

Society of European Contract Law (SECOLA), e.V.

§ 1 Name, Domicile and financial year

- (1) The society bears the name „Gesellschaft für Europäisches Schuldvertragsrecht – Society of European Contract Law (SECOLA), e.V.“. The supplement „e.V.“ is not applicable until the society is registered.
- (2) The domicile of the society is Munich.
- (3) The financial year begins on 01.07. and ends on 30.06. of the calendar year.

§ 2 Objectives and functions

- (1) The society promotes the development and knowledge of European Contract Law including its economic, sociological and intellectual historic relation in theory and in practice. It also promotes education in European Contract Law. It covers all supranational sources of law, regulations and initiatives concerning problems and aspects of contracts, and in particular the relevant Community Law.
- (2) The society devotes itself primarily to international exchange of views, promotes openness towards all concerned groups of professions in theory and in practice, and is concerned with legal doctrine as well as to interdisciplinary, law reform and theory of law considerations applicable to European Contract Law. The society shall be a platform for discussion of developing and proposed law in Europe.
- (3) In order to pursue its goals, the society organises and supports:
 - a) Conferences to discuss and present European legislation and other supranational initiatives, and to examine its underlying concepts and roots;
 - b) Publications and translations of essays about themes described under a);
 - c) Research projects about themes described under a);
 - d) A periodical of international character about themes described under a), without competing with non tax exempt entities;
 - e) Other initiatives, including seminars to introduce and continue the studies about the themes described under a)
 - f) The grant of awards for outstanding academic achievements about themes described under a)

The society develops those initiatives within the scope of Article 1 and according to its powers.

- (4) In order to pursue its goals, the society co-operates with similar associations and research institutions at home and abroad and with associations acting in other academic disciplines. A membership in joint associations is possible.

§ 3 Non-profit

- (1) The society acts as a charity. It pursues exclusively and directly non-profit-making, scientific and educational objectives within the meaning of paragraph „tax relieved objects“ of the German tax code or equivalent provisions respecting relief for charitable organisations. The objects of the society are explained in Article 2. The society does not aim at profit.
- (2) The funds of the society can only be spent in accordance with its objects. This rule applies also to any proceeds from its activities, in particular from Seminars. The members of the Society will not receive any remuneration from its funds.
- (3) No person shall be granted reimbursement of expenses for costs incurred that fall outside the society's objects, nor shall they be granted disproportionately high levels of reimbursement. Any employees of the society will be paid according to comparable levels found in the civil service of Bavaria or of the preponderant place of employment.
- (4) The society will apply for recognition as a non-profit-making society within the meaning of § 52 tax code of Germany. Article 10 applies if other member states *of the EU* offer equivalent possibilities.
- (5) In the case of dissolution or annulment of the society or in case of the abandonment of its objects, the society's assets will be distributed to the Fritz-Thyssen-Stiftung (Köln) under the condition to promote the objectives mentioned in Article 2. Article 10 applies if the society is changed into a European association or into another similar European legal form.

§ 4 Membership

- (1) The society admits to membership natural and legal persons as well as partnerships concerned with the objects of the society professionally, and also students on reasoned recommendations of University professors.
- (2) The executive board decides on written offers of admission.
- (3) The membership ends in case of
 - a) death or liquidation in case of legal persons or partnerships;
 - b) leaving which can only be declared in writing and which has to be submitted to the executive board before the end of a calendar year in order to terminate the membership at the end of this calendar year.
 - c) formal exclusion according to (4) below, where the final decision is taken by the general meeting.
 - d) exclusion which can be decided by the executive board if without reason and after a second warning by the executive board or an authorised representative of the board the member has not paid membership fees for at least two years.

- (4) The executive board is entitled to exclude members who seriously harm the society's reputation or interests. The member concerned is entitled to demand in writing, within one month of the executive board's decision, an appeal against the exclusion before the next general meeting.

