



Articles of Association of Steel Institute VDEh

as amended up to 8 November 2012



Steel Institute
VDEh

**Articles of Association of
Stahlinstitut VDEh**
(as amended in the General Meeting on November 08, 2012)

**(I)
Name, Registered Office and Purposes**

**Article 1
Name and Registered Office**

The name of this association is

Stahlinstitut VDEh
(Steel Institute VDEh).

The Association emerged from Technischer Verein für Eisenhüttenwesen, which had been founded on December 14, 1860, and had used the name "Verein Deutscher Eisenhüttenleute" since January 1, 1881.

The Steel Institute VDEh has the rights and privileges of a legal entity¹. Its registered office is in Düsseldorf, Germany.

**Article 2
Purposes**

(1) The Steel Institute VDEh's purposes include the advancement and promotion of technical, economic and scientific work in the field of iron, steel and related materials.

These statutory purposes are implemented in particular through the following activities:

- (a) joint technical, economic and scientific projects, publication of the results of technological and scientific research conducted by its members and committees in the specialized press and other publications in the field of iron and steel; a technical library accessible by the general public; support and promotion of state-recognized educational institutions and research establishments;
- (b) coordination and execution of internal techno-logical, technical/commercial and scientific research work in the field of iron, steel and related materials, as well as, where appropriate, protection of research results by obtaining industrial property rights;
- (c) promotion of young academics in the field of iron an steel and advanced industrial training;
- (d) preparation of expert reports/ opinions in the aforesaid fields, also on behalf of public authorities and government agencies.

(2) The Steel Institute VDEh pursues exclusively and directly nonprofit purposes as defined in the "tax-favored purposes" section of the German Fiscal Code. The Steel Institute VDEh works on a public-benefit basis and does not pursue any commercial purposes on its own behalf.

¹ The rights and privileges of a legal entity were conferred upon the Association by the decree passed by the King of Prussia on April 29, 1897.

Steel Institute VDEh funds may only be applied to statutory purposes as herein defined. Members are not granted any allowances from Steel Institute VDEh funds. When withdrawing from the Association or upon its dissolution or termination, members may not claim any refund of dues paid or contributions made, nor are they entitled to any interest in the Steel Institute VDEh's net assets.

No person may be favored through administrative expenditures incurred for any uses other than Steel Institute VDEh's purposes, or by receiving a disproportionately high compensation.

- (3) The functions of the Steel Institute VDEh include the representation of its own interests vis-à-vis governmental bodies, on whose behalf it may also render independent advisory or consulting services.
- (4) The Steel Institute VDEh refrains from engaging in any political activity of whatsoever nature.

(II) Membership and Dues

Article 3 Membership

Members of the Steel Institute VDEh may be any natural persons from the engineering, science, industry, commerce and trade communities, as well as enterprises, associations and equivalent establishments as sponsoring members if engaging in the field of iron, steel and related materials.

Applications for membership shall be addressed to the Association's Secretary. The Board of Management will decide the acceptance or denial of membership for sponsoring members. The Admission Committee appointed by the Board of Management will decide for all other members. Such decisions being made without stating the underlying reasons.

- (1) Anyone can become a regular member
 - (a) who has officially graduated from a university, polytechnic or international equivalent in a technological, scientific or economic subject;
 - (b) who has passed a state-recognized engineer's examination;
 - (c) who establishes that, without meeting the requirements of (a) and (b) hereof, he or she has worked as a graduated engineer for at least five years;
 - (d) who proves, without meeting the requirements of (a) to (c) hereof, outstanding achievements in creative engineering or technology;
 - (e) who holds a managerial or executive position in industry or trade, or maintains technology or engineering oriented relations as scientist or author. The Board of Management may specify additional conditions in this context.
- (2) Anyone can become a so-called studying member who is enrolled at a university, polytechnic or international equivalent for studies in any of the subjects mentioned in 1(a) hereof.

After successful graduation, a studying member will automatically become a regular member.

- (3) Any enterprise, association or equivalent establishment can become a sponsoring member if engaging in the field of iron, steel and/or related materials.
- (4) Enterprises that do not produce steel or other institutions can become sponsoring members with limited rights. They are allowed to collaborate in committees. These members do not have a seat on the Board of Management.
- (5) Honorary members of the Steel Institute VDEh may be nominated by the General Meeting.

