

# Charter

## I. General provisions

### § 1 Name, registered office, announcements

The Society was founded in 1847 as the “Deutsche Hagel-Versicherungs-Gesellschaft für Gärtnereien auf Gegenseitigkeit zu Berlin” under the motto “One for all – all for one” as a horticultural hail insurance society. Since 1997, the Society has operated under the name of:

“Gartenbau-Versicherung VVaG”

The Society is based in Wiesbaden. Announcements by the Society are published in the electronic Federal Gazette.

### § 2 Object of the Society

1. The Society insures its members on mutual terms against property damage and financial losses in the area of production, processing, sales and services of the horticultural sector, trading with horticultural produce as well as in other areas of agriculture both in Germany and abroad.
2. The Society can take up all forms of insurance and conduct reinsurance.
3. The Society can also effect insurances in return for fixed payment in such a way that the policyholders do not become members of the Society. This option is, however, limited to the effect that at no time more than a maximum of 10 percent of the policyholders are allowed to be non-members of the Society.
4. The Society can enter into cooperations with other companies, arrange insurances, services and products for other companies and participate in other companies.
5. The insurance lines are operated in each case as separate departments with their own provisions. By virtue of a resolution of the meeting of the members’ representatives, several insurance lines can also be combined into one clearing association. Reinsurance forms a separate department with its own provisions.

## II. Membership

### § 3 Start and end

Anyone who concludes an insurance contract with the Society or anyone who enters into an existing insurance contract becomes a member of the Society, insofar as this is not an insurance contract within the meaning of § 2 para. 3. The membership ends on expiry of the contractual relationship.

### § 4 Rights and obligations of the members

The rights and obligations of the members are derived from the statutory provisions, the charter, the General Insurance Conditions and any special agreements.

## III. Premiums and premium refund

### § 5 Premium system

1. The members are obliged to pay premiums in accordance with the premium system of the Society regulated as follows. The annual premium calculated in each case on the calendar year consists of
  - an advance premium dependent on the risk assumed,
  - a reasonable safety premium to be fixed annually.
2. All elements of the annual premium are determined separately and invoiced according to insurance lines.
3. Safety premiums are calculated according to percentages of the advance premium and can also be offered in a differentiated manner within the individual insurance lines according to regions and/or according to insured items.
4. The managing board determines the amount of the advance premium and the necessity and extent of the levying of safety premiums at its reasonably exercised discretion taking account of the foregoing provisions. The decision regarding safety premiums requires the agreement of the supervisory board.
5. Further details can be regulated in the General Insurance Conditions.

### § 6 Premium refund

1. The members receive premium refunds by means of dividends from the provisions set up for this. In this regard, the claims experience of the contract, the insured items and the region can be taken into account. Details can be regulated in the General Insurance Conditions.
2. The refunds to the members are effected in proportion to the premiums to be paid in the year of distribution by means of setting off.
3. Provisions for premium refunds may only be used for this purpose.
4. Former members are not entitled to premium refunds.
5. The premium refunds are at the discretion of the managing board. Decisions of the managing board require the agreement of the supervisory board.

## IV. Constitution of the Society

### § 7 Bodies

The bodies of the Society are:

1. The managing board
2. The supervisory board
3. The meeting of the members' representatives

The meeting of the members' representatives is the highest body of the Society. In the event of the dissolution of the Society in accordance with § 30, the general meeting shall take its place.

### The managing board

#### § 8 Composition

The managing board consists of at least two persons. The supervisory board appoints a chair of the managing board.

#### § 9 Representation of the Society

The Society is legally represented by two members of the managing board or by one member of the managing board together with an authorised signatory.

#### § 10 Powers of the managing board

1. The managing board conducts the business on its own entrepreneurial responsibility in accordance with the law, the charter and the rules of procedure established by the supervisory board.
2. The managing board requires the agreement of the supervisory board:
  - a) for the appointment of authorised signatories and authorised agents;
  - b) for the acquisition, disposal and encumbrance of real estate;
  - c) for withdrawals from and transfers to the reserves in accordance with § 27;
  - d) for the levying of safety premiums in accordance with § 5;
  - e) for transfers to and dividends from the provisions for the premium refund in accordance with § 26;
  - f) for insertions and amendments in the case of the General Insurance Conditions.

### The supervisory board

#### § 11 Composition

The supervisory board consists of nine persons, at least six of which must be members of the Society.

#### § 12 Election and term of office

1. The supervisory board is elected by the meeting of the members' representatives with a simple majority of the votes cast.
2. The term of office is three years. Reelection is permitted. The three members of the supervisory board with the longest term of office resign every year with the end of the ordinary meeting of the members' representatives. If the terms of office are the same, the lot drawn by the chair of the supervisory board is decisive.

