE OF THE GENERAL ASSEMBLY, AGENDA	17
33. CHAIRPERSONSHIP OF THE GENERAL ASSEMBLY	18
34. VOTING RIGHTS, REPRESENTATION	18
35. DELEGATES	18
36. DELEGATES' DUTIES	19
37. PRESENCE OF A QUORUM	20
38. MAJORITY REQUIREMENTS	20
39. VOTES AND ELECTIONS	20

40. COMPETENCE OF THE GENERAL ASSEMBLY	21
41. GENERAL ASSEMBLY MINUTES	22
42. ADVISORY BOARD; ESTABLISHMENT AND ROLE	22
43. FINANCIAL YEAR	22
44. ANNUAL FINANCIAL STATEMENTS AND APPROVAL	22
45. CREATION OF RESERVES	23
46. APPROPRIATION OF EARNINGS	23
47. DISSOLUTION	24
48. NOTICES, CORRESPONDENCE	24

## The People's SCE

*European Limited Liability Cooperative*

### 1. COMPANY AND PLACE OF BUSINESS

1. 1. The company is a European Cooperative Society (Societas Cooperativa Europaea - SCE) under the name of "The People's SCE", with limited liability (abbreviated to "SCE" or "Cooperative") and is governed by Council Regulation (EC) No. 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (the "SCE-Reg.") and the laws of the Grand Duchy of Luxembourg, in particular the law of the 10th of August 1915 on commercial companies, as amended (the "Companies Law"), and these Articles of Association (the "Articles of Association").
1. 2. The registered office of the Cooperative is 53, Boulevard Royal, L-2449 Luxembourg.
1. 3. The Cooperative is established for an unlimited duration.

### 2. PURPOSE AND BUSINESS OBJECTIVE

2. 1. The Cooperative "The People's SCE" with limited liability aims, guided by its members, to function as an independent supporter of the eCredits ecosystem, built upon the eCredits blockchain network, and is comprised of technology and applications providing functions that enable different forms of participation, financing and support for merchants, consumers and other users. The SCE will create full transparency and will let the users of its products participate on many different corporate levels. Key purposes of the Cooperative are:
  - a. eCredits blockchain co-operator

To support the eCredits blockchain, the Cooperative shall as one of many validators run nodes of the eCredits blockchain. Blockchain integrity needs to be ensured by different participants, so-called node operators. The node operators run the eCredits blockchain client software to verify transactions and to keep the ledger up to date across the network.
  - b. Developer and service provider of applications on eCredits blockchain

Furthermore, the Cooperative provides the necessary infrastructure, mobile apps and websites so that users (consumers, merchants and service providers), can access and use cryptocurrencies, and preferentially eCredits as easily as possible. Likewise, the Cooperative aims to ensure that cryptocurrencies, and eCredits, can be used as easily as possible by individuals and companies worldwide. For this purpose, the Cooperative will continuously develop the applications and the ecosystem and expand them with further products and functions, such as communication and research services, as well as its own educational platform. The Cooperative shall develop and maintain various technologies on the eCredits blockchain, such as:

- eWallet app,

a mobile application, enabling secure storage of private keys on the mobile device and allowing seamless access to the eCredits Blockchain, designed to connect merchants and consumers worldwide,

- eActivity Reward Program,

a smart contract on the eCredits Blockchain, that shall reward the users of the eCredits blockchain ecosystem for using the eWallet app, participating in the Cooperative by becoming a member of it or for voting on decisions and to spread the word and bring other people to the eCredits ecosystem. The Cooperative aims to provide secure, easy, everyday access to the crypto world for people and entrepreneurs in general. To ensure this, it should make adjustments to its products and services as necessary. Furthermore, the Cooperative should continuously adapt its products and services to the ever-hanging cybersecurity threats. In the area of transactional privacy, the Cooperative shall further develop not only its own products but also the eCredits blockchain to meet the constantly changing technical requirements while providing maximum privacy.

- c. Connect members, participants of blockchain, developers, partners, users of the eCredits Ecosystem

The Cooperative also aims to allow the participants of the eCredits blockchain network to participate and actively shape the Cooperative and thus the development of its own products, but also of the eCredits ecosystem, in order to optimally serve the needs of the partners, micro, small and medium enterprises (hereinafter: “MSMEs”) and end consumers. Therefore, the goal is to give the community (co-operators) co-determination rights. The Cooperative will also support third party and community projects that are based on, or can be connected to, its own products or generally the eCredits ecosystem and its blockchain.

The community is also to be granted conditional co-determination rights here. The Cooperative has planned to offer both monetary and advisory support for this purpose, within a budget that needs to be defined, and offer such a process (application-selection-granting of funds) within the first 2 years of its creation. The SCE shall create and support equality within its members and users, offering true and universal gender neutrality. The SCE is fundamentally gender agnostic, in that it only identifies participants of the eCredits ecosystem. SCE recognizes activity, loyalty, and sociality as the only relevant qualities of the individual, which are encouraged and expected.

