



THE INTERNATIONAL
SECURITY ASSOCIATION

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Statutes

Editor:
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§ 1 Name, location and fiscal year

1. The location of the Association is Frankfurt am Main (Germany). After its entry into the local Commercial Register its name will be

"European Security Systems Association (ESSA) e.V."

2. The fiscal year corresponds to the calendar year.

§ 2 Purpose

1. The purpose and functions of the European Security Systems Association e.V. (hereinafter the "Association") is to improve and guarantee the quality of products, components and materials from the security systems, fire protection and life safety segments. Furthermore, the Association represents the joint economic, technical and scientific interests of the members vis-à-vis international and national business circles and authorities.
2. The Association does not pursue any profit-making objectives. It has no market and price regulating functions. Any profits of the Association (income exceeding expenditures as shown in the accounts) will only be used for purposes set out in the Statutes. Members will not receive any profit shares or other financial allocations from the funds of the Association. The Association must not favour any person by unreasonably high compensation.

§ 3 Membership

1. The Association consists of full and extraordinary members.
2. Full membership is open to commercial companies from the security systems, fire protection and life safety segments. Manufacturers and distributing companies can become full members.
3. Extraordinary membership is open to scientific institutions, legal bodies and individuals undertaking activities in the security systems, fire protection and life safety segments and who in the opinion of the Executive Committee of the Association are suited to fulfil the purposes of the Association.

§ 4 Acquisition and loss of membership

1. The admission of full and extraordinary members is granted by a resolution of the Executive Committee on the grounds of an application made in writing. This may be delegated to the Management.
2. The membership expires
 - a) if insolvency proceedings are instituted against the property of a member following the announcement of the order opening the proceedings or in the event of a rejection of the insolvency application through the court for lack of assets, with the exception of the opening of insolvency proceedings in the event of an imminent insolvency under self-administration according to § 18 InsO (the German insolvency regulations) and similar regulations in other countries as applicable to non-German companies, respectively,

- b) if the member retires by giving notice,
 - c) closure of the company,
 - d) if the member goes into liquidation,
 - e) through exclusion.
3. Notice shall be given complying with a period of notice of three months in advance of the end of the fiscal year. The notice shall be addressed to the Management by registered letter with recorded delivery. The member remains bound by the Statutes until its retirement takes effect.
 4. The Executive Committee may decree the exclusion of a member
 - a) in the event of infringements on the Statutes,
 - b) in the event of an abuse of the ESSA logo causing damage to the reputation of the Association,
 - c) if the member is in arrears with the payment of one annual membership fee due despite two requests for payment,
 - d) if the Executive Committee notes that the preconditions for the membership are no longer fulfilled.
 5. The member concerned shall be given an exclusion warning against which the member has the right to file an objection with the Executive Committee whose decision is final. The objection shall be presented to the Management of the Association within one month in writing giving reasons. All rights and duties of the member concerned shall be deemed interrupted until the Executive Committee delivers its decision.
 6. Claims of the Association towards a retiring member shall not be affected by the retirement. Members who retire or are excluded from the Association will lose any claim for the assets of the Association on the day of their retirement or exclusion. Membership dues paid will not be reimbursed.

§ 5 Rights and duties of the members

1. All full members shall have the same rights and duties and the same right to vote and to stand for vote.
2. By approval of the Executive Committee, the extraordinary members may be allowed as guests into the technical bodies of the Association. They will participate in the General Assembly in an advisory capacity.
3. All members are obliged to pay annual membership fees; the amount and date at which they are due will be decided by the Executive Committee. The membership fee rate fixed by the Executive Committee is subject to the approval of the next General Assembly.

§ 6 Fund raising

1. The funds required for the achievement of the objectives of the Association are raised through membership fees, donations of money and other contributions.
2. The funds shall only serve the tasks of the Association and only be collected for this purpose.

§ 7 Bodies

1. The bodies of the Association are:
 - the General Assembly,
 - the Executive Committee,
 - the Management.
2. The members of these bodies shall deal with current business impartially and shall treat any business and industrial secrets they obtain knowledge of in their official capacity as confidential.
3. The activities of the bodies of the Association, with the exception of the Management, will be principally performed on an honorary basis.

