



- Certified translation from German -

**STATUTES
of the Association
Dialog Textil-Bekleidung**

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Preamble

The "Dialog Textil-Bekleidung (Dialogue Textile-Clothing)" originated in the year 1985 in order to work in the textile and clothing industry at the interfaces along the supply chain. The non-registered association "*Dialog Textil-Bekleidung (Dialogue Textile-Clothing)*" was initially established after the group of members, particularly companies and contractors of the textile and clothing industry and the peripheral services, grew so much that continuation of the joint work, the organization required for the same and the management and use of resources required an appropriate framework. In 2016, the statutes of the association were re-written and the association was registered in the Register of Associations in the District Court of Munich.

§ 1 Name, legal form, headquarters, and business year

- 1.1 The Association bears the name "*Dialog Textil-Bekleidung*", hereinafter called DTB or Association.
- 1.2 The Association is to be registered in the Register of Associations and afterwards use the suffix "e.V."
- 1.3 The Association has its headquarters in Munich.
- 1.4 The financial year of the Association is the calendar year.

§ 2 Purpose

- 2.1 The purpose of the Association is to promote the dialog at the interfaces along the supply chain in the textile and clothing industry and thus strengthen the profitability and competitiveness of its members internationally.
- 2.2 This purpose is especially achieved by
- promoting quality assurance, exchange of information and cooperation between the partners of the textile and clothing industry and the trade;
 - organizing and arranging seminars and informative events regarding the latest and future-oriented topics of the industry;
 - providing the members information, advice and support regarding all business aspects upon request, provided that it complies with the purpose of the Association.

§ 3 Members

- 3.1 The Association has regular members and honorary members
- 3.2 Regular members can be:
- a) companies and contractors from the textile and clothing industry, particularly from the manufacturing and processing industry, trade, procurement and peripheral services like processing persons, IT service providers, logistics experts, textile chemistry personnel, quality assurance officers, etc.
 - b) companies, contractors, associations and institutions which economically and/or ideally support the purpose of the Association including schools, colleges and institutes.

Upon submission of a written membership application, the board of management shall decide about the admission as a regular member. The membership application must also include the explicit recognition of the statutes. There is no right to admission. The rejection of a membership application does not require any justification.

- 3.3 Natural persons who have made special contributions to the objectives of the Association can be honorary members. They are appointed unanimously by the board of management. The requirements of § 3.2 are not applicable to them. Honorary members can be invited as guests to board meetings; there, they do not have any voting rights but can be admitted onto the list of speakers. They are exempted from the obligation of contribution. Besides that, they have the same rights as the regular members.

- 3.4 Members are obliged to promote the purpose of the Association, to actively contribute to fulfilling the tasks of the DTB and to pay a membership fee which is determined in the membership fee regulations to be passed by the board and by the general meeting. The membership will begin at the earliest with the payment of the first membership fee and shall be suspended for any period of non-payment.
- 3.5 The membership of the Association shall end:
- a) through death in case of natural persons, when they discontinue, resolve their dissolution or apply for bankruptcy proceedings in case of legal entities and companies;
 - b) with exit at the end of a financial year which must be declared in writing to the board of management, with a three-months' notice;
 - c) with exclusion by justified decision of the board which requires an important reason and a majority of three quarters of the board members; an important reason exists particularly if
 - a member has severely violated their duties towards the association and/or acted in severe violation of the goals of the DTB;
 - a member has defaulted for two consecutive dates in paying their fees or a significant part of their fees or in a period that stretches over more than two dates, has defaulted in the payment of their fees to the amount of a contribution which has attained the amount of fees for two years.

The next general meeting can rescind the exclusion decision of the board upon written objection by the excluded member within two weeks; the objection will not have any deferring effect.

- 3.6 Any claims or rights against the Association are dissolved or terminated with the termination of the membership. The termination of the membership through exit or exclusion does not imply exemption from the existing obligations towards the Association.
- 3.7 Members of the Association who work for the Association without remuneration or receive remuneration for their work which does not exceed 720 Euro annually are liable to the Association for damages which are caused while executing the tasks of the Association assigned to them according to the statutes only in the event of intent or gross negligence. If they are obliged to compensate the damage which they have caused to third parties while exercising one of the existing obligations for the Association, they can demand

exemption from liability from the Association unless they have caused the damage intentionally or due to gross negligence.