3. Members who have resigned before the end of their period of office are replaced by means of a new election in the next meeting of the members' representatives. The election is held for the remainder of the term of office of the members who have resigned prematurely.

#### § 13 Chair

1. The supervisory board elects the chair and at least one substitute from among its number for the duration of three years.
2. The meetings of the supervisory board are convened and presided over by its chair.

#### § 14 Meetings of the supervisory board, adoption of a resolution

1. Meetings of the supervisory board are held as often as the chair of the supervisory board deems it to be necessary, at least, however, once a calendar half-year.
2. The supervisory board constitutes a quorum when at least four members including the chair or his or her substitute are present.
3. The resolutions are adopted with a simple majority of votes. In the event of an equal division of votes, the chair has the casting vote.
4. The adoption of a resolution can also be adopted in writing or via electronic media if no member of the supervisory board objects.
5. Minutes of the meetings and resolutions of the supervisory board are to be taken, which the chair or, if that person is tied up, his or her substitute shall sign.

#### § 15 Rules of procedure, duties

1. The supervisory board is governed by rules of procedure.
2. The duties of the supervisory board include:
  - a) The appointment of the members of the managing board and their engagement through service contracts,
  - b) Supervision of the management,
  - c) Audit of the annual financial statements, the business report and the proposal for the application of profits,
  - d) Report to the meeting of the members' representatives,
  - e) Appointment of the auditor,
  - f) Resolution proposals to amendments of the charter,
  - g) Adoption of a resolution to all items to which the managing board requires the agreement of the supervisory board.

### Meeting of the members' representatives

#### § 16 Composition

1. The meeting of the members' representatives consists of forty elected members of the Society. A substitute is elected for each members' representative. The members of the managing board and the supervisory board are to attend the meeting of the members' representatives.
2. The members' representatives serve in an honorary capacity.
3. Each member of the Society, who is of full age is eligible for election. Members of the supervisory board and members who are in employment at the Society are ineligible.
4. The members' representatives and substitutes are elected by the meeting of the members' representatives for the duration of four years. Reelection is permitted.

5. A quarter of the members' representatives and their substitutes resign in rotation every year with the end of the ordinary meeting of the members' representatives.

6. The following are entitled to make nominations

a) the members,

their nominations must have been submitted in writing to the supervisory board by 31 March and be signed by at least 1 percent of the members stating the membership number and address;

b) the supervisory board,

c) the members' representatives,

their nominations must be supported by at least five members' representatives.

They can also be tabled in the course of the meeting of the members' representatives.

Nominations by members and the supervisory board are announced together with the invitation to the meeting of the members' representatives.

7. In the case of nominations, it must be stated for whose succession they apply. All candidates have the right to attend the appropriate item on the agenda in the meeting of the members' representatives without the right to vote.

8. Whoever is able to collect the majority of all the votes cast is elected. In the event of an equal division of votes, a second ballot is conducted between the candidates with the highest number of votes. If this results in an equal division of votes, the lot drawn by the chair of the meeting is decisive. The period of office commences after the end of the meeting of the members' representatives in which the members' representative was elected.

9. The meeting of the members' representatives can revoke the election if there is an important reason, particularly when a member enters the service or joins the supervisory bodies of another insurance company or insolvency or composition proceedings are opened in respect of the assets of the member.

10. Members' representatives who resign before the end of their period of office are replaced by their substitutes. If these have also resigned, a new election for the remainder of the term of office is held at the next meeting of the members' representatives.

### **§ 17 Ordinary meeting of the members' representatives**

The ordinary meeting of the members' representatives is held within the first eight months after the end of the financial year.

### **§ 18 Extraordinary meeting of the members' representatives**

If the interests of the Society require it, an extraordinary meeting of the members' representatives can be held at the request of the supervisory board and at the request of at least five members' representatives. The motion is to be proposed in writing to the managing board stating the purpose and the reasons.

### **§ 19 Convening**

1. The meetings of the members' representatives are convened by the managing board in the electronic Federal Gazette at least one month before the day of the meeting. In addition, the members' representatives are invited in writing without the legal validity of the convening being dependent on this. If a members' representative is prevented from attending the meeting, he or she must immediately notify this to

the managing board of the Society and his or her elected substitute.

2. The supervisory board decides on the location of the meeting. They have to choose a location within the field of activity of the society, which is either located in geographical adjacency to the seat of the society or to the place of residence of one of the members representatives or to an event which is of particular interest to the horticultural sector.

### **§ 20 Agenda**

1. The agenda is announced when the meeting of the members' representatives is convened.

2. Members and members' representatives can put motions for adoption of a resolution by the meeting of the members' representatives in writing to the managing board stating the purpose and the reasons.

a) Motions by members must be signed by at least one percent of the members stating the membership number and address and must have been received by the managing board no later than one month before the meeting of the members' representatives. They are announced with the agenda. The proposers are entitled to appoint a speaker from among their number, who gives reasons in support of the motion at the meeting of the members' representatives.

b) Motions of the members' representatives must be supported by at least five members' representatives. They must be announced within ten days after the convening of the meeting of the members' representatives.