§ 5 Fees and contributions

- (1) The society charges membership fees which have to be paid in forms other than cash. The fees are due on 1st August each year, and in the case of joining at some other time, on the first day of the following month. The yearly fees are 10 Euros for students (30 Euros as sponsorship fee), 50 Euros for individuals (75 Euros as sponsorship fee) and 500 Euro for institutions, companies and partnerships, unless the general meeting lays down other fees. The fees are intended to be merely recommended normal membership fees. The general meeting can give fees fixed by it the character of a recommendation as well. Members who pay the sponsorship fee or the normal fee for institutions obtain a free copy of the yearly publication.
- (2) If a member's fees are two years in arrears his rights are suspended. The executive board is entitled to remit fees which are in arrears, if their collection is unjust or if the expenditure to collect the fees is disproportionate.
- (3) The fees and other proceeds will be spent according to the objects.

§ 6 Organization

The authorised bodies of the society are:

1. the general meeting
2. the executive board
3. the board of trustees

§ 7 General meeting

- (1) The general meeting will be held once a year, usually in connection with a conference at the place of the conference. At least 4 weeks in advance, the executive board will give notice of the general meeting in writing, enclosing the agenda. Each member is entitled to demand in writing additional items to be placed on the agenda up to two weeks before the meeting is held.
- (2) The executive board is entitled to convene an extraordinary general meeting. This meeting has to be convened if it is in the society's interest or if it is demanded in writing, indicating the purpose of the meeting, to the executive board by at least one fifth of the members.

Paragraph (1) sentences 2 and 3 apply accordingly. Extraordinary general meetings are only quorate if at least one fourth of the members are present.

- (3) The chairman of the executive board presides over the general meeting, or in the case of his absence, his representative. If no member of the executive board is present, the general meeting has to elect a person to preside over the meeting.
- (4) The general meeting arranges the affairs of the society in so far as they have not been assigned to other authorities according to the rules of the society. It decides in particular:
 1. the election and recall of members of the executive board and the board of trustees;
 2. the approval of the budget for the future financial year according to paragraph (5);
 3. the confirmation of the balance of the previous financial year and the discharge of the executive board;
 4. the determination of fees according to Article 5;
 5. amendments to the society's personnel structure;
 6. the exclusion of members;
 7. the joining to and leaving of associations according to Article 2 (4);
 8. amendments of the constitution;
 9. the dissolution of the society.

The general meeting is entitled to confer the title of an honorary member or honorary chairman who has the rights of a member without the obligation to pay fees.

- (5) The general meeting approves of the budget in consideration of the proceeds and the financial position of the society. The budget will be divided into funds for planned projects and unallocated funds, which can be spent in accordance with the society's objects for the period which ends with the next general meeting. The executive board implements the budget.
- (6) Each member has one vote in the general meeting. In order to exercise one's right to vote, a member is entitled to grant his right to vote in writing to another person. The general meeting is quorate if it was duly convened. Resolutions of the general meeting are made by a majority of votes of the present and represented members. In case of parity of votes, the vote of the person who presides over the general meeting has a casting vote. In order to amend the constitution or in order to dissolve the society, a majority vote of three quarters is required. A resolution of the general meeting can also be passed by voting through a postal ballot of all members. Voting may be conducted in secret if a majority of votes of the present and represented members so resolve, or in case of elections, if at least five members demand it.
- (7) The secretary takes the minutes of the general meeting. The minutes have to be signed by the secretary and the person who presides over the general meeting. The executive board appoints the secretary. The minutes have to be made accessible to the members in a suitable form and within 6 weeks after the general meeting is held. Objections to the minutes can only be made within one month after receipt of the minutes.

§ 8 Executive board

- (1) The executive board consists of 5 members including the chairman. The executive board should reflect the international and interdisciplinary orientation of the society. An executive board member must be a member of the society, and membership of the executive board ceases in case of termination of membership of the society.
- (2) The first executive board will consist of only 2 members and is elected by the founding meeting for the period until the first general meeting is held, at most for one year. Afterwards the executive board is elected by the general meeting for a period of two years starting from the day of election. However, the executive board remains in charge until a new executive board will be elected.
- (3) The executive board manages the business of the society. The executive board creates its own standing orders. In order to execute its affairs, the executive board can call on one or two secretaries general of different national origin. The secretaries general, nominated by the executive board, are elected by the general meeting. The duties of the executive board are:
 1. the calling and organisation of general meetings and meetings of the board of trustees;
 2. the execution of resolutions of the general meeting;
 3. the preparation of budgets, reports and statements of account of the completed financial year;
 4. the expenditure of funds in order to promote the objects according to Article 2 of the society's rules and in accordance with the budget with reference to Article 7(5);
 5. co-operation with other associations according to Article 2 (4); and
 6. the engagement of employees.

