

Articles of association

of

Überwachungsgemeinschaft Konstruktionsvollholz e.V.

adopted at the general meeting dated 07.06.2011

§ 1

Company name, registered office and financial year

- 1 The association is called Überwachungsgemeinschaft Konstruktionsvollholz e.V., and has its registered office in Wuppertal.
- 2 The business year is the calendar year.
- 3 The association is entered in the association register of the Wuppertal Local Court ("Amtsgericht").

§ 2

Purpose and tasks of the association

- 1 Überwachungsgemeinschaft Konstruktionsvollholz (hereinafter also referred to in brief as the "Monitoring Association") is a voluntary merger of companies that manufacture Konstruktionsvollholz KVH® or Duobalken® or Triobalken®.
- 2 The goal of the Monitoring Association consists of promoting the use of technically dried solid wood products, in particular Konstruktionsvollholz KVH®, Duobalken® or Triobalken®.
 - It therefore supports the technical and economic progress in the case of using these products, and in particular promotes use-related research.
 - It promotes the dissemination of experience and know-how, including by way of publications and events.
 - It represents and promotes the interests of its members by way of advertising and PR work.
 - It represents its members' interests in the case of drawing up national and international sets of rules.
- 3 The Monitoring Association promotes the concept of quality by
 - monitoring ordinary members in the case of producing Konstruktionsvollholz KVH® or Duobalken® or Triobalken® and ensuring that they have the necessary technical prerequisites,

- awarding the monitoring logo KVH® to companies that honour the production prerequisites set out in these articles of association,
 - promoting the general acceptance in trade of the monitoring logo KVH®,
 - intervening if the monitoring logo KVH® is used inappropriately.
- 4 The Monitoring Association supports the exchange of professional and other information with and between its members, and trains and advises them in all matters in its area of responsibility.
 - 5 In a professional, in particular technical, area the Monitoring Association may act in an advisory capacity and comment on problems involving application and use.
 - 6 In the case of pursuing its goals, the Monitoring Association collaborates with organisations with similar aims.
 - 7 The goals of the Monitoring Association include promoting specialist construction services and supporting qualified specialist companies in the relevant works.
 - 8 The tasks of the Monitoring Association do not include supporting its members in respect of general economic and socio-political matters.
 - 9 The Monitoring Association may not perform any activity geared towards an economic business enterprise.

§ 3

Membership

- 1 Acquiring membership
 - 1.1 Ordinary members with voting rights may be solid wood production companies in sawing and wood industry that are permitted to use the monitoring logo KVH®.
 - 1.2 To be permitted to use the monitoring logo KVH®, the construction solid wood production amounts of the sawing and wood industry must meet the prerequisites for manufacturing and monitoring construction solid wood KVH® specified in the "Provisions regarding the monitoring logo KVH®".
 - 1.3 A company that fails to meet all production prerequisites can enter into a co-operation with one or more other companies. The company of such a co-operation that intends to become a member of the Monitoring Association must ensure that the co-operation partner or co-operation partners comply with the required quality criteria.
 - 1.4 Supporting members without voting rights may be adult natural or legal persons who support the goals and tasks set out in Section 2 but are not construction solid wood production companies.

2 Taking in members

- 2.1 The membership application is to be directed to the managing director of the association in writing with proof of the prerequisites required for acquisition of membership. The applicant undertakes to acknowledge the Articles of Association.
- 2.2 The Board of Management decides on the membership application. In the case of a membership application as an ordinary member, a statement must be obtained from the monitoring committee prior the decision of the Board of Management.
- 2.3 If the membership application is rejected, the applicant may, within four weeks following receipt of the rejection, lodge an appeal at the general meeting. The appeal decision shall be made in writing. If the appeal is dismissed, the appealing party may contact the court of arbitration within four weeks following delivery of the notice. There is no entitlement to membership.

3 End of membership

- 3.1 The membership shall end by way of termination or exclusion
- 3.2 Membership may be terminated at the end of the year by way of serving six months' notice. Notification of termination is to be given by way of a registered letter sent to the branch office.
- 3.3 The Board of Management decides on the exclusion of a member. Reasons for the exclusion of a member are, in particular,
 - the institution of insolvency proceedings or the rejection of such proceedings due a lack of funds;
 - an application for liquidation;
 - discontinuing the production of construction solid woos;
 - -serious violation of provisions of the Articles of Association irrespective of a warning.
- 3.4 A resolution of the Board of Management regarding exclusion shall be announced by way of a registered letter. The affected member may lodge an appeal against the exclusion at the general meeting within four weeks following receipt of the notice of exclusion. The appeal decision shall be made in writing. If the appeal is dismissed, the appealing party may seek recourse to the court of arbitration within four weeks following delivery of the notice.
- 3.6 Once membership ends all rights in relation to the Association, in particular the right to use the monitoring logo KVH[®], shall cease to apply. The end of the membership does not release a party from honouring contribution obligations to the Association that remain outstanding. At the end of the membership there shall be no entitlement to a share of the Association's assets.