§ 4 Organs

- 4.1 The organs of the Association are
- a) the general meeting;
 - b) the board;
 - c) the board of management
- 4.2 Organ members who work without remuneration or receive remuneration for their work which does not exceed 720 Euro annually are liable to the Association and members of the Association for damages which are caused while executing one of their duties only in the event of intent or gross negligence. If they are obliged to compensate the damage which they have caused to third parties while exercising one of the existing obligations for the Association, they can demand exemption from liability from the Association unless they have caused the damage intentionally or due to gross negligence.

§ 5 General meeting

- 5.1 The general meeting decides about the following:
- a) all the business of the Association, provided it is not to be dealt with by another organ;
 - b) voting for up to 12 members of the board (§ 6.1);
 - c) the approval
 - of the annual report created by the board and board of management with the annual financial statement along with the assets report for the previous financial year (§ 6.7 lit. d),
 - of the budget and accounting plans created by the board and board of management for the next financial year (§ 6.7 lit. d),
 - the membership fee regulation (§ 6.7 lit. e) created by the board and the board of management;
 - d) the discharge of the board and the board of management;
- the decision about the objection by a member excluded by the board (subparagraph c) of § 3.5);
- e) amendments of the statutes
 - f) dissolution of the Association.

- 5.2 The members make decisions through resolutions at a meeting (general meeting) or - if the chairperson of the board arranges for the same - without a meeting (circulation procedure) in writing, via telefax or in text form (e.g. via email).
- 5.3 The ordinary general meeting takes place once a year. Additional general meetings can be convened. A general meeting must be convened when at least one third of the members demand the same.
General meetings are chaired by the 1st or alternatively, 2nd chairperson of the board.
- 5.4 General meetings are convened by the 1st or alternatively 2nd chairperson with a notice of at least two weeks, in writing, via telefax or in text form (e.g. via email), with the announcement of the agenda. Motions for inclusion in the agenda must be submitted to the board of management at the latest one week before the general meeting. The agenda of the annual general meeting must include at least the following points: annual report with annual financial statements along with assets report for the previous financial year; decisions about the applications permitted by the board; budget and accounting plan for the following financial year.
- 5.5 The general meeting can make decisions when it has been properly convened and at least one third of the members are present or are represented by another member with written authorization; a member can represent no more than one other member. Errors in the summons to the meeting are considered cured if all the members concerned are present and there is no objection against the properness of the summons. If the general meeting cannot make decisions, then a new session with the same agenda must be convened immediately in accordance with § 5.4, which, then, can make decisions without taking into consideration the number of members present if this is indicated in the summons.
- 5.6 Decisions of the general meeting, if not specified otherwise in the statutes, require majority of the cast votes (simple majority: more valid Yes than No votes). Decisions about an amendment to this statutes require a majority of two thirds of the cast votes (at least 2/3 Yes votes and up to 1/3 No votes); decisions about the dissolution of the association require a majority of 3/4 of the votes of all members (at least 3/4 Yes votes and up to 1/4 No votes). During voting, the maximum number of the votes cast is decisive. There will be a runoff if the votes are equal. Abstentions, whether announced or silent, shall be considered as non-cast votes; the same applies to invalid votes. Each member has one vote. In case of decisions about the objection by a member excluded from the board in accordance with subparagraph b) of § 3.5, the concerned member is not entitled to vote, but is entitled to be heard before the decision-making. Members who are not natural persons can exercise their voting right through a natural person affiliated with them (e.g. employee, partner, owner or similar) as representatives who must prove

their position through written authorization. Resolutions and elections can take place by ballot as per the decision of the general meeting.

- 5.7 Minutes must be created about the general meetings and decisions in the circulation procedure. Decisions are to be recorded verbatim in these minutes and the same must be signed by the chairperson of the meeting as well as management. All the members should be made aware of the same and it must be maintained and retrievable in suitable form.

§ 6 Board

- 6.1 The board comprises up to nineteen (19) members. Only natural persons can be members of the board. The members of the board are elected every three (3) years.
- Up to twelve (12) members must be affiliated to an association member in accordance with subparagraph a) of § 3.2 (e.g. as employee, partner, company owner or similar) and are selected by the general meeting (selected members). Before every election, the board can determine the number of the members to be selected through a resolution if needed.
 - The selected members can further select up to seven (7) members from the group of the companies, contractors, associations and institutions that economically and/or ideally support the purpose of the Association but who may not necessarily be members of the Association in accordance with subparagraph b) of § 3.2 (additional selected members);

For this, as far as possible, the legal, IT, Sourcing, Omni-Channel, logistics, pollutant management departments should be formed and an additional member should be selected for each department.

