

Natureplus

**Internationaler Verein für zukunftsfähiges Bauen und Wohnen e.V.
(The International Association for Sustainable Building and Living e.V.)**

(County Court Heidelberg VR 2719)

Constitution

§ 1 Name, Registered Office and Financial Year

(1) The Association is registered under the name of Internationaler Verein für zukunftsfähiges Bauen und Wohnen- natureplus. The official short form of the association's name is natureplus. Through the incorporation into the official Register of Associations, the use of the suffix "e.V." is permitted.

(2) The location of the registered office is Neckargemuend, Germany.

(3) The financial year is the calendar year.

§ 2 The Association's Goal

(1) The Association's goal is the promotion of building practises and accommodation which are sustainable and future-oriented i.e. environmentally friendly and posing no health risks, on a world-wide level but especially in Europe.

(2) The Association promotes environmental protection and the protection of health in the building industry and consumer information relating to building products, building materials and furnishings in relation to their affects on the environment and the risks they pose to health. The Association promotes the development of scientific criteria and test procedures applicable in the assessment of building products, building materials and furnishings in relation to their affects on the environment and the risks they pose to health. To this end the Association promotes the development and awardance of an eco-label primarily for building products, building materials and equipment made from renewable/sustainable sources or from mineral based materials which are almost unlimited in their availability. This eco-label comprises the results of tests relating to the future application i.e. environmentally-friendly and posing no risks to health and the applicability of the tested products and makes them public to consumers, planners, producers and traders. The Association continues to promote the national and international extension of the eco-label and communicates in an open and transparent manner.

(3) The association pursues and supports every type of arrangement that is suitable to promote these goals. The pursuit of other non-commercial activities connected with the aims as mentioned in § 2 Sec. 1 are permitted.

§ 3 Public Utility / Non-Commercial Activities

(1) The Association exclusively pursues non-commercial activities in the public interest. It is a Not for Profit Organisation und NGO (Non Governmental Organisation) in the area of environmental- and health protection.

(2) The Association operates for the public good; its main interest does not lie in the pursuit of its own commercial advantage.

(3) The Association finances its activities through membership subscriptions, donations, other contributions, project and purpose related grants, through services as related to §2 and licensing charges for the awardance of the eco-label. The Association's financial resources may only be used for constitutionally compliant purposes. Members do not receive any payments or financial considerations from these monies. Membership is not a pre-requirement for the awardance of the eco-label.

(4) It is not permitted for a person to benefit from disbursements which do not support the aims of the Association or through disproportionately high salaries or emoluments.

(5) In the case that the Association is dissolved or suspended, the assets are to be divided equally between the members of the areas C and D under the conditions that they are non-profit-making organisations and intend to use these assets exclusively for the public good.

In the case of dissolution, the remaining members are to receive no more than the nominal value of the assets contributed by them.

§ 4 Membership

(1) Any legal person from any country or any natural person whether the owner of a company or member of a private limited company, who follows the aims of the Association in accordance with § 2, may become an active or full member of the Association. They may also be allocated to any of the membership areas in accordance with § 4 Sec. 2.

(2) Active or full members:

Active or full members are allocated into one of the following seven areas:

Area A: Traders of building products, building materials and equipment and their associations

Area B: Producers and importers of building products, building materials and equipment and their Associations

Area C: Environmental organisations

Area D: Consumers and health organisations, advisory and public institutions

Area E: Planners, advisors and executors of building services

Area F: Test institutes recognised by the association.

Area G: Trades Unions and employees organisations.

Producers and importers of building products as covered in area B, must be developing or already have a product in their assortment which complies with the basic criteria for the awardance of the eco-label.

(3) Sponsoring Members:

Natural or legal persons who are not included within the membership areas according to Art.4 Sec. 2, or those who have no interest in an active membership, may support the Association as non-voting sponsoring members.

(4) Application for Membership:

Membership applications must be made in writing. Acceptance of membership and the allocation into a particular membership area is decided by the executive committee. Applications may be rejected without stating a reason. If an application is rejected, the applicant may call upon the Membership Assembly who will, through a simple majority, decide upon the membership application. In the case of a rejection, the applicant may call upon the Arbitration Tribunal which will make a final and binding decision. Legal recourse is prohibited.