§ 4

Members' rights and obligations

- 1 The members are entitled to receive advice, assistance and training from the Monitoring Association in all matters that affect the association's purpose.
- 2 The Association members are entitled to refer to the membership in the Monitoring Association in their letterheads and therefore advertise such membership.
- 3 Ordinary members undertake to honour the "Provisions regarding the monitoring logo KVH[®]" and are entitled to use the issued monitoring logo KVH[®] as part of the above-mentioned provisions.
- 4 A member may only assign rights resulting from the membership to a legal successor. The assignment must be approved by the Board of Management.
- 5 The members undertake to promote the association's purpose, observe the provisions of these Articles of Association, follow decisions taken by the Association in accordance with the Articles of Association, and not to take any measures or make any recommendations that conflict with the above.
- 6 The members undertake to support and inform the Association to perform its task.
- 7 The members undertake to pay the specified contributions and charges to the Association in good time.

§ 6

Executive bodies of the Association

- 1 The executive bodies of the association are
 - the general meeting,
 - the Board of Management,
 - the monitoring committee.

§ 7

General meeting

- 1 The general meeting adopts resolutions on:
 - the annual account for the previous business year,
 - formally approving the acts of the Board of Management,
 - electing members of the Board of Management, the Chairman of the Board of Management and the auditor,

- electing members of the monitoring committee,
 - approving the budget plan,
 - specifying cost-covering amounts and fees, the amounts and calculation bases of which are provided for in a separate contribution provision,
 - the applications for reviewing the membership applications rejected by the Board of Management,
 - amending the Articles of Association, the contribution regulations and the provisions on the monitoring logo KVH[®],
 - winding-up the Association.
- 2 The general meeting is to be convened at least once a year by the managing director. It is to be convened too if the Chairman, the Board of Management or one third of Association members request that it be convened. Invitations are to be sent at least 21 days beforehand in writing to the last address of the member known by the Association. The list of items on the agenda, which must state the items for discussion, is to be enclosed with the invitation.
- 3 Extraordinary membership meetings are to be convened by way of a written application by at least 10 percent of members within six weeks.
- 4 Each ordinary member has one vote and may make arrangements to be represented at the general meeting by another member or a third-party under obligation to maintain professional secrecy. The general meeting shall adopt resolutions by way of the simple majority of votes cast. Amendments to the articles of association are subject to a three quarter majority of the cast votes.
- 5 Each general meeting that is convened in an orderly manner constitutes a quorum.
- 6 Applications by members that are to be filed at the general meeting are to be submitted to the managing director one week prior to the date of the meeting. The resolutions adopted at the general meeting are to be set out in a record. The records shall be signed by the managing director.

§ 8

Board of Management

- 1 The Board of Management is made up of the Chairman and two deputies. The Board of Management shall be elected at the general meeting for two years. The Board of Management takes decisions by way of a simple majority, whereby the Chairman's vote counts twice. The comments of a member of the Board of Management who may be absent are to be obtained in a reasonable period.

- 2 The Chairman and one of his two deputies are simultaneously directors within the meaning of Section 26 BGB¹. In the event that the Chairman is unable to perform his task, the Association may also be represented by the two deputies. Proof of the inability to perform need not be furnished.
- 3 The Board of Management has the following tasks:
 - managing the Monitoring Association within the meaning of Section 2 of these Articles of Association, insofar as no resolutions of the general meeting have been adopted in that respect,
 - monitoring implementation of the resolutions adopted at the general meeting and the managing director's decisions,
 - administering the Monitoring Association's assets.
- 4 If a member of the Board of Management retires from his position during his tenure, the remaining members of the Board of Management shall appoint, in the place of the retiring member, a new member of the Board of Management (appointed representative within the meaning of Section 30 BGB) with a tenure lasting up until the next general meeting.
- 5 The Board of Management shall manage the Association in an honorary capacity. To support its activities it is to appoint a managing director, and with that managing director enter into an employment relationship that also provides for reasonable remuneration for the managing director.