One of the most important goals of the SCE is to strengthen local and regional MSME's in the competition with global, multinational competitors in order to support local circulation of goods, to increase sustainability from production to consumption and by doing this positively strengthen local communities and ecosystems. The SCE also commits itself to protect the environment by using climate friendly technologies, products and services and by supporting ecological projects.

2. 2. The objective of the SCE is:
  - a. **[Cryptocurrency]** Development of products and services based on the eCredits Blockchain, and their usability by end consumers and at merchants and service providers to ensure easy access to cryptocurrencies.
  - b. **[Instant Exchange]** Providing a connection to one or more cryptocurrency exchange(s) which allows merchants to exchange their sales proceeds into another currency to reduce volatility risks.
  - c. **[Reward Program]** Support of the eActivity Reward Program, which is designed to reward users for their activity to incentivise use.
  - d. **[Privacy]** Solutions to improve privacy in terms of transaction transparency, taking regulatory requirements into account to protect the users of the system.
  - e. **[Apps]** To create and operate applications which provide easy access to the eCredits Blockchain (technology) for both end-users and merchants, and to create easily accessible opportunities for Cooperative members to participate in the content development of the product in accordance with the Cooperative's purpose.
  - f. **[Blockchain infrastructure]** Participation in a blockchain infrastructure serving the Cooperative purpose, operation of a minimum number of nodes to maintain the function of the infrastructure, and infrastructure for decentralization of the network (operation of nodes by third parties)
  - g. **[Services]** Sales of products and services e.g. in the form of service subscriptions to ensure the operations and further development of the SCEs products.
  - h. **[R & D]** Research and development of products, methods, organisational structures, and know-how that serve the realisation of the Cooperative's purpose.
  - i. **[Education]** Providing learning or informational materials and infrastructure on Blockchain technology topics in general and on its own products and services to help everyone to get access to the system and to get the maximum out of the system.
2. 3. The Cooperative is entitled to all measures and transactions that appear necessary or useful to achieve the purpose of the Cooperative, in particular all services related to digital currencies, their planning and implementation. The Cooperative may establish branches domestically and abroad and participate in legal entities under corporate, cooperative and association law as well as in entrepreneurially active registered partnerships with the same or complementary supportive objectives.
2. 4. The extension of business to non-members is permitted.

### **3. ECONOMIC SECTOR/AREA OF ACTIVITY**

3. 1. The economic sector of the Cooperative essentially includes all countries worldwide, with the exception of countries belonging to an official sanctions list of the EU.

### **4. MEMBERSHIP, CATEGORIES OF MEMBERS**

4. 1. The members are obliged to support the objectives of the Cooperative and to cooperate in the sense of these Articles of Association.
4. 2. Members shall be admitted by resolution of the Executive Board on the basis of a written declaration of membership acknowledging these Articles of Association. The Executive Board may refuse admission without giving reasons. The Executive Board may further delegate the admission decision to employees of the SCE.
4. 3. The person concerned may lodge an appeal against non-admission within a period of 30 days from the date of refusal. The complaint shall be submitted by means of a confirmed email or by registered letter to the Supervisory Board.
4. 4. Members must have reached the age of legal majority or a minimum age of 18 years. In countries, in which 21 (or other) years of age is seen as the age of legal majority, the legal provisions apply.
4. 5. The declaration of membership shall state the name, date of birth, business or residential address of the natural person or legal entity (company), registered office and commercial register number, HBR number or equivalent unique identification of the legal entity as well as the e-mail address at which one can be reliably reached by the Cooperative, and the number of shares taken.
4. 6. Changes in the share capital through the admission of new members shall in principle, as long as no provision of these Articles of Association is affected, require neither an amendment of these Articles of Association nor an announcement. The admission of new members shall take effect, both in relation to the SCE and to third parties, upon entry in the register of members (§ 12) in respect of the shares of each member concerned.
4. 7. Members are divided into two categories:
  - a. Founding members
  - b. Members

Additional categories will be added later as needed.



## 5. TERMINATION OF MEMBERSHIP

Membership ends by:

- a. Termination (§ 6),
- b. Expulsion (§ 7),
- c. Death, in the case of a natural person (§ 8.1),
- d. Dissolution, in the case of a legal entity (§ 8.2).

## 6. TERMINATION

- 6.1. Each member may terminate its membership at the end of a financial year. Notice of termination must be given by a confirmed email to the Executive Board or by registered letter. A three-month notice period must be given, which is evidenced by the date of receipt of the acknowledgement of receipt in the case of termination by email or by the date of posting of the termination letter in the case of termination by registered letter. If notice of termination is not given in time, it shall take effect at the end of the following financial year.
- 6.2. The termination of individual shares while retaining membership is permitted, provided that the member concerned remains the owner of at least one share. With regard to the format, deadline and effectiveness of the termination, § 6.1 shall apply.