Article 4 Rights and Obligations of Members

- (1) All regular members have equal rights. They are entitled to vote at Members Meetings. They are eligible for any office within the Association. Studying members do neither have the right to vote, nor the right of election, nor are they eligible for election.
- (2) Steel Institute VDEh members are entitled to information from the Association about all matters of its technical-scientific work. While any such information will be provided to the best of Steel Institute VDEh's knowledge and belief, no liability is assumed therefor.
- (3) Its members are obligated to use their very best efforts to assist the Steel Institute VDEh in the performance of its functions. They are bound by these Articles.
- (4) Honorary members and bearers of the Carl Lueg Commemorative Medal² enjoy the same rights and privileges as regular members.
- (5) Sponsoring members in terms of § 3 No. 3 enjoy the privilege of nomination for eligible members of the Board of Management. Only persons may be nominated who have been assigned managerial responsibility in technical/engineering fields. Every sponsoring member has the right to nominate one member of the Board of Management provided that such sponsoring member's dues have reached the minimum level specified by the Board of Management. Sponsoring members whose membership dues are below such level may jointly nominate one member of the Board of Management if their combined membership dues are above said minimum amount.

Article 5 Membership Dues

- (1) The amount of membership dues payable by regular and studying members is fixed by the Board of Management.

² This distinction is based on the provisions for the donation and award of the Carl Lueg Commemorative Medal dated December 6, 1903.

Reduced membership dues will be determined for studying members and jobless or retired regular members.

The dues shall be paid net and free of charge by March 31 of a year for the current year to the Secretariat.

- (2) Honorary members and bearers of the Carl Lueg Commemorative Medal are exempted from membership dues.
- (3) Sponsoring members pay the amounts calculated according to a fee code to be fixed by the Board of Management.

Upon suspension of production, the dues payable during such idle period will be based on the average dues for the preceding six-month productive period.

Sponsoring members to whom the fee code determined by the Board of Management cannot be applied will pay commensurate, reasonable dues as fixed by the Board of Management.

Article 6 Termination of Membership

The membership in the Steel Institute VDEh expires and terminates

- (1) by written notice to the Secretariat;
such notice of termination will take effect as of year-end
 - for regular and studying members if received on or before Nov. 15;
 - for sponsoring members if received on or before Dec. 31 of the previous year;
- (2) upon discontinuance of studies;
- (3) by exclusion.

The Board of Management may exclude a member from the Association provided that the member concerned behaves contrary to the Steel Institute VDEh's interests, or fails to pay the membership dues despite repeated reminders, or misuses the membership for personal purposes or party political ends.

(III) Structure and Administration

Article 7 Bodies of the Association

Organs and bodies of the Steel Institute VDEh are

- (1) the Members' Meeting;
- (2) the Board of Management;
- (3) the Executive Committee;
- (4) the President and his/her two Vice-Presidents;

- (5) the Executive Director;
- (6) the branch associations;
- (7) the committees.

Except for the person acting as Executive Director, the organs'/bodies' members serve in an honorary capacity.

Article 8 Members' Meeting

- (1) As a rule, a General Meeting takes place every fiscal year, at the latest every second year.
- (2) Extraordinary Members' Meetings will be convoked by the President as required, or at the Board of Management's request, or by not less than one-third of all regular members.
- (3) Members convened for a Members' Meeting shall be invited not less than two weeks prior to the scheduled meeting, duly enclosing the agenda with the written invitation. Proposed agenda items shall be submitted to the Board of Management two months prior to the Members' Meeting. Urgent proposals put forth during the meeting shall require the approval by two-thirds of the members then present and may not refer to any amendments to these Articles.
- (4) The agenda of an ordinary Members' Meeting shall include, without being limited to,
 - (a) election of Board members [Art. 9(1)(a)];
 - (b) approval of annual accounts and official approval of the acts and omissions of both the Board of Management and the Executive Director;
 - (c) appointment of two auditors from among the members who do not hold any other office within the Steel Institute VDEh;
 - (d) annual report, unless published in the "Stahl und Eisen" magazine;
 - (e) papers and lectures;
 - (f) amendments to these Articles [Art. 18].