§ 9

Monitoring committee

- 1 The monitoring committee is made up of the workers' representative and at least two additional specialists. The members of the monitoring committee are not bound by instructions. The monitoring committee shall be elected at the general meeting for two years. Specialists who are not among the group of Association members may also be appointed members of the monitoring committee.
- 2 The monitoring committee
 - reviews the prerequisites for awarding and withdrawing the monitoring logo KVH[®],
 - issues sanctions as part of the "Provisions regarding the monitoring logo KVH[®]",
 - monitors, where applicable by way of deploying neutral inspection agencies to ensure the users of the monitoring logo KVH[®] comply with the "Provisions regarding the monitoring logo KVH[®]" and

¹ German Civil Code

- supports the Board of Management in its activity.
- 3 The monitoring committee shall adopt its resolutions with a simple majority of the members present at the meeting. In the event of an equality of votes, the workers' representative shall have the casting vote. The members of the monitoring committee undertake to maintain secrecy in dealings with third-parties.

§ 10

Auditor

- 1 The general meeting shall elect an auditor who need not be a member of the Board of Management. His tenure is set at two years.

§ 11

Confidentiality

- 1 The Board of Management, management and monitoring committee are to manage the business transactions without bias, and treat in confidence the business and company procedures of the member companies of which they gain knowledge in the case of performing these business transactions.

§ 12

Legal remedies and court of arbitration

- 1 The affected party is entitled to appeal to the court of arbitration in respect of taking action against resolutions regarding membership in and exclusion from the Monitoring Association. The court of arbitration shall ultimately decide on such matters by way of exclusion of recourse to the ordinary courts of law.
- 2 The appeal is to be sent to the branch office by way of a registered letter within one month following delivery of the notice. The appeal is to contain the justification that is to state the reasons why the resolution is disputed. The Arbitration Code (see Annex 1) provides greater details in this respect.

§ 13

Winding-up the Association

- 1 The general meeting that is to be convened by way of a period of notice of four weeks shall decide on winding-up the Association and appropriation of assets that may apply.
- 2 Adopting resolutions is predicated on at least two thirds of the members attending the meeting or being represented at the meeting. If those present at the meeting, or those acting as representatives at the meeting, is not sufficient to produce two

thirds of the votes, a second meeting is to be convened, which shall constitute a quorum in any case.

- 3 The liquidation shall be conducted by the Board of Management insofar as no other liquidators are appointed at the general meeting.
- 4 The assets that the Association is left with after settling all liabilities shall pass to the members insofar as the general meeting that adopts the liquidation resolution does not do this to the contrary by way of two thirds of its votes. The assets shall be spread among the members in accordance with their shares in the Association's income from contributions in the current budget year.

Wuppertal, 07.06.2011

A handwritten signature in black ink, appearing to be 'F. Merkle', written in a cursive style.

F. Merkle, Chairman

A handwritten signature in black ink, appearing to be 'Dr. T. Wiegand', written in a cursive style.

Dr. T. Wiegand, Managing Director

Annex 1

Arbitration Code

A court of arbitration shall decide in the case of settling all disputes between Überwachungsgemeinschaft Konstruktionsvollholz e.V. and its members by way of exclusion of recourse to ordinary courts of law in accordance with the following provisions.

§ 1

- 1 The court of arbitration shall be made up of one Chairman and two additional arbitrators.
- 2 The affected company and the Monitoring Association are each to appoint an arbitrator.
- 3 The two arbitrators shall agree on a Chairman, who must be qualified to exercise the functions of a judge. If the arbitrators fail to reach an agreement within two weeks after the second arbitrator is appointed, or if one of the parties to the arbitration does not appoint an arbitrator, the Chairman of the court of arbitration is to be appointed by the District Court ("Landgericht") President in Wiesbaden. If the District Court ("Landgericht") President rejects the appointment the Higher District Court President in Frankfurt/Main is to appoint the Chairman.

§ 2

- 1 The party resorting to the courts of law is to appoint its arbitrator by way of a written application and by stating its claim against the opposite party in conjunction with the request for its part to appoint an arbitrator within a period of two weeks. If the arbitrator is not appointed by the other party to the arbitration within this period, the second arbitrator shall be appointed by the Chairman of the court of arbitration.
- 2 If the Chairman of the court of law is unable to perform his official activity, the parties stated Section 1 (3) of the Arbitration Code shall appoint another Chairman.
- 3 If an arbitrator is unable to perform his official activity, the party that had appointed him is to appoint another arbitrator. Insofar the regulation of section 1 (3) of the arbitration agreement shall also apply.

§ 3

- 1 The court of arbitration shall specify the fundamental aspects of the proceedings in line with the provisions of the German Code of Civil Procedure according to its best judgement. The parties to the arbitration are, however, to be heard orally.

- 2 The cost of the proceedings shall be specified by the court of arbitration at its own discretion. The remuneration for the arbitrators is stated in a separate remuneration regulation.
- 3 The court of arbitration may state evidence and hear experts. Decisions are to be made according to substantive law.

§ 4

- 1 The court of arbitration shall sit in Wuppertal.

§ 5

The arbitral award is to be justified, and signed by the Chairman and the arbitrators.