## 7. EXPULSION OF MEMBERSHIP

- 7.1. The expulsion of a member may take place:
  - a. for infringement of these Articles of Association,
  - b. if more than 12 weeks of payments due to the Cooperative are in arrears, even after two reminders with reference to the threatened expulsion,
  - c. due to absence or discontinuation of the requirements for membership (§ 4),
  - d. if a member repeatedly refuses to promote the common interests or by its conduct damages other members or the common interests ideally or materially,
  - e. if a member does not support the interests of the SCE through the use and application of the products and services.

7. 2. The expulsion shall be decided by the Executive Board; the General Assembly shall be responsible for the expulsion of Executive Board or Supervisory Board members as members of the Cooperative; the member shall be given the opportunity to express his or her opinion beforehand, stating the reasons. The decision shall be communicated to the member by means of a registered letter or email to the last known address. Upon sending the resolution, all mandates conferred on the expelled member shall lapse and he/she shall no longer be entitled to participate in authorised assemblies of the Cooperative and/or make use of the services of the Cooperative.
7. 3. The expelled member may lodge an appeal with the Supervisory Board against the expulsion decision of the Executive Board within thirty days from the date of dispatch of the decision (date of postmark). The complaint shall be submitted by means of a confirmed email or by registered letter to the Supervisory Board. The decision of the Supervisory Board on the appeal shall be final.

## **8. DEATH, DISSOLUTION**

8. 1. In the event of death, the membership of the deceased shall expire. Unless the heirs are admitted to the Cooperative by the Executive Board on the basis of their application and take over the shares of the deceased, the settlement shall be made on the basis of the annual accounts of the financial year in which the member died. Payment to the estate or heirs shall be made one year after the end of the financial year in which the member died.
8. 2. If a legal entity or partnership is dissolved, it shall cease to exist at the end of the financial year in which the dissolution took place.

## **9. DISPUTE**

9. 1. The resigning member shall have no claim to the payment of the cooperative's capital stock, reserves and other assets. The paid-up nominal value of the share in the amount of EUR 10.00 is excluded.
9. 2. Payment of the paid-up nominal value of the share shall be made one year after the end of the financial year in which the member left the company. The Cooperative is entitled to offset due counterclaims.
9. 3. In the event of termination of individual shares § 6.2, § 9.1 and § 9.2 shall apply accordingly.

## 10. MEMBERS' RIGHTS

Every member shall have the right, to use the services of the Cooperative and to participate in its organisation in accordance with the SCE- Regulation, the Companies Law and these Articles of Association. In particular, each member shall have the right:

- a. to make use of the offers, facilities, products and services as well as benefits of the Cooperative,
- b. to elect the delegates,
- c. To cast their votes for the elections entitled to members to the elected delegates,
- d. To participate in the Assembly of Delegates, to speak, receive information on on the items on the agenda, to make motions and to exercise his/her right to vote (§ 34),
- e. to receive a copy of the Articles of Association and any amendments thereto,
- f. to review the minutes of the General Assembly (§ 41),
- g. to obtain a certificate of registration of membership upon request.

## 11. DUTIES OF THE MEMBERS

Each member shall, in particular have the duty:

- a. to safeguard the interests of the Cooperative in good faith,
- b. to comply with the provisions of the Articles of Association and the resolutions of the General Assembly,
- c. to acquire shares in accordance with § 13 and to pay them immediately,
- d. to pay the premium or surcharge, if any, immediately when due,
- e. to pay the annual membership fees, as well as a processing and admission fee in due time, if the Executive Board has determined to do so,
- f. to notify the Cooperative without delay of any change in the information contained in the declaration of membership (§ 4.5) (in particular the residential address and the email address) as well as - in the case of legal entities - any change in the legal form, the shareholding structure or change of shareholders,

- g. to provide the information required by the Cooperative upon request and to submit documents on his/her economic circumstances which are to be treated confidentially by the Cooperative,
- h. A member must reside in countries of SCE operations.

## **12. REGISTER OF MEMBERS**

- 12. 1. The register of members to be kept by the Executive Board shall contain:
  - a. the information listed in § 4.5 and the category classification according to § 4.7,
  - b. the date of joining and the date of leaving of the member,
  - c. the number of shares taken over and the termination or transfer of shares,
  - d. the nominal value of the respective shares.
- 12. 2. Only those who are entered in the register of members shall be recognised as members. The data of the register of members is classified. The Executive Board shall take all measures it deems necessary to protect such data.
- 12. 3. Any transaction that changes the membership and results in a change in the distribution of capital or an increase or decrease in the share capital shall be entered in the register of members no later than the month following the change. The members concerned shall be notified thereof without delay. Such transactions shall only become effective in relation to the Cooperative and in relation to third parties from the time of their entry in the register of members.

## **13. AMOUNT AND NUMBER OF SHARES**

- 13. 1. A share consists of EUR 10.00 (nominal value).
- 13. 2. Each new member must subscribe to maximum one (1) share and pay it immediately.
- 13. 3. The Executive Board may, in agreement with the Supervisory Board, decide that new members shall pay a processing and admission fee and/or that a premium shall be paid for newly issued shares and determine the amount of the processing and admission fee or premium.