§ 8 General Assembly

1. All matters of the Association will be settled through resolutions of the General Assembly unless they are attended to by the Executive Committee or any other body of the Association in accordance with the Statutes.
2. The General Assembly shall particularly adopt resolutions regarding
 - a) the formal approval of the Executive Committee`s and the Management`s actions,
 - b) the Membership Dues Regulations,
 - c) amendments of the Statutes,
 - d) the dissolution of the Association.

The General Assembly elects:

- e) the members of the Executive Committee.
3. The General Assembly shall be convened:
 - If required in the interests of the Association, yet in general at least once in a fiscal year,
 - by resolution of the Executive Committee,
 - within a period of six weeks if at least one third of the members request a meeting in writing indicating the purpose and reasons.

The Managing Director shall convene it with a notice period of at least four weeks indicating the assigned agenda.

4. The agenda will be fixed by the Chairman. Applications from members shall be considered, if they are presented in writing to the Management three weeks in advance of the meeting.

Votes of the General Assembly on other applications shall only be made when the majority suggests to do so. Applications for amendments of the Statutes as well as the dissolution of the Association must, however, already be on the agenda circulated to the members with the convening notice. Planned amendments of the Statutes shall be sent to the members at least two weeks before the date of the General Assembly.

5. Every full member has one seat and one vote in the General Assembly. Resolutions will be adopted with a simple majority of votes. Persons holding a proxy in writing may represent up to three members. In the event of an equality of votes, the Chairman shall have the casting vote. Amendments of the Statutes require a two third majority of the votes cast.
6. The General Assembly is presided by the Chairman of the Executive Committee or his deputy. The Management will record the resolutions of the General Assembly in a report. This report shall be signed by the Chairman of the meeting and shall be sent to the members. Objections to the report shall be presented to the Management in writing within four weeks after the dispatch date.

§ 9 Executive Committee

1. The Executive Committee consists of at least three or up to six representatives of the full members and is elected by the General Assembly for a term of three years. Their term of office is renewable. The distribution of mandates must ensure representation of the interests of the different industrial segments with equal rights.
2. The Chairman of the Executive Committee is the Chairman of the Association as defined by § 26 BGB (Code of Civil Law of the Federal Republic of Germany). He is the legal representative of the Association in litigation and for all other purposes.
3. The offices of the Executive Committee members are assigned to individual persons. They perform their duties on an honorary basis and will not have a deputy.
4. The Executive Committee is in charge of the activities of the Association and ensures the performance of its tasks. It is bound by the resolutions of the General Assembly, but is within this context free to take its own decisions. It is entitled to make financial orders within the framework of the budget.
5. The Executive Committee elects a Chairman and one Vice Chairman among its members and will appoint the Managing Director.
6. The Executive Committee will decide about:
 - the acceptance and exclusion of members,
 - the preparation of the budget and the annual accounts,
 - the implementation and funding of projects.
7. The Executive Committee will adopt resolutions on a simple majority vote. In the event of an equality of votes, the vote of the Chairman shall be the casting vote.
8. The Executive Committee will be convened by the Chairman. It will constitute a quorum, when at least three members are present. A transfer of votes is not permitted. The Chairman may arrange a decision outside a meeting of the Executive Committee by correspondence indicating a fixed date.
9. The meeting of the Executive Committee shall be recorded and the report shall be signed by the Chairman and the keeper of the minutes. The report shall be sent to the Executive Committee. Objections to the report shall be presented to the Management within four weeks of the date of dispatch in writing.

§ 10 Management

1. For the execution of the operating business of the Association, a Managing Director shall be appointed by the Executive Committee.
2. The task of the Managing Director is to impartially manage the business activities of the Association in accordance with the Statutes and the resolutions of the bodies of the Association in compliance with the directions of the Executive Committee.
3. The Managing Director is always a member of the Executive Committee as well.

§ 11 Liquidation and dissolution

1. The liquidation will be carried out by the Executive Committee, unless the General Assembly has designated other liquidators.
2. In the event of dissolution of the Association, the last General Assembly shall determine the allocation of the remaining assets of the Association. The allocation of assets or portions of assets to members of the Association is ruled out.

Frankfurt/Main, 10 November 2011