



Bundesverband  
Beteiligungskapital e.V.

# ARTICLES OF ASSOCIATION OF THE BVK

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## A | NAME, SITZ, VERTRETUNG UND ZWECK DES VEREINS

### Article 1

#### NAME UND SITZ

- (1) Der Verein führt den Namen Bundesverband Beteiligungskapital – German Private Equity and Venture Capital Association e.V. (BVK).
- (2) Der Sitz des Vereins ist Berlin. Der Verein ist im Vereinsregister des Amtsgerichts Charlottenburg unter der Registernummer 9378 Nz eingetragen.

### Article 2

#### ZWECK DES VEREINS

- (1) The task of the BVK is to promote an understanding of the work of its full members as partners of independent companies and providers of venture capital. The Association will in particular promote a public appreciation of the need for an adequate equity basis for the companies, and support the insight that collaborative equity financing by its members is an appropriate way of covering the capital needs of independent businesses in the market economy.
- (2) The BVK supports its members when presenting their tasks to the business community, the public, consultancy professions, science and the media. It represents the common interests of its members vis-à-vis legislation, governments and public bodies.
- (3) The BVK also has the purpose of promoting information exchange and cooperation between its members and supporting education and training within its members.
- (4) The Association's objectives are served in particular by
  - a) Outreach work for the ongoing support of the opinion-shaping process;
  - b) Sector-specific marketing in regard to the forms of equity investment offered by the Association members;
  - c) The creation, publication and spreading of sector-specific outcomes, reports, investigations and statistics relating to venture capital and other commercially relevant issues;
  - d) Creating programmatic opinions and substantive positions vis-à-vis all relevant institutions;
  - e) Organising events such as congresses, seminars, symposia and other education and training events;
  - f) Supporting scientific work and institutions conducting research in the field of venture capital;
  - g) Initiating and maintaining partnership contacts with other associations, both domestic and international.

- (5) The BVK seeks cooperation with institutions at national as well as international level which can promote the Association's aims and objectives.
- (6) The Association's purpose is not directed at profit-making. Any surpluses may only be used for tasks according to the articles of association.
- (7) The duration of the Association is not limited to any particular period of time.

## B | MEMBERSHIP

### Article 3

#### MEMBERSHIP REQUIREMENTS

- (1) The Association consists exclusively of full and associated members.
- (2) Any organisation or company that can be an association member under common law and whose range of services comprises share capital (private equity: venture capital, buyouts, mezzanine, fund-of-funds, secondaries) can become a full member. Investors in private equity (in particular banks, insurance companies, pension funds, family offices, high-net-worth individuals) that wish to promote the Association's objectives can also become a full member. Individual funds and management companies can also be full members provided they manage funds whose range of services consists of share capital/private equity.
- (3) An associated member can be any natural person, legal entity or group of persons that promotes the Association's objectives and is not one of the organisations or companies according to section (2).

### Article 4

#### ADMISSION PROCEDURE

- (1) Admission as a full member requires a written application with all necessary information relating to the applicant's business policy objectives, their financial resources, management positions and activities to date.
- (2) Admission as an associated member is usually handled according to Article 4 (1).
- (3) The Board can require the submission of at least two letters of reference from Association members.
- (4) Applications for admission to the Association are decided unanimously by the Board (Article 12(1)). When taking its decision the Board must ensure that the character of the Association as representing providers of venture capital is upheld (a discretionary decision).
- (5) If the Board cannot reach a unanimous decision then the general assembly of members shall decide.