## 14. BUSINESS ASSETS

14. 1. The payments made on the shares (nominal value) constitute a member's share capital.
14. 2. The write-up of profit shares, less any share of losses, is defined in § 46 Appropriation of earnings.

## 15. TRANSFER

15. 1. The transfer of shares is not permitted except for events defined in § 8.
15. 2. The Cooperative intends to consider new technologies for the possible future permitted transfer of individual business shares and will take these into account in further developments (for example, Blockchain, digital voting, tokenization, NFT). The Cooperative is entitled at any time to research, develop, implement, and advance new technologies.

## 16. SHARE CAPITAL, LIABILITY

16. 1. The share capital shall be at least €30,000.00 (minimum capital) and shall be variable according to the number of members and subscribed shares. The minimum capital may not be undercut by the reimbursement of cancelled shares.
16. 2. The liability of each member shall be limited to its share in the business; any obligation to make additional contributions shall be excluded. Only the Cooperative's assets shall be liable for the Cooperative's obligations.
16. 3. Any personal liability of the members is excluded.

## 17. BOARDS OF THE COOPERATIVE

The Boards of the Cooperative are:

- a. the Executive Board,
- b. the Supervisory Board,
- c. the General Assembly.

## **18. COMPOSITION AND ELECTION OF THE EXECUTIVE BOARD**

18. 1. The Executive Board shall consist of at least one and at most three persons.
18. 2. The members of the Executive Board are appointed and dismissed by the Supervisory Board. The appointment shall be for four years unless a shorter term has been determined. Repeated appointments are permissible.
18. 3. If several members of the Executive Board are appointed, the Executive Board shall elect a chairperson of the Executive Board (hereinafter: EB chairperson) in agreement with the Supervisory Board.
18. 4. Only members of the Cooperative may be appointed to the Executive Board. Members of the Supervisory Board may not be members of the Executive Board.
18. 5. The legitimation of the members of the Executive Board is effected by the resolution of the Supervisory Board.

## **19. REPRESENTATION OF THE COOPERATIVE**

19. 1. The Executive Board shall represent the Cooperative in and out of Court.
19. 2. If the Executive Board consists of several persons, two members of the Executive Board shall represent the Cooperative jointly or one member of the Executive Board shall represent the Cooperative jointly with an authorized signatory. The Supervisory Board may grant individual members of the Executive Board individual signing authority.
19. 3. The signature of the signing persons shall be added to the name of the Cooperative, if necessary, with an addendum indicating proxy.

## **20. MANAGEMENT**

20. 1. The Executive Board shall manage the business of the Cooperative on its own responsibility in accordance with the provisions of the SCE-Reg., the Companies Law, the Articles of Association, the Rules of Procedure for the Executive Board and the resolutions of the General Assembly.

20. 2. In particular, the Executive Board has the duty:

- a. to conduct the business of the Cooperative in accordance with its purpose and objective,
- b. to ensure proper accounting and, in particular, timely preparation of the annual accounts (§ 44),
- c. to report to the Supervisory Board in accordance with § 22 and to attend the Supervisory Board meetings at its request,
- d. to convene the General Assembly in accordance with § 31,
- e. to process membership applications and, if applicable, resignations, subscriptions, and transfers of shares and to keep the register of members (§ 12),
- f. To make filings with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés Luxembourg).

20. 3. The Executive Board shall draw up rules of procedure by itself, which shall require the approval of the Supervisory Board. The rules of procedure shall regulate the working methods of the Executive Board, may authorize individual Executive Board members to conduct certain types of business and shall specify matters on which the Executive Board may decide only jointly or only after approval by the Supervisory Board.

20. 4. The members of the Executive Board shall exercise the diligence of a responsible businessperson. Members of the Executive Board who intentionally violate their duties shall be personally and jointly and severally liable to the Cooperative for the resulting damage. In all other respects, the liability of the members of the Executive Board shall be determined in accordance with the applicable provisions of the Companies Law.

## **21. RESOLUTIONS OF THE EXECUTIVE BOARD**

21. 1. Resolutions of the Executive Board shall be passed in meetings convened by the EB chairperson. The Executive Board shall constitute a quorum if at least half of the members of the Executive Board, including the EB chairperson, are present for the vote. The proposal for a resolution is adopted if majority of the present members of the Executive Board vote in favour of each resolution. With the explicit consent of all members of the Executive Board, resolutions may also be passed outside assemblies by written circulation, the date of such a resolution by circulation being the date of the last signature. Participation in the passing of resolutions is also possible via telephone or video conference with the explicit consent of all members.

21. 2. The consent of majority of the members of the Supervisory Board is required for the validity of the decisions taken by the Executive Board, if such decisions include transactions set out in § 23.
21. 3. If business matters of the Cooperative that are discussed affect the interests of a member of the Executive Board or persons or companies close to him/her, the member concerned may not participate in the discussion and vote but must be heard before a resolution is passed.
21. 4. Resolutions of the Executive Board shall be recorded in the minutes. The minutes shall be signed by the members of the Executive Board.