§ 5 Termination of Membership

(1) Membership is automatically terminated if the member dies; the company is wound up; through resignation or suspension from the Association.

(2) Resignation of membership is only effective at the end of a calendar year and with a notice period of a minimum of three months prior to the end of the calendar year. The resignation must be delivered in writing to the board of management and will be decided upon by the executive committee, conditional upon the aforementioned notice period.

(3) A suspension of membership is only possible for important reasons. Important reasons include

- The non-compliance with the aims of the Association,**
- Behaviour likely to harm the Association,**
- Misuse of the eco-label,**
- Advertising which is incompatible with or misuses the eco-label - natureplus®,**
- Advertising which is incompatible with or misuses the membership of the Association,**
- Arrears of payment of the membership subscription outstanding for more than one year.**

A member can only be suspended after a previous warning has been issued by the board of management and – except in the case of subscription arrears – through ratification of an executive committee resolution agreed upon by 80% of the executive committee members. Any member suspended due to important reasons may appeal to the Arbitration Tribunal which will make a final and binding decision. Legal recourse is prohibited.

§ 6 Membership Subscriptions

(1) A membership subscription is to be paid by every full or sponsoring member.

(2) The level of the membership subscription is set down in a subscription scale which must be ratified by the Membership Assembly. Under certain circumstances, the executive committee is empowered to reduce the subscription level for individual members. The membership subscription is to be paid annually in advance.

(3) At the foundation of the Association a temporary ruling was made which laid down a uniform membership subscription of 500 Euros per annum. This ruling will be rescinded once a system of subscription regulations (subscription scale), in accordance with §6 Sec. 2, is in place.

§ 7 Organs of the Association

The organs of the Association are:

- The membership assembly**
- The Executive Committee**
- Commissions and committees**

Tasks, responsibilities and duties of the individual organs of the Association are defined in paragraphs 8 to 11. Over and above this, the Association can appoint counsel who may have a representative function in science or politics.

§ 8 Membership Assembly

(1) The membership assembly is the highest organ of the Association. A membership assembly takes place at least once a year.

(2) In agreement with the executive committee, the Membership Assembly is convened by the chairperson. The members must be notified in writing no later than one month before the date of the assembly meeting. This notice period begins on the date in which the notifications are sent to the addresses contained within the register of members. The invitation must contain details of the location and time of the meeting and be accompanied by a draft agenda. This agenda can be ratified by a simple majority at the beginning of the assembly and may, due to important considerations, be altered. The invitation should also contain any additional documentation such as business reports or motions required by the members. The date of the full member's assembly is to be publicised in advance - as a rule, three months before the date of the assembly.

(3) The membership assembly makes the final decision in all matters that are laid before it.

(4) The membership assembly has the following special powers:

- 1. Determining or altering the constitution.**
- 2. Election of the Association's executive committee.**
- 3. Election of the internal auditors.**
- 4. De-selection of the executive committee, if this is requested by 2/3 of the weighted voters, according to § 8 Sec. 5.**
- 5. Acceptance of the annual report and the annual financial statement**
- 6. Exoneration of the executive committee.**
- 7. Authorisation of the business plan.**
- 8. Authorisation of the rules relating to membership subscriptions.**
- 9. Decisions relating to motions raised.**
- 10. Dissolution and liquidation of the Association.**

(5) Weighting of votes

The members of each area represented at the member assembly are accorded the same number of votes within the membership assembly as they hold within the executive committee in accordance with § 9 Sec. 1. The number of these votes is then divided by the number of members present from each individual area. The result is the weighted voting power of each member. One member can therefore hold a maximum of one vote. With the exception of those resolutions covered by §8 Sec. 6, all resolutions are decided, according to the recognised voting procedure, by a simple majority vote of the members present. Voting rights can only be exercised in person.

(6) Constitutional changes require a two-thirds majority of the members present in accordance with the recognised voting procedure. The dissolution of the association requires a two-thirds majority of the members present in accordance with the recognised voting procedure.