- 6.2 The board selects a first and a second board chairperson amongst its members; this should happen in the first constituent meeting. Furthermore, the board shall determine an auditor who shall review the annual report with the annual financial statements and assets report as of December 31st of the previous year. He need not be a member of the board or the Association.
- 6.3 The board shall make decisions through resolutions in meetings (board meetings) or outside of meetings (so-called circulation procedures) in writing, via telefax or in text form (e.g. via email) if all members approve the same in this form.

- 6.4 Board meetings are convened as per requirement; however, at least every six months, by the first or alternatively second chairperson with a notice of at least one week, in writing, via telefax or in text form (e.g. via email), with the announcement of the agenda. A board meeting must be convened according to clause 1 if 50 percent of its members or the management require the same from the first or the second chairperson. The board can make decisions if at least 50% of its members are present. Board meetings are chaired by the 1st or alternatively 2nd chairperson.
- 6.5 Decisions of the board, if not specified otherwise in the statutes, require the majority of the cast votes (simple majority: more valid Yes than No votes). During voting, the maximum number of the votes cast is decisive. There will be a runoff if the votes are equal. Abstentions, whether announced or silent, are considered non-cast votes. Each member has one vote. In case of decisions about exclusion of an Association member in accordance with subparagraph b) of § 3.5 oder b) of § 6.7, the member concerned is not entitled to vote, but is to be heard before the decision is made. In case of equal votes outside of elections, the vote of the first or alternatively the second chairperson shall be the decisive one. Resolutions and elections can take place in a ballot as per the decision of the board.
- 6.6 The membership of the board shall end, except for death, as follows:
- a) with the assumption of office of the newly elected board every three years.
 - b) in case of a selected member of the board with the exit of the Association member to which the board member is associated at the time of their election (e.g. as an employee, partner, company owner or similar);
 - c) in case of a selected member of the board with the exit of the Association member who the board member is affiliated with from the Association;
 - d) with the dismissal of the member by the decision of the board which can occur only for significant reasons, particularly, due to gross violation of obligations or inability for proper discharge of their office, where a dismissal shall be effective as long as the invalidity is not ascertained.
 - e) with the relinquishment of the membership by the member.

If members exit according to subparagraphs b) to e) before the new election takes place every three years, the remaining board members can select additional members (natural persons affiliated to an Association member) for the period up to the new election and until the board has nineteen (19) members.

- 6.7 The task of the board is in particular:
- a) to manage and represent the Association;
 - b) to prepare for and hold the general meeting (whereby the meeting is chaired by the first or alternatively the second chairperson) and to implement the decisions adopted in the general meeting;
 - c) to manage the business of the Association, to appoint the board of management and to issue directives to them if necessary;
 - d) to create an annual report with annual financial statements along with assets report as of December 31st for the previous financial year together with the board of management and to create a budget and accounting plan for the next financial year;
 - e) to create and resolve a membership fee regulation that particularly controls the amount and due date of the membership fee;
 - f) to select any additional board members (§ 6.1 and § 6.6 e.E.);
 - g) to select the first and second chairperson and an auditor (§ 6.2);
 - h) to remove members of the board if there is a significant reason for the same (subparagraph d) of § 6.6);
- 6.8 The first and second chairpersons are the legal representatives according to § 26 German civil code. They shall represent the Association individually (Power of Sole Representation)
- 6.9 Remuneration / Reimbursement of expenses

The members of the board shall not receive any remuneration but they will work without pay for the Association. Basically, they shall also not receive any reimbursements for their expenses unless it is otherwise decided by the board in an individual case.

§ 7 Management

- 7.1 The board of management shall handle all the current issues and daily business of the Association, particularly the admission of new members, the collection of membership fees and the required administrative activities. The board is not exempted from executing these tasks. It can issue instructions to the board of management.
- 7.2 Individual members of the board of management can be granted legal representation (Authority) by the board or can be nominated as special representatives in accordance with § 30 German civil code.
- 7.3 Appointment / Remuneration / Reimbursement of expenses

The members of the board of management may receive an employment contract which will also include a remuneration. They shall also receive reimbursement for the necessary and proven expenses for the Association. The Association can also deploy paid services of third parties for the board of management.

Kirchheim, November 10th, 2016

Wilfried Bäuning

Chairman of the Board

Werner Blohmann

Deputy Chairman

Guido Brackelsberg

Deputy Chairman

Guido Rimini

Board member

Dr. Peter Bartsch

Board member

Monika Scheller

Board member

Irene Schoppmeier

Board member

Leonhard Kiel

Board member

- End of translation -

As a sworn translator in Bavaria I declare:

The above translation of the attached document, which is written in the German language, is true and complete.

Fürth, September 11th, 2017

Renate Heßler