## Article 5

### TERMINATION OF MEMBERSHIP

- (1) Membership ends by resignation or exclusion.
- (2) Resignation must be given in writing to the Board (Article 12(1)). It must be given with notice of three months to the end of the calendar half-year.
- (3) A member can be excluded if
  - a) the member fails to meet their fee obligations to the Association six months after the due date and despite repeated written reminders,
  - b) the member has changed their business purpose to the extent that the requirements of Article 3 (2) or (3) of the articles of association are no longer met,
  - c) the member violates their duties under Article 7 (5) to (7) and fails to cease violation following a written demand to this effect by the Board,
  - d) insolvency proceedings are instituted against the member's assets, or are refused for a lack of assets,
  - e) there is good cause, e.g. a breach of BVK articles of association or code of conduct.
- (4) Exclusion must be applied for. An application may be made by a full member or the executive board member (Article 13). The application must be made in writing to the Board, stating reasons. Exclusion is by resolution of the Board (Article 12 (1) and in the event of exclusion for an objective reason (Article 9 (1)) by resolution of the general assembly of members with a majority of 2/3 of all full members represented.

## Article 6

### MEMBERSHIP FEES

Each full or associated member must pay membership fees; the amounts and due dates are set by the general assembly (Article 9) of full members by a simple majority vote on application by the Board (Article 12 (1)). A gradation of the fee amount based on factual criteria, a pro rata adjustment of the fee rate for members admitted in-year, and a differentiation between full and associated members is permitted. If a member is a management company (Article 3 (2) sentence 3) then its fee is calculated according to the consolidated process as defined by the fee schedule.

## Article 7

### MEMBERS' RIGHTS AND OBLIGATIONS

- (1) Every full member has the right to participate in elections and ballots according to the articles of association and statutes, and to take part in Association events.
- (2) The full members have a right to represent and promote their common concerns. They have a right to ongoing information about the activities of the BVK.

- (3) Each full member can submit to the Board (Article 12 (1)) written applications accompanied by a statement of grounds to be dealt with at the next general assembly of members.
- (4) Associated members have a right to participate in Association events and to obtain information documents of the Association.
- (5) Ordinary and associated members have a duty to support the BVK in fulfilling its tasks and to comply with their obligations under the articles of association. In particular they are obliged to provide the Association with the data required for statistics and analysis. The Association must ensure the protection of all submitted data, especially of submitted trade and company secrets.
- (6) Each member must guarantee its accessibility to the Association by giving its current postal address, phone number and email address and by nominating contact persons. Each member has a duty to advise the Association in writing of any changes in its contact data within one month of the change.
- (7) In their business practices the members shall be guided by the latest version of the Best Practice Rules as published by the Association; the members undertake to comply with the latest version of the BVK code of conduct as approved by the general assembly of members as part of these articles of association.

## C | BODIES AND ORGANISATION

### Article 8 BODIES OF THE ASSOCIATION

Bodies of the Association are:

- a) the general assembly of members,
- b) the Board in the sense of Section 26 of the German Civil Code.

The organisation of the Association also includes the specialist groups according to Article 10 and the optional working parties.

### Article 9 GENERAL ASSEMBLY OF MEMBERS

- (1) The supreme body of the Association is the general assembly of members as the gathering of all full members. It passes resolutions about the baselines of the Association's work. It has the following particular rights:
  - Electing the Board and dismissing Board members,
  - Deciding on the creation or dissolution of specialist groups (Article 8 of the articles of association),
  - Amending the Association's articles of association,