(7) Elections are to be conducted by secret-ballot when requested by a member.

(8) It is required that written minutes be taken at every Membership Assembly. This document must then be countersigned by the minute-taker and the Association's chairperson. The minutes must contain the results of votes taken and the resolutions passed.

(9) Motions for inclusion in the membership assembly agenda which require discussion or negotiations or in which resolutions must be ratified must be delivered to the executive committee no later than two months before the membership assembly.

(10) The executive committee can call for an extraordinary membership assembly at any time. The executive committee is also obliged to call an extraordinary membership assembly within two months when requested in writing by 1/5 of the weighted voting members corresponding to §8 Sec. 5. Otherwise the same rules apply as for ordinary membership assemblies.

§ 9 Executive Committee

(1) Composition of the executive committee:

The executive committee is comprised of a maximum 12 members. Members of the executive committee can only be recognised members of the association. The seven member areas according to § 4 Sec. 1 are represented on the committee as follows:

Area A: Traders of building products, building materials and equipment and their associations.	2 Members
Area B: Producers and importers of building products, building materials and equipment and their Associations.	2 Members
Area C: Environmental organisations.	2 Members
Area D: Consumers and health organisations, advisory and public institutions.	2 Members
Area E: Planners, advisors and executors of building services	1 Member
Area F: Test institutes recognised by the association	2 Members
Area G: Trades Unions and employees organisations	1 Member

If a member category is not represented on the executive committee, then the total number of executive committee members will be reduced by the corresponding amount.

(2) Election of the executive committee:

Both the executive committee and the association members have the right to nominate representatives of the membership assembly for positions on the executive committee. The executive committee members are elected at the membership assembly by a simple majority of the weighted votes corresponding to §8 Sec. 5.

(3) Period of Office:

Each member of the executive committee is elected for a period of two years. Re-elections are permitted. The founding executive committee is elected for a period of one year.

(4) Executive Committee Chairperson / Deputy:

An executive committee chairperson and their deputy are chosen by and from the members of the executive committee.

The chairperson and deputy are both individually empowered to represent the Association in all circumstances, in or out of a court of law. A board of management may be assigned to deal with the day to day running of the business. Legal transactions and business relating to real estate/property that exceed a value of €50K require the endorsement of the executive committee chairperson in order to be legally

binding. If the chairperson is unavailable, the deputy may endorse such decisions and in exceptional cases another member of the executive committee. The chairperson is defined according to § 26 BGB (German Law) as the chairperson and their deputy.

(5) Convening Meetings and Passing Resolutions:

Executive committee meetings may be convened by the chairperson or their deputy. An invitation, including an agenda, is normally sent in writing to the executive committee members by the board of management two weeks prior to the date of the planned meeting. The preferred method is in electronic form i.e. via fax or E-mail. The dates of the executive committee meetings must be advertised a minimum of four weeks in advance. Resolutions may be passed by the executive committee with a simple majority of votes cast. Members of the executive committee may cast votes on behalf of other committee members. This simply requires an informal written application. The executive committee constitutes a quorum when a minimum of 50% of the members eligible to vote are present or if 50% of the eligible votes are represented by proxy representation. If the result of the vote is a tie, the chairman's vote decides the outcome. If the chairman is unavailable, the deputy's vote is decisive. Executive committee resolutions may be circulated in writing.

(6) Duties:

The executive committee is obliged to enact the decisions of the Association and those of the membership assembly. They are tasked with the fulfilment of the following duties:-

- Deciding upon the use of the financial resources according to the decisions of the membership assembly.
- The announcement and preparation of the membership assembly.
- Acceptance of new members.
- The recognition of new test institutes on the recommendation of the responsible commission §10 Sec. 1.
- Arbitration in the case of disputes concerning the certification procedure, in the case that an arbitration board doesn't exist.
- Assignment of new members to specialist areas, in the case that a court of arbitration doesn't exist.
- Appointment of the Board of Management and overseeing their work. Dismissal of the Board of Management.
- Appointments to commissions and committees.
- Creation of a platform to enable interested parties to voice ideas, critique and raise questions.
- Composition of the necessary controls and functional specifications.
- Exclusion of members from the Association.
- Cancellation of members from the membership list.