## **22. REPORTS TO THE SUPERVISORY BOARD**

22. 1. The Executive Board shall inform the Supervisory Board at least every three months about the progress of business, its development, and the situation of the Cooperative. In addition, the Executive Board shall inform the Supervisory Board without delay of any events that may have a noticeable effect on the situation of the Cooperative.
22. 2. The Supervisory Board may request from the Executive Board any information it requires for its supervisory activities; this concerns in particular the following documents:
  - a. the business plan, which contains investment, financial and sales planning,
  - b. rough balance sheets as at a reporting date requested by the Supervisory Board,
  - c. current balance lists,
  - d. an overview of the membership changes and the membership status,
  - e. in the second half of the year, the half-year balance sheet and the preliminary profit and loss account for the first half-year,
  - f. a report on any special occurrences; if necessary, the chairperson of the Supervisory Board (hereinafter: SB chairperson) shall be informed without delay.
22. 3. The Executive Board is obligated to submit the annual financial statements and the report of the Executive Board to the Supervisory Board in a timely manner before the ordinary General Assembly.
22. 4. The Executive Board shall inform the Supervisory Board of the date and progress of the statutory audits, invite the Supervisory Board to any final discussions with the auditor and discuss the results of the audit with the Supervisory Board in a joint meeting immediately after receipt of the annual financial statements.



## 23. TRANSACTIONS SUBJECT TO APPROVAL

The following transactions and measures of the Cooperative require the approval of the Supervisory Board:

- a. the acquisition and sale of investments as well as the acquisition and sale of companies and businesses, if the purchase price exceeds the amount of €100,000 (one hundred thousand), as well as the closure of companies and businesses,
- b. the acquisition, sale, and mortgaging of property, provided that the purchase price or the amount of the mortgaging exceeds the amount of €100,000 (one hundred thousand),
- c. the establishment and closure of branches,
- d. investments that exceed an acquisition cost of €100,000 (one hundred thousand) individually or a total investment limit of €200,000 (two hundred thousand) in the financial year in question,
- e. the undertaking of any borrowing, loan or credit exceeding an amount of €100,000 (one hundred thousand) individually or an aggregate amount for such financing transactions of €100,000 (one hundred thousand) in the financial year in question,
- f. the granting of loans and credits exceeding an amount of € 50,000 (fifty thousand) individually or a total amount for such financing transactions of €100,000 (one hundred thousand) in the business year concerned, unless it is part of the ordinary course of business,
- g. the inclusion and discontinuation of business lines and types of production,
- h. the establishment of general principles of business policy,
- i. the establishment of principles on the granting of profit or turnover shares and pension commitments to senior executives,
- j. the granting of proxy.

## 24. DISMISSAL OF MEMBERS OF THE EXECUTIVE BOARD

The Supervisory Board may revoke the appointment of a member of the Executive Board if there is good reason. Claims arising from the employment contract shall not be affected by this.

## **25. COMPOSITION, ELECTION AND CONSTITUTION OF THE SUPERVISORY BOARD**

25. 1. The Supervisory Board consists of one to five members.
25. 2. The members of the Supervisory Board shall be elected by the General Assembly for a term of four years, unless a shorter term of office is decided. The term of office shall begin at the close of the General Assembly at which the election was held and shall end at the close of the Ordinary General Assembly in the last business year of the term of office. Re-election is permitted.
25. 3. Natural persons who are members of the Cooperative and have suitable competence may be proposed for election to the Supervisory Board. Members of the Executive Board may not be members of the Supervisory Board during their term in office.
25. 4. The following members may submit proposals for election:
  - a. Members of the Executive Board and the Supervisory Board,
  - b. Members belonging to the founding members category,
  - c. Members holding, together or alone, more than ten percent of the voting rights.

Nominations must include a written presentation of the candidates, their competences, qualifications, and objectives in relation to the Cooperative. They shall be submitted in writing to the Executive Board at least six weeks before the General Assembly and shall be presented to the members by the Executive Board via the Cooperative's website (member portal) at least three weeks before the General Assembly.

25. 5. If the number of members of the Supervisory Board falls below the minimum number specified in § 25.1. due to premature resignation, a General Assembly shall be convened without delay to hold a by-election. By-elections shall be held for the remainder of the term of office.
25. 6. The legitimization of the members of the Supervisory Board shall be effected by means of the minutes of the election.

## **26. ORGANISATION OF THE SUPERVISORY BOARD**

26. 1. The Supervisory Board shall elect a SB chairperson and a Deputy Chairperson (hereinafter: SB Deputy chairperson) from among its members following the General Assembly at which new Supervisory Board members were elected.
26. 2. The Supervisory Board shall adopt rules of procedure in which it structures its working methods and, if necessary, establishes committees for specific tasks and determines the mode of its deliberations, resolutions, and the recording thereof.

