



Articles of Association of WALA Foundation

Articles of Association of WALA Foundation (not a charitable foundation for tax purposes)

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Article 1 **Name, Registered Office and Legal Form**

- (1) The name of the foundation is "WALA Stiftung", hereinafter referred to as "Foundation".
- (2) It is an incorporated foundation with legal capacity.
- (3) The Foundation has its registered office in Bad Boll/Eckwälden.

Article 2 **Object of the Foundation**

- (1) The object of the Foundation is to safeguard the successful development of the company "WALA HEILMITTEL GMBH" and "WALA Agrikultur GmbH".
- (2) To this purpose, the Foundation shall use its incoming funds to improve the financing basis of "WALA HEILMITTEL GMBH" and "WALA Agrikultur GmbH" to enable the latter to adapt itself to meet the relevant technical and scientific requirements made of it.
- (3) The Foundation should exercise its voting right in the shareholders' meeting of "WALA HEILMITTEL GMBH" and "WALA Agrikultur GmbH" to ensure that the company always has an efficient management board that is capable of responding to new requirements. When appointing persons to advisory boards or as managing directors, the Foundation should appoint persons who feel committed to the WALA ideal.
- (4) Should "WALA Agrikultur GmbH" be divided in the future into two companies whose respective business is focussed on the areas
 - a) plants and
 - b) animalsit is also the object of the Foundation to safeguard the successful development of these two companies emerging from WALA Agrikultur as set out in the previous Articles (1) to (3).

Article 3 **Assets of the Foundation**

- (1) The founders transferred their shares in WALA HEILMITTEL DR. R. HAUSCHKA OHG in full with effect from 31 December 1986. The book value of these two shares totalled DM 2,766,556 as of 31 December 1986.
- (2) Earnings from Foundation assets will be attributed to the latter unless disposed of in accordance with Article 2, Para. 2. Investments of assets that are ultra vires Article 2 must be made with the prudence of a trustee of a trust fund.
- (3) The capital stock assigned to the Foundation must be maintained.
- (4) No Foundation assets may be withdrawn for purposes that are ultra vires. No person may be paid unreasonably high remuneration for performing administrative tasks for the Foundation or receive any other form of endowment.

Article 4 Management Board of the Foundation

- (1) The Management Board of the Foundation consists of at least three members. The first Management Board was appointed at the time of incorporating the Foundation. When making appointments to the Management Board of the Foundation, preference should be given to former management board members of WALA companies and former executive personnel. Managing directors and area managers still working for WALA HEILMITTEL GMBH are ineligible for election to the Foundation Management Board. The founding members Dr. med. Heinz-Hartmut Vogel and Karl Kossmann have been appointed to the Management Board for life.
- (2) The Foundation Management Board elects a chairperson and deputy-chairperson from among its members. A person must be elected unanimously if there are 2 Management Board members, with a 2/3-majority if there are 3 Management Board members, with a 3/4-majority if there are 4 Management Board members.
- (3) Members of the Management Board are elected for a period in office of 5 years. It is possible to be re-elected more than once. New members are appointed by the remaining Management Board members. A person must be elected unanimously if there are 2 Management Board members, with a 2/3-majority if there are 3 Management Board members, with a 3/4-majority if there are 4 Management Board members.
- (4) Each Management Board member is free to deposit a list of persons capable of being appointed as successors in the event of his death. This list of suggestions represents a recommendation. It has no binding effect on the election of a new Management Board member. If a Management Board member fails to perform his duties towards the Foundation, or if there are circumstances related to his person that make membership in the longer term appear unsuitable, then such a Management Board member must be removed by a unanimous resolution of the other Management Board members. A decision on the admissibility of such a removal can be made by the ordinary courts. Two Management Board members may require that the Foundation consider any application for removal from office that they consider to be urgently necessary in the Foundation Management Board and obtain a court decision to this effect.
- (5) Except in those cases defined in these Articles of Association, Management Board resolutions are passed by a simple majority. In the event of a tie, the proposal is deemed to have been rejected.
- (6)
 - a) Membership of the Advisory Board is an honorary position and unpaid.
 - b) Management board members should receive attendance fees for attending meetings and other events for the purpose of protecting the interests of the WALA Stiftung foundation. Travelling expenses and overnight expenses associated with the same will be refunded.
 - c) A monthly expense allowance is paid to cover all expenses incurred in connection with activities associated with the duties of the Foundation Management Board (e.g. telephone, fax, postage, etc.).