In order to ensure the fulfilment of its duties and to regulate responsibilities the executive committee is bound by a business ordinance.

§ 10 Commissions, Committees and Branch Offices

(1) In accordance with its constitutional aims, the Association is structured into specialist commissions and committees. The following commissions and committees are constitutional organs of the Association and are appointed by the executive committee. The executive committee also has the power to appoint other specialist commissions and committees. The duties and competence areas of these commissions and committees are determined by the executive committee in the form of individual functional specifications.

1. Eco-label Licensing Office

The Association awards licences for the use of the natureplus eco-label. The awardance of a license requires that a positive test report from a recognised testing institution has been received and verified by the verification committee. The executive committee is responsible for the awardance of licences. For organisational reasons the executive committee may make use of its branch offices or its own Eco-label Licensing Office in order to award licenses. The Eco-label Licensing Office examines the formal and content-related correctness of the test reports and may call upon internal and external advisors in reaching their decision. The Eco-label Licensing Office is composed of experts who were either not involved or only minimally involved in the tests to be considered. The Eco-label Licensing Office is bound to secrecy concerning the test results, product recipes or compositions and other trade secrets which come into its possession during the course of its activities. All decisions must be documented and immediately reported to the executive committee. The executive committee has the power to refer decisions back to the Eco-label Licensing Office for further deliberations. In the case of disputes the arbitration body is responsible. Legal action is prohibited.

2. Criteria Commission

This commission is responsible for the initial development, harmonisation and further development of the license issuance criteria. The criteria commission is coordinated and supported by the management board. This expert committee is composed of expert representatives from the specialist areas of the Association. Its members are chosen by the executive committee for a period of three years. The criteria commission independently decides upon the quality criteria for the natureplus label. Interested members of the public and especially the Association's members are able to participate in these decisions through public hearings and by other means. The management board must inform the executive committee within two weeks about the decisions of the criteria commission. The executive committee has four weeks in which to exercise its veto rights in which case the decision will be referred back to the commission for further deliberations. Persistent differences concerning the quality criteria will be decided upon by the arbitration body.

3. Approvals Commission.

Testing institutions and expert representatives responsible for the certification or the verification of certification of the natureplus label must be approved by the Association. The Approvals Commission is responsible for defining and reviewing the approval and tariff regulations, overseeing the approval of institutes and specialist experts and developing decision criteria for the executive committee. This commission is composed of representatives of the

recognised testing institutions and expert representatives of the other specialist areas of the Association.

4. Verification Commission

The Verification Commission is responsible for verifying the form and content of the test reports. It is composed of representatives from a range of recognised testing institutions. The testing institute which has produced a report is excluded from its approval and verification process. These duties will be assumed by the Eco-label Licensing Office, once it is established.

(2) The Association can, as required, establish information-, contact-, coordination- and business offices in participating countries, if they are deemed necessary to pursue and achieve the goals of the Association, in accordance with § 2.

(3) The Association appoints an arbitration body (court of arbitration in terms of the law). This is responsible in the following cases

- Disputes concerning membership of the Association.
- Disputes concerning the issuance or use of the eco-label or by its withdrawal.
- Disputes concerning the determination of quality criteria.
- Disputes concerning the approval and recognition of testing institutes.

Applicants for or users of the eco-label and members or those applying for membership may call upon the arbitration body. Its decision is binding. Legal recourse is prohibited. The arbitration body is composed of three persons – an independent chairperson and one person from each of the involved parties. It is convened on a case by case basis by the membership assembly. The chairperson is appointed by the membership assembly and must possess the competence to act in the position of a judge. The other participants may be Association members but not however members of the executive committee.

§ 11 Board of Management

(1) The management and leadership of the business of the Association and the operational functions are assigned by the executive committee to a board of management. These duties may also be undertaken by contracted service provision companies. These duties should, as far as is possible, be assigned to individual persons. It is the responsibility of the chairperson to oversee the activities of the management board in the period between meetings of the executive committee in accordance with § 9 (4). The rights and duties of the individual functions are laid down in functional specifications produced by the executive committee.