The general meeting is entitled to nominate an auditor for the completed financial year, and the next year or for several years.
- (4) The chairman of the executive board and the other members of the executive board represents the society jointly in court. In extrajudicial matters each member of the executive board can represent the society. They follow the following guidelines: The chairman of the executive board or a person nominated by him is entitled to make ordinary transactions up to 5000 Euros. The remainder of the transactions are decided by a majority of votes of the executive members in accordance with the budget. Resolutions can be made in the way of written circulation. Minutes have to be taken about the resolutions of the executive board.
- (5) A member of the executive board can only be recalled for fundamental reasons and if two thirds of the members so require. Article 7 (6) applies.
- (6) Necessary expenses of members of the executive board, of the secretaries general or of other appointed representatives will be compensated by the society.

§ 9 Board of trustees

- (1) The general meeting elects a board of trustees, who should reflect the international and interdisciplinary orientation of the society. The executive board is entitled to submit proposals for membership of the board of trustees. The general meeting can decide to admit representatives of co-operating partner associations to the board of trustees. The members of the board of trustees are elected for a period of 4 years. Before the first general meeting is held, the board of trustees is constituted by temporary advisory members. The executive board will report on their activities at the first general meeting.
- (2) The board of trustees advises the executive board in all affairs of the society. It can submit to the executive board recommendations about the objectives and the strategies for the society's development, and make recommendations about academic conferences and seminars. The board of trustees supports the development and cultivation of co-operation with institutions which promote the realisation of the society's objectives. The executive board and the board of trustees co-operate confidentially and inform each other of their deliberations and recommendations.
- (3) The board of trustees convenes at least once a year, in connection with the general meeting. The executive board invites the members of the board of trustees to the meetings of the board of trustees with reasonable notice, indicating the agenda. The executive board can invite representatives of the co-operating associations to the meetings of the board of trustees. Article 7(1) sentence 3 applies accordingly. The chairman of the executive board or his representative presides over the meeting, unless the board of trustees elects a person from among them to preside over the meeting. The person who presides over the meeting can also hold extraordinary meetings. The members of the executive board are entitled to participate in the meetings of the board of trustees.
- (4) Article 7(6) and (7) applies accordingly to the meetings of the board of trustees.
- (5) The activity of a member of the board of trustees is honorary; expenses will not be reimbursed.

§ 10 Society in accordance with German Law, international orientation

- (1) The society of European Contract Law is established as an association in accordance to German Law. The society should be registered as a Charity in Great Britain. The society may benefit from comparable charitable status in all member states of the European Union if a member of the society illustrates this possibility and proposes it.
- (2) The society will change into a European association or into a similar European legal form as soon as such a form of society is available and as far as it is possible without material disadvantages. In case of a change of form, the assets of the society go over or will be transferred to the new society. Status or undertakings in accordance with German tax law are not to be affected.

§ 11 Language and sex designations

- (1) All minutes and reports of the society are written in English, minutes and reports submitted to the registration authorities will be additionally in German, and minutes and reports for the tax authorities only in the official language of the respective authorities.
- (2) All sex designations in this constitution refer to female and male sex likewise.

§ 12 Simplified amendments of the society's rules

- (1) The executive board is entitled to make amendments to the society's rules which are necessary to remove the objections of the registration authorities or – with regard to the recognition as a non-profit-making society – objections of the tax authorities as far as it does not alter the objects of the society.

§ 13 Final provisions

Article 1(1) sentence 2, Article 9(1) sentences 5 and 6, Article 10(1) sentence 2 as well as Articles 12 and 13 expire after the society is registered and after the board of trustees is elected.