- Excluding members on material grounds,
  - Taking decisions on the code of conduct,
  - Taking decisions on the budget,
  - Determining members' fees,
  - Approving the annual accounts,
  - Discharging the Board,
  - Electing the statutory auditor,
  - Dissolving the Association.
- (2)** An ordinary general assembly of members takes place annually; it must be called within six months from the end of the business year by a Board spokesperson or – if the spokesperson(s) is/are impeded – by a representative.
- The Board shall decide on the assembly date and place. Periods for submitting applications and nominations must be made known early enough to allow the full members to submit applications and make nominations within the period stipulated.
- Invitations to full and associated members, stating the agenda and enclosing the annual report, must be made in writing, with a period of one month between the date of dispatch and the assembly date.
- (3)** An extraordinary general assembly of members must be convened without delay by a Board spokesperson following a resolution by the Board or on written demand by a quarter of the full members to the Board. If the spokesperson(s) is/are impeded, then the extraordinary general assembly of members must be convened by a representative. An extraordinary general assembly of members must also be convened when the number of Board Members has fallen below the minimum number. As regards the time when the date of the assembly is made known, and as regards the form and period of invitation, the rules of Section 2 apply with the proviso that the invitation period is only two weeks.
- (4)** The general assembly of members is chaired by a spokesperson of the Board. The resolutions of the assembly shall be minuted and the minutes signed by the assembly chair and/or another Board member and the executive board member.
- (5)** Every full member has one vote. Associated members are not entitled to vote except when voting for their representative on the Board.
- (6)** As well as being represented by their legal representatives, each full member can be represented by a natural person whom they authorise or by another full member. The power of attorney for another full member can be granted in such a way that it can be exercised by the representative respectively acting for the authorised member in the assembly. The power of attorney must be issued in writing (by letter, fax, pdf file). This power of attorney only applies for one general assembly of members. No member may pool more than six votes.
- (7)** The general assembly of members is quorate when all full members are properly invited and at least one third of the full members are represented. If a general assembly of members cannot achieve such a quorum, then the Board can convene a second general assembly of members with the same agenda for the same day, 15 minutes after the first general assembly of members or for a later time. This second general assembly of members is then quorate irrespective of the number of representing members. This must be pointed out in the letter of invitation.

- (8)** Unless otherwise specified in these articles of association, all resolutions in the general assembly of members require the votes of a simple majority of the properly represented full members. However, resolutions on an amendment of the articles of association and of the code of conduct require a majority of 3/4 of all represented full members.
- (9)** Each member has the option of casting a vote in writing.
- (10)** Resolutions of the general assembly of members can also be passed by circulation with the majorities specified by the articles of association. The executive board member must submit the proposal for a resolution to each member of the Association in writing (by letter, fax or pdf file). Voting on the proposal takes place within a period of time suggested by the Association management; this may not be less than 3 weeks from when the proposal is sent. Voting is by declaration to the executive board member. Votes must be cast in writing (by letter, fax or pdf file). Votes not cast, abstentions from voting and late votes count as non-valid. Resolutions passed in a circulation procedure must be recorded in minutes, stating the result of the vote; the minutes must be signed by a Board spokesperson.

## Article 10

### SPECIALIST GROUPS

- (1)** Every full member must choose a specialist group (Article 8). They have the right to attend the meetings of the other specialist groups.
- (2)** The general assembly of members decides on the number and nature of the specialist groups to be established on recommendation by the Board.
- (3)** Each specialist group should consist of at least three full members. Article 9 (6) applies analogously to the representation of members in the specialist groups. Associated members can participate in the work of the specialist groups as non-voting members.
- (4)** Each specialist group is represented on the Board of the Association by at least one delegate. The specialist groups can propose up to three delegates for the Board. The delegates are chosen at meetings of the specialist groups by a simple majority. The delegates have the task of representing the interests of the specialist group in the Board of the Association.
- (5)** The meetings of the respective specialist group are convened on demand of the executive board member or by one of the delegates and should take place at least once within a business year. The meeting is quorate irrespective of the number of represented members of the particular specialist group. This must be pointed out in the letter of invitation.
- (6)** The specialist groups pass their resolutions by a simple majority of votes of their properly represented members. A tie counts as rejection.

## Article 11

### PROCEDURES

- (1) The specialist groups must minute the results of their meetings and pass a copy to the Association's management.
- (2) The specialist groups may invite non-voting guests to their consultations.