## **27. TASKS AND POWERS OF THE SUPERVISORY BOARD**

27. 1. The Supervisory Board shall supervise the management of the Executive Board and shall keep itself informed on an ongoing basis about the affairs of the Cooperative and its institutions and conduct the necessary audits.
27. 2. The Supervisory Board shall be entitled, within the scope of its duties, if deemed necessary by committees or individual Supervisory Board members to be appointed by it, to inspect all business documents of the Cooperative and to examine its assets and liabilities. Records shall be kept of the audits conducted.
27. 3. The Supervisory Board shall examine the annual financial statements, the report of the Executive Board and the proposal of the Executive Board on the appropriation of profits or coverage of losses. It shall be reported in writing to the General Assembly.
27. 4. The Supervisory Board is obligated to participate in the statutory audits of the financial statements at the request of the auditor and, after completion of the audited annual report, to discuss the results of the audit and any resulting measures with the Executive Board in a joint meeting and to report to the General Assembly.
27. 5. The members of the Supervisory Board shall exercise the diligence of a reputable businessman. Members of the Supervisory Board who intentionally violate their duties shall be personally and jointly and severally liable to the Cooperative for the resulting damage. In all other respects, the liability of the members of the Supervisory Board shall be determined in accordance with the applicable provisions of the Companies Law.

## **28. RESOLUTION OF THE SUPERVISORY BOARD**

28. 1. The resolutions of the Supervisory Board shall be adopted at the Supervisory board assembly convened by the SB chairperson or, if he is prevented from doing so, by the SB Deputy chairperson. The Supervisory Board assembly shall constitute a quorum for the adoption of resolutions if at least half of the members of the Supervisory Board, including the SB chairperson or his/her deputy, are present. Resolutions shall be adopted by a majority of the votes of the members of the Supervisory Board who are present and entitled to vote. With the express consent of all members of the Supervisory Board, resolutions may also be passed outside the assembly by written circulation, the date of such a resolution by circulation being the date of the last signature. Participation in the passing of resolutions is also possible via telephone or video conference if all members of the Supervisory Board express their consent.
28. 2. If business matters of the Cooperative are discussed which affect the interests of a member of the Supervisory Board or persons or companies close to him, the member concerned may not participate in the discussion and vote, but shall be heard before a resolution is passed.
28. 3. Resolutions of the Supervisory Board shall be recorded in the minutes. The minutes shall be signed by the SB Chairperson or his/her deputy.
28. 4. The assembly of the Supervisory Board shall be held at least two times a year.

## **29. DISMISSAL OF MEMBERS OF THE SUPERVISORY BOARD**

The members of the Supervisory Board may also be dismissed before the end of their term of office by resolution of the General Assembly.

## **30. ORDINARY AND EXTRAORDINARY GENERAL ASSEMBLY**

30. 1. The Annual General Assembly shall be held within six months of the end of the financial year.
30. 2. Extraordinary General Assemblies shall be convened when:
  - a. a previous General Assembly has decided such,
  - b. a group of members holding at least ten per cent of the voting rights requests it in writing, stating the items to be discussed,
  - c. the balance sheet shows that half of the amount paid in on the shares has been lost,
  - d. it is otherwise necessary in the interest of the Cooperative.

30. 3. The assembly shall be convened within fourteen days in the case of § 30.1., and otherwise without delay, according to urgency, in the case of § 30.2.

### **31. CONVENING OF THE GENERAL ASSEMBLY**

31. 1. The assembly shall be convened by the Executive Board, unless other persons are authorized to do so by law.
31. 2. The assembly shall be convened in writing by electronic means to the e-mail address last submitted to the Cooperative (§ 48).
31. 3. At least thirty days must elapse between the date of issue of the notice of assembly and the date of the assembly. This period may be reduced to fifteen days in cases of urgency.
31. 4. The notice of assembly shall contain the name and registered office of the Cooperative, the place, time and exact agenda of the General Assembly and, if applicable, the indication that in the event that the General Assembly is unable to pass resolutions, resolutions may be passed on the announced items after waiting for half an hour regardless of the number of members present or represented.

### **32. PLACE OF THE GENERAL ASSEMBLY, AGENDA**

32. 1. The General Assembly shall be held at the registered office of the Cooperative or at a place where a business premises or office of the Cooperative is located, or which is in regional proximity to the latter. Virtual participation via a medium provided by the SCE, if applicable, is permitted.
32. 2. The agenda shall be set by the convening body. In the cases of § 30.2 No. 1 to 4 the entitled persons may demand that items for resolution at a General Assembly be announced. In the case of a requested addition to the agenda of the General Assembly already announced, the requests must be received by the convening body in time so that the addition to the agenda is still possible in due time (§ 31.3).
32. 3. No effective resolution can be passed on items that have not been announced in the notice of assembly. Exceptions are resolutions on the chairing of the meeting and the convening of an extraordinary general meeting. No announcement is required for motions and negotiations without a resolution.