3. No resolutions may be adopted regarding items which have not been announced in the prescribed manner.

### **§ 21 Chair**

The chair of the supervisory board, alternatively his or her substitute, presides over the meeting of the members' representatives. If neither is present, the supervisory board elects the chair of the meeting from among its number.

### **§ 22 Adoption of a resolution**

1. Each properly convened meeting of the members' representatives constitutes a quorum regardless of the number of persons attending. The resolutions require a simple majority of the votes cast, unless a larger majority is stipulated by law or charter.

2. The meeting of the members' representatives can only decide management issues if the managing board requires this.

### **§ 23 Duties**

1. The meeting of the members' representatives has the following duties in particular:

a) Acceptance of the business report, the annual financial statements, the report of the supervisory board,

b) Adoption of a resolution regarding the application of the balance sheet profit,

c) Approve the actions of the managing board and the supervisory board,

d) Elections to the supervisory board,

e) Adoption of a resolution regarding the commencement and suspension of the operation of types of insurance and lines,

- f) Adoption of a resolution regarding amendments of the charter; a majority of three quarters of the votes cast is required for this,
- g) Adoption of a resolution regarding revocation of the election as a member of the supervisory board. A majority of three quarters of the votes cast is required for this,
- h) Adoption of a resolution regarding the transfer of the insurance portfolio of the Society in individual lines to another company and regarding the merger. The resolution requires a majority of three quarters of the votes cast.

#### § 24 Rights of the minority

A fifth of the members' representatives are entitled to the rights of the minority in accordance with the statutory provisions, unless it has been otherwise determined in the charter.

### V. Annual accounts

#### § 25 General provisions

1. The financial year is the calendar year.
2. The annual financial statements, accounting and pecuniary investment shall be in accordance with the statutory and regulatory authority provisions.

#### § 26 Loss reserve

1. To cover an extraordinary loss from the business operation, a reserve (loss reserve) is set up in accordance with the regulatory provisions at least to the value of the minimum guarantee fund (minimum amount).
2. As long as the loss reserve has not yet reached the minimum amount in accordance with subparagraph 1 or has not yet been reached again after withdrawal, the full annual surplus is to be allocated to it. After the minimum reserve has been reached, at least 1 percent of the premiums from the business concluded by the Society itself and the business taken over are to be allocated to the loss reserve from the surplus of the financial year. With the agreement of the supervisory board, the managing board can allocate further amounts from the surplus of the financial year to the loss reserve.
3. The loss reserve may be used to cover a loss in a financial year only up to a third of its respective portfolio and also only insofar as it does not fall short of the minimum amount of the loss reserve in accordance with subparagraph 1. In exceptional cases, this can be deviated from in individual financial years with the consent of the regulatory authority.

#### § 27 Equalisation provisions

To compensate for the fluctuating annual requirements, equalisation provisions are to be set up in accordance with the statutory and supervisory authority provisions.

#### § 28 Provision for premium refund and free reserves

1. Surpluses from the actuarial business, which have not been allocated to the loss reserve or the equalisation provision in accordance with §§ 26 and 27, can be allocated - separated according to insurance lines - to the provisions for premium refund.
2. Free reserves can be set up from surpluses remaining after that.
3. The managing board determines the level of the transfers in accordance with para. 1 and 2 with the agreement of the supervisory board at its reasonably exercised discretion.

### VI. Amendments of the charter and the General Insurance Conditions

#### § 29

1. All provisions of the charter, with the exception of §§ 3 and 4 (membership) and §§ 6 and 28 para. 1 (premium refund), can be amended with immediate effect for the existing insurance relationships.
2. The insertion and amendment of General Insurance Conditions can be effected by the managing board. The managing board requires the consent of the supervisory board for this. An existing insurance relationship is only affected by an amendment of the General Insurance Conditions if the member expressly agrees to the amendment.

### VII. Dissolution

#### § 30

1. The Society is dissolved if a meeting of all members convened expressly for this purpose resolves this with a majority of five sixths of the votes cast. The general meeting is convened by means of an announcement in the electronic Federal Gazette. Each member has one vote. The members shall prove their identity by way of presenting an insurance certificate.
2. The winding up is done by the managing board as liquidator, unless other persons are appointed by resolutions of the general meeting.
3. After dissolution of the Society, the assets are to be used first of all to satisfy existing insurance claims. If these are not sufficient for this, the claims are to be reduced proportionally. If a surplus remains after the other liabilities have been satisfied, this is distributed to the members in proportion of the premiums paid in the last year.