Article 9 Board of Management

- (1) Within its extended meaning, the Board of Management will consist of not more than 50 members, viz.
 - (a) nominees elected by the Members' Meeting as proposed by the sponsoring members; they are elected for two years, their re-election being permitted; Co-optations and by-elections apply for the remainder of the period of office. The Board of Management remains in office until the new election or re-election.
 - (b) the chairpersons of branch associations for the term of their office;
 - (c) the members who had already been President for a full term of office;
 - (d) the Executive Director.

Representatives of the members with limited rights as defined in § 3 (4) can not be elected as members of the Board of Management.

The chairpersons of the committees may during their term of office be asked to attend meetings of the Board of Management as guests; they are not entitled to vote.

- (2) The members of the Board perform their honorary position during the duration of their, in the honorary office arranged, professional function. They loose this by leaving this professional function at a sponsoring member.
- (3) The Board of Management will prepare the General and Members' Meeting, deliberate or decide on business reserved to its approval under these Articles or submitted by the General/Members' Meeting or the President, implement the decisions made by the General/Members' Meeting, monitor the conduct of the Steel Institute VDEh's and its organs'/bodies' day-to-day business, and draft proposals for all basic affairs to be transacted at the Members' Meeting. The Board of Management will oversee the work of the committees and other working boards and determine the committees' rules of procedure.

The Board of Management's duties include, in particular, comments and statements on the Steel Institute VDEh's organization and administration, as well as on the accounts, annual budget decisions and the determination of membership dues payable by regular and studying members. In addition, the Board of Management will specify the formula for calculating the dues of sponsoring members.

- (4) The Board of Management shall
 - (a) elect from among its members the President as well as two vice-presidents for a term of four full calendar years; the Executive Director, too, is eligible for presidency;
 - (b) elect from among its members the Executive Committee members for a term of two full calendar years;
 - (c) appoint the members of the admission committee for a term of two full calendar years;
 - (d) nominate the honorary members of the Board of Management.

Re-election will be permitted for (a) through (c).

- (5) Important issues requiring a decision by the Members' Meeting can be decided by the Board of Management provided that such decision cannot be postponed up to the invitation for the next Members' Meeting. Any such decisions shall be submitted to the next Members' Meeting for approval.

Article 10 Executive Committee

The Executive Committee consists of the President, the Vice-Presidents, any additional members elected by the Board of Management, as well as the Executive Director.

Except for the chairman and the Executive Director, only such persons are eligible for the Executive Committee as are members of a sponsoring member's statutory representative body and directly responsible for such member's technical or engineering division.

The Executive Committee is responsible for particularly urgent matters which it will settle on behalf of the Board of Management.

Article 11 President and Vice-Presidents

- (1) The President chairs the Board of Management and convokes the General/Members' meetings, as well as of the Management Board and Executive Committee, presiding over such meetings.
- (2) In case of being prevented the President will be represented by the two Vice-Presidents.
- (3) After first obtaining the Board of Management's approval, the President will appoint the Executive Director and if applicable the latter's deputies (executive managers). If the Board of Management has elected a chairperson who concurrently holds the office of Executive Director, this chairperson will appoint the executive managers, subject to the prior approval of the Board of Management.

Article 12 Executive Director and Deputies

The Executive Director reports and is accountable to the Board of Management and the Members' Meeting.

The Executive Director heads Steel Institute VDEh's principal office. If prevented, his/her deputies (executive managers) will be responsible for such duties and rights. Each of the Executive Managers will act within their assigned scope of responsibilities and of the pertinent power and authority.

Further duties and rights of the Executive Director and Executive Managers are governed by the rules of procedure adopted by the President, and by the underlying employment contracts.

Article 13 Resolutions of the Steel Institute VDEh's Organs

- (1) Quorum
 - (a) The Members' Meeting will constitute a quorum if and when not less than 100 members are present; if not, a second Members' Meeting shall be convoked within three weeks with the same agenda. Such adjourned Members' Meeting will constitute a quorum notwithstanding the number of members present thereat.

(b) The Board of Management and the Executive Committee will constitute a quorum if and when at least one-half of their respective members are present.

(2) Voting

Steel Institute VDEh organs/bodies vote with the simple majority of members present unless specifically otherwise stated in these Articles.

Each member has one vote. Any tie shall be deemed a negative vote.

Voting rights for the Members' Meeting are not assignable, while at meetings of the Board of Management voting by written proxy is permitted.