### **33. CHAIRPERSONSHIP OF THE GENERAL ASSEMBLY**

33. 1. The General Assembly shall be chaired by the Chairperson of the Supervisory Board or, if he/she is prevented from doing so, by the SB Deputy Chairperson. If none of them is present or ready to preside, the assembly shall elect another member of the Cooperative to preside over the Assembly.
33. 2. The SB Chairperson shall appoint the Secretary and the necessary tellers.
33. 3. The SB Chairperson shall ensure the orderly conduct of the Assembly. He/She shall decide on the admission of persons to the General Assembly who are not members, on the granting of the floor, speaking time and the manner of voting. The Chairperson may issue calls to order and, in justified cases, expel those present from the room as a last resort.

### **34. VOTING RIGHTS, REPRESENTATION**

34. 1. Each member shall have one vote irrespective of the number of its shares.
34. 2. The members of the founding member categories shall be allocated five votes each; however, the maximum number of votes allocated in this way shall not exceed 30% of the total votes.
34. 3. Voting rights are exercised for members in the case of a natural person by the member himself. In the case of legal entities and partnerships, proxy voting is not permitted by the authorized body, whose power of representation must be evidenced by a current excerpt from the Commercial Register or, in the case of persons who are not authorized to represent themselves individually, additionally by a power of attorney issued by the company.

### **35. DELEGATES**

35. 1. Voting rights for members outside the category of Founding Member shall in all cases be exercised by a delegate elected beforehand. Any member may stand for election as a delegate. Delegates shall always be represented at assemblies in proportion to the number of votes delegated to them. A maximum of 10 delegates may be sent by all members of the Members categories.

35. 2. The announcement of a nomination for election as a delegate must be made 4 weeks before the General Assembly. If there are more than 10 persons standing for election as delegates, a preliminary ballot shall be held 3 weeks before the Assembly at which all members, including candidates, may vote for a delegate according to their number of votes. The 10 candidates with the most votes are then admitted to the delegate election. 2 weeks before the Assembly, the assignment of the vote by the members takes place. To this end, the power of attorney can be given in writing, via a web platform developed by the Cooperative or a web application approved by the Cooperative or similar digital systems in combination with blockchain technology.

### **36. DELEGATES' DUTIES**

In particular, each delegate has the duty:

- a. to safeguard the interests of the Cooperative in good faith,
- b. to comply with the provisions of the Articles of Association and the resolutions of the General Assembly,
- c. to acquire shares in accordance with § 13 and to pay them immediately,
- d. to pay the processing and admission fee or surcharge, if such has been decided, immediately when due,
- e. to pay the annual membership fees on time, if the Executive Board has determined to do so,
- f. to notify the Cooperative without delay of any change in the information contained in the declaration of membership (§ 4.5) (in particular the residential address and the email address) as well as - in the case of legal entities - any change in the legal form, the shareholding structure or change of shareholders,
- g. to provide the information required by the Cooperative upon request and to submit documents on his/her economic circumstances which are to be treated with confidentiality by the Cooperative,
- h. to have their place of residence in the economic area of the Cooperative,
- i. to participate in the convening of extraordinary General Assemblies.

### **37. PRESENCE OF A QUORUM**

37. 1. The General Assembly shall constitute a quorum if at least one tenth of all members of each of the categories are present or represented.
37. 2. The General Assembly, which decides about:
- a. the amendment of the Articles of Association,
  - b. the contribution of an establishment or part of an establishment of the Cooperative to another enterprise or the abandonment of the establishment or parts of the establishment,
  - c. the merger or division of the Cooperative,
  - d. the dissolution of the Cooperative and the continuation of the Cooperative after the dissolution has been decided,
  - e. the dismissal of members of the Executive Board and the Supervisory Board shall only constitute a quorum if at least half of the total number of registered members at the time of convening are present or represented. In the case of the second notice convening with the same agenda, there shall be no minimum quorum for the quorum of the General Assembly.

### **38. MAJORITY REQUIREMENTS**

Resolutions of the General Assembly shall be passed by a simple majority, but resolutions on the items listed in § 37.2 shall be passed by a three-quarters majority of the valid votes cast. Abstentions shall not be taken into account in determining the result of the vote.

### **39. VOTES AND ELECTIONS**

39. 1. Voting shall be conducted openly by show of hands, voting cards or electronic voting systems. A secret ballot shall only take place if the Executive Board or the Supervisory Board requests it, or if the General Assembly decides such.
39. 2. If several nominations (§ 25.4) are submitted, each individual nomination shall be voted on jointly. If the first ballot does not result in an absolute majority for one proposal, a run-off election shall be held on the two election proposals that have received the most votes. In the event of a tie, the SB Chairperson shall have the casting vote.



39. 3. The General Assembly may decide by simple majority on a different type of voting and election system (§ 39.1.).
39. 4. In addition to voting in person, the Cooperative can set up participation and voting by electronic means without physical presence in order to enable increased participation in the democratic decision-making process in the General Assembly. Participation and voting procedures must guarantee the clear identification of participants, transparency, and verifiability of a vote by members as well as the legal data protection provisions. The requirements and procedures shall be decided by the Executive Board and published in the notice of the General Assembly.
39. 5. Votes that do not require a General Assembly may be held informally by electronic means.