(2) The Board of Management is liable for the constitutionally compliant and lawful fulfilment of its duties. These include in particular the

- Administration of the financial resources according to the business plan.
- The announcement and preparation of the executive committee meetings and the membership assembly.
- The management of the Association's branches and offices, employees and contractors.

- Guiding and overseeing the information-, contact-, coordination- and business offices in the participating countries.
- Planning, bookkeeping and invoicing, reporting and preparation of the annual accounts.
- The acquisition and organisational processing of testing-orders, projects and services in accordance with § 3 (3). Issuing licenses.
- Organising the issuance of the eco-label
- Organisation and coordination of the criteria commission
- Public relations activities and advertising of the eco-label natureplus® and the services of the Association.

§ 12 Annual Financial Statement and Audit

(1) The Association produces an annual financial statement according to the regulations of the applicable tax laws.

The membership assembly assigns the auditors to inspect the annual accounts. Two auditors are chosen who must not be members of the executive committee.

§ 13 Finances und Liability

(1) Financing: The Association finances its activities through:

- Annual membership subscriptions and subscriptions from sponsoring members.
- Annual charges related to the use of the eco-label natureplus.
- Research grants and sponsorships from public and private institutions
- The provision of services within the framework of the Association's aims.
- Contributions, donations and other income sources.
- The capital of the Association.

The levels of charges for the use of the eco-label are set down in a scale of charges issued by the executive committee.

(2) Compensation for Expenses:

Members of the executive committee, the commissions and committees and members of the Association may receive compensation for expenses incurred during the execution of their duties for the Association as long as these can be substantiated by receipts and remain within reasonable limits. Lump-sum compensation i.e. for telephone calls etc may be granted by decision of the executive committee.

Compensation for expenses must be recorded separately in the annual statement of accounts. Members of the commissions and committees may also receive additional compensation for their work if so decided by the executive committee.

(3) Full-Time Employees:

Full-time of contracted employees of the Association and its offices receive salaries or fees according to the regulations for tax and social deductions.

The levels of these emoluments are decided by the executive committee according to the duties involved and qualifications required.

(4) Business Plan:

The executive committee meets at the beginning of the financial year to decide upon a draft business plan prepared by the board of management. This plan contains details of fundamental strategic decisions and the expected levels of income and expenses within the operational framework. The level of annual spending is always based upon the level of expected income. This business plan is provided to the members of the membership assembly for informational purposes.

(5) Liability:

Except in cases of gross dereliction of duty or through deliberate intention, the individual legal liability of the organs and committee members is prohibited. Only the Association's capital may be used as compensation in cases of liability.

§ 14 Dissolution and Liquidation of the Association

(1) If the membership assembly has resolved to dissolve the Association or if this is necessary due to other urgent reasons, the liquidation will be effected officially by the executive committee, except in the case that this duty has been assigned by the membership assembly to another person or body. The membership assembly will, by taking into account the aims of the Association, decide upon the use of any surplus from the Association's capital as well as the use of the eco-label (Brands). The Association's resources, financial or otherwise, may only be allocated to non-commercial organisations who work in the public interest in accordance with § 4 Sec. 4. In the case of liquidation, the use of the Association's financial resources must be agreed with the responsible tax authorities.

§ 15 Final Clause and Ratification

(1) This constitution was ratified following the founding assembly and the incorporation of the Association into the official Register of Associations.

(2) Changes or extensions to the Constitution, required by the Court of Registration or to ensure the maintenance of tax advantages, may be undertaken by the executive committee without the need for a resolution by the membership assembly, as long as they are not contrary to the law and supported by a three-quarters majority.

(3) The preceding statutes may be extended or stated more precisely through regulations, so long as these do not contradict the statutes.

(4) The preceding wording of the Constitution was ratified at the founding assembly on 20.04.2001 in Frankfurt/Main, Germany. Paragraphs 1,2 and 4 were changed at the membership assembly on 14.12.2001 in Stutensee, Germany. The Constitution, particularly §§ 4, 9, 10 und 11, were changed at the membership assembly on 02.05.2007 in Freiburg, Germany.