The Board of Management may also vote in writing, however, which will require a majority of two-thirds of its members for resolutions to take effect.

(3) Minutes

The results of resolutions and elections shall be duly recorded in minutes; if such minutes refer to the Members' Meeting, they shall be signed by the President and the Executive Director, in all other cases, by the Executive Director alone.

Article 14 Branch Associations

The Board of Management may establish from among the Steel Institute VDEh's members certain branch associations to promote the tasks and functions of the Steel Institute VDEh to a more detailed extent, in accordance with local or technical requirements. The organization of such branch associations will be governed by byelaws in which the Board of Management will set forth basic rules and provisions for defining regional applicability and basic functions, the admission of members, the election of a chairperson and a board of management, as well as the funding of administrative costs and expenses.

Steel Institute VDEh's Executive Director will be a member of any branch association's board of management.

Article 15 Committees and other working boards

For certain tasks, the Board of Management will set up committees and other working boards. These boards will be supported by the Steel Institute VDEh's sponsoring members.

The Executive Director will be member of all such committees.
The committees may appoint honorary members.

Article 16
Representation of the Association

- (1) Board of Management under law (pursuant to the provisions of Art. 26 German Civil Code - "BGB"):
 - (a) The Steel Institute VDEh is represented in and out of court by its President (or a Vice-President) and the Executive Director. Either Vice-President will act as alternate for the Executive Director if the latter is prevented.
If the offices of the President and the Executive Director are held by one and the same person, the latter represents the Steel Institute VDEh alone, whether judicially or extrajudicially, but if and when prevented, the two Vice-Presidents act in his/her lieu and stead.
 - (b) The force and effect of a legal transaction will not depend on whether the Executive Director was effectively prevented.
- (2) Special representative under the terms of Art. 30 BGB:
The Executive Director is deemed a special representative as defined in Art. 30 BGB and represents the Steel Institute VDEh in the scope of Art. 12 hereof. If the Executive Director is concurrently the Steel Institute VDEh's President, he/she represents the Steel Institute VDEH not only in administrative day-to-day business but also in any other transactions.

(IV)
Accounting and Assets of the
Association

Article 17
Management of the Association's Assets

- (1) The Association's assets are managed by the Executive Director on behalf of the Board of Management.
Within the scope of these Articles, the Executive Director is accountable and responsible to the Steel Institute VDEh for managing such assets.
- (2) For each fiscal year, a balance sheet and an income statements (annual financial statements) shall be prepared and audited by a sworn public accountant, and submitted for reporting purposes.

The annual financial statements as certified by the statutory auditor shall be examined by two Steel Institute VDEh members (internal auditors) elected by the Members' Meeting and, after review, submitted to the Members' Meeting for the purpose of officially approving the acts and omissions of the Board of Management and the Executive Director.

- (3) The Steel Institute VDEh may accumulate reserves to the extent permitted under the "tax-favored purposes" section of the German Fiscal Code.
- (4) The fiscal year equals the calendar year.

(V)

Amendments to these Articles and Dissolution of the Association

Article 18

Amendments to the Articles

- (1) At a Members' Meeting, amendments to these Articles of Association may be decided by a three-quarter majority (special vote) of the members present and entitled to vote, however, always provided that the proposed amendment was communicated in the agenda accompanying the invitation to the Members' Meeting. Amendments to these Articles will not take effect unless and until officially approved by the government authority concerned.
- (2) Any amendments to Articles 2, 17 or 18 will only be permissible to the extent approved by the local tax office and the government authority concerned.

Article 19

Dissolution

- (1) The Steel Institute VDEh may only be dissolved when achievement of its purposes no longer appears possible. The dissolution shall require a three-quarter majority (special vote) of the members present and entitled to vote at a Members' Meeting specifically convened for the Association's dissolution.
- (2) Upon dissolution, termination or discontinued tax privileged tracks of the Steel Institute VDEh, its net assets will only be assigned and transferred to a body corporate organized under public law or to a different tax-privileged organization for the purpose of use for the support of advancement and promotion of science and research in the field of iron, steel und related materials.

Article 20

Transitional Provisions

These Articles of Association supersede any previously adopted articles. The Members' Meeting authorizes the Board of Management to decide in favor of any such amendments hereto as may be required by public authorities of competent jurisdiction.

Steel Institute VDEh

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