## Article 12

### BOARD

- (1) The Board of the Association should comprise a minimum of six persons plus the executive board member. The members of the Board and the executive board member constitute the Board in the sense of Section 26 of the German Civil Code. A lesser number of Board members shall not bring about the Board's inability to act provided the legal power of representation is retained (Article 12 (7)). The Board, with the exception of the executive board member, is elected by the general assembly of members for the duration of one term of office. Its composition should reflect the members structure, i.e. among other things each specialist group that is formed (Article 10(4)) should be represented on the Board by at least one person; it should also have a representative of the associated members.
- (2) From among its members the Board elects up to two spokespersons who bear the title spokesperson of the Board. The two spokespersons may not belong to the same specialist group. If necessary, the Board elects up to two deputy spokespersons from among its members. Subject to the consent of the general assembly of members, spokespersons of the expired term of office shall belong to the Board for a further year as additional members (co-optation). If during the term of office a spokesperson should depart or step down from office then the Board shall elect a successor from among its members.
- (3) The term of office of a Board begins at the end of the general assembly of members in which there were new Board elections and ends at the end of the second ordinary general assembly of members. If no new elections are held then the existing Board remains provisionally in office pending new elections. Activity on the Board is limited per member company (group) and the persons representing it to two successive terms of office, with a maximum of four years. Re-election is possible after a break of one term of office.

Half of the Board members should already have belonged to the Board for one term of office.

If a spokesperson of an expired term of office has departed from the Board for the reasons given in Article 12 (2) last sentence, although Article 12 (3) sentence 3 was not utilised, then a member belonging to the Board at the time of departure can also be elected for a further term of office as a Board member to ensure continuity provided their person meets the requirements of Article 12 (3) sentence 3. Spokespersons and any deputies are elected according to Article 12 (1).

- (4) The Board shall adopt its own rules of procedure. The rules of procedure can determine responsibilities for the individual Board members, among other things.



**(5)** In particular, the Board is responsible for:

- a) Determining key activities of the Association,
- b) Preparing the annual report,
- c) Deciding on calling general assemblies of members,
- d) Appointing an advisory body
- e) Appointing commissions, working parties and special committees.

Work done in an advisory body, commission, working party or special committee is usually in an honorary capacity. However, the Board is authorised to grant members of an advisory body a remuneration based on their effort. The Board can give an advisory body rules of procedure for its internal procedures.

**(6)** The Board is obliged:

- a) to implement the resolutions of the general assembly of members,
- b) to appoint and discharge the executive board member according to Article 13 of the articles of association of the Association,
- c) to supervise the executive board member as regards ongoing association management,
- d) to respond to applications by the members.

**(7)** The Association is represented in an out of court by each spokesperson individually or by two Board members.

**(8)** The Board should come together for a meeting at least three times a year. It passes its resolutions with a simple majority, a tie counts as rejection. The executive board member shall essentially participate in the Board meetings without a vote, prepare the minutes of the meetings and sign them jointly with a spokesperson.

**(9)** The Board works in an essentially honorary capacity.

## Article 13

### EXECUTIVE BOARD MEMBER

The executive board member is elected by resolution of the Board members elected by the general assembly of members (co-optation). The Board members elected by the general assembly of members are authorised to determine the conditions and remuneration for the executive board member by resolution of the Board members elected by the general assembly of members.

The executive board member is responsible for the ongoing management of the Association in accordance with the resolutions of the general assembly of members and of the Board and as instructed by a Board spokesperson.

## D | BUDGET

### Article 14

#### BUDGET AND ANNUAL ACCOUNTS

- (1) The Association's ongoing expenses are covered by the members fees, the amount of which is decided by the general assembly of members. Surcharges for investments or one-off measures can be approved by resolution of the general assembly of members.
- (2) The annual accounts for the business year ended and the budget for the coming business year are prepared by the management. The annual accounts and the budget are approved by the general assembly of members.
- (3) For as long as the budget is not approved by the general assembly of members then the management may incur expenditure not exceeding 1/12 of the last approved budget per month.
- (4) The business year is the calendar year.

## E | MISCELLANEOUS

### Article 15

#### DISSOLUTION OF THE ASSOCIATION

The dissolution of the Association is decided by an assembly of full members convened for this purpose. A decision to dissolve requires a three-quarter majority. The general assembly of members shall appoint a liquidator and adopt a resolution as to which non-profit organisation shall receive the assets. The liquidator must execute the resolution by agreement with the tax office responsible. In the absence of such a resolution the assets shall go to the Stifterverband der deutschen Wirtschaft in Essen (Germany).