#### **40. COMPETENCE OF THE GENERAL ASSEMBLY**

40. 1. Members shall exercise their membership rights at the General Assembly.
40. 2. The General Assembly is responsible in particular for passing resolutions on:
- a. amendment of the Articles of Association,
  - b. adoption of the annual financial statements and resolution on the report of the Executive Board,
  - c. appropriation of earnings,
  - d. discharge of the Executive Board and the Supervisory Board,
  - e. election of the members of the Supervisory Board,
  - f. determination of the remuneration for the members of the Supervisory Board,
  - g. dismissal of members of the Supervisory Board and, if necessary, the pursuit of legal claims against members of the governing bodies,
  - h. liquidation, merger, or division of the Cooperative,
  - i. abandonment or sale of an establishment or part of an establishment of the Cooperative.

#### **41. GENERAL ASSEMBLY MINUTES**

41. 1. Minutes shall be kept of the General Assembly. It shall contain the place, time and agenda, the motions put forward, the results of the votes, the name of the Chairperson of the Assembly, and the quorum established by the Chairperson of the Assembly. The list of participants, the documents of the Assembly and the reports submitted shall be attached as annexes.
41. 2. The minutes shall be signed by the Chairperson of the Assembly.

#### **42. ADVISORY BOARD; ESTABLISHMENT AND ROLE**

42. 1. The Executive Board may establish an Advisory Board in agreement with the Supervisory Board. The Advisory Board consists of persons who, due to their expertise and experience, can make valuable contributions to the development of the Cooperative.
42. 2. The Advisory Board advises the Executive Board and the Supervisory Board. All recommendations of the Advisory Board are exclusively of a non-binding nature and do not interfere in any way with the rights and duties of the Supervisory Board, the Executive Board or the General Assembly as provided by law. The Executive Board shall, in agreement with the Supervisory Board, issue rules of procedure to the same in the event of the establishment of an Advisory Board.

#### **43. FINANCIAL YEAR**

43. 1. The Company's financial year begins on the first day of January and ends on the 31st of December of each year.

#### **44. ANNUAL FINANCIAL STATEMENTS AND APPROVAL**

44. 1. Within five months of the end of each financial year, the Executive Board shall prepare annual financial statements including a report on the situation, and management of the Cooperative, and submit them to the Supervisory Board together with a proposal for the distribution of profits.
44. 2. The Supervisory Board examines the annual financial statements and the management report and prepares a report about the Supervisory Board.

44. 3. The annual financial statements, the management report and the report of the Supervisory Board shall be made available for inspection by the members on the Cooperative's website (member portal) no later than one week before the General Assembly.
44. 4. In the first six months following the end of the financial year, the ordinary General Assembly shall pass resolutions on the approval of the annual financial statements, the appropriation of earnings (§ 46) and on the discharge of the Executive Board and the Supervisory Board for the previous financial year.

## **45. CREATION OF RESERVES**

45. 1. At least fifty percent of the annual profit, less any losses carried forward, must be added to the legal reserve until it reaches €30,000. The legal reserve is only used to cover accumulated losses.
45. 2. In addition to the legal reserve, a free capital reserve shall be formed; the premium or surcharge pursuant to § 11.4 shall flow into this reserve.
45. 3. When preparing the annual financial statements, the Executive Board may allocate part of the annual surplus, but not more than half, to a revenue reserve. The Executive Board decides on their use in agreement with the Supervisory Board.

## **46. APPROPRIATION OF EARNINGS**

46. 1. Members of all categories must transfer profits, annual surpluses, and any dividend distributions directly to the Cooperative. Members of all categories are not entitled to profits, annual surpluses, and any distributions of dividends. The Cooperative excludes any expectation of profit for members in its entirety.
46. 2. The Cooperative is obliged to generate profits. This annual surplus of the Cooperative shall be used primarily for the above-mentioned purpose and business objective.
46. 3. In the event of a net loss for the year, the General Assembly shall decide, at the request of the Executive Board, whether and to what extent the reserves shall be used to cover the loss, and whether a loss shall be carried forward to new account.

## **47. DISSOLUTION**

The dissolution of the Cooperative shall be effected by resolution of the General Assembly with the majority required under § 38. The remaining liquidation proceeds after settlement of all claims and repayment of the capital contributions of the members shall be transferred to another cooperatively constituted enterprise with comparable objectives within the meaning of the provisions of the preamble in accordance with the principle of non-profit transfer.

## **48. NOTICES, CORRESPONDENCE**

The Cooperative publishes all notices to its members under its company name on the member portal of the Cooperative's own homepage ecredits.com - if this no longer exists, on an appropriate contemporary digital corporate presence - except in cases where the law prescribes other media.

Correspondence with members shall be sent online/electronically to the address last submitted to the Cooperative. This also applies in particular with regard to the invitation and communication of the agenda for General Assemblies.

In case of divergences between the English and the German text, the German version will prevail.