Article 5 Rights and Duties of the Management Board of the Foundation

- (1) The Foundation Management Board gives itself standing orders by a resolution which regulates all procedural matters of importance for due and proper management. The resolution must be passed unanimously if there are 2 Management Board members, with a 2/3-majority if there are 3 Management Board members, with a 3/4-majority if there are 4 Management Board members.
- (2) The Foundation Management Board is quorate if more than half of its members are present. At least three Management Board meetings must be held in each calendar year.
- (3) The Foundation Management Board represents the Foundation judicially and non-judicially through its chairperson acting jointly with another Management Board member or through two Management Board members acting jointly. The Management Board members should take no action without the involvement of their chairperson except in the event of the latter being prevented.
- (4) The Foundation Management Board is authorised to employ staff to undertake necessary duties of the Foundation.
- (5) The Foundation Management Board must prepare all verifications of the assets of the Foundation and the application of the same in accordance with the requirements of the foundation supervisory authorities and the tax authorities in conformity with the type and size of the Foundation and confirm the same by passing a resolution. This includes a proposed budget for each calendar year and, if necessary, a financial plan in accordance with the duties contained in Article 2 Para. 2.
- (6) For the purpose of assuring clearly organised documentation, the minutes of the Management Board meetings must be kept together with the documents of importance for the resolutions passed by the Foundation Management Board. Correspondence between the authorities involved and the assessment notices and decisions issued by the latter must also be enclosed with such documents.
- (7) Each new member who joins the Management Board acknowledges these Articles, the articles of the non-profit "Dr. Hauschka Stiftung" foundation and the Foundation charter. The Management Board member undertakes in writing to act at all times in accordance with the intention of the founding members expressed in this document, which intention applies to the Foundation in its entirety.

Article 6 **Advisory Board of the Foundation**

- (1) The establishment of an Advisory Board is possible and admissible.
- (2) The Advisory Board advises the Management Board in all important matters affecting the company in conformity with the Foundation charter, the Foundation Articles of Association and the "WALA Vision". It can perform certain management duties on behalf of the Foundation Management Board. The Advisory Board acts as advisory partner to the management board of WALA Heilmittel GmbH. It has no authority to give instructions to the management board of the company (GmbH) and is responsible solely to the Foundation Management Board.
- (3) The Advisory Board can be made up of several members. Members of the Advisory Board are appointed by the Management Board. An appointment is made initially for one year. Re-appointment is possible, also for a longer period of time.
- (4) Both the Management Board and an Advisory Board member may terminate membership of the Advisory Board at all times without necessitating any period of notice.
- (5) The Advisory Board can give itself standing orders.
- (6) Remuneration:
Membership of the Advisory Board is an honorary position and unpaid. Expenses and lost earnings are reimbursed. Professional services are paid for at the usual market rates.

Article 7 **Financial Year**

The financial year of the Foundation is the calendar year.

Article 8 **Alteration of the Articles of Association**

- (1) Resolutions to alter the Articles are passed with the following majorities of Management Board members:
unanimously if there are 2 Management Board members,
with a 2/3-majority if there are 3 Management Board members,
with a 3/4-majority if there are 4 Management Board members.
The foundation supervisory authority must examine whether such resolutions conform to the objects of the Foundation and the statutory regulations. After positive confirmation to this effect, the relevant alteration of the Articles is deemed to have taken place.
- (2) If the following majorities of the Foundation Management Board insist on alteration of the Articles after the supervisory authorities have refused to approve the same:
unanimously if there are 2 Management Board members,
with a 2/3-majority if there are 3 Management Board members,
with a 3/4-majority if there are 4 Management Board members,
the Management Board should take legal action to realise its intentions.

Article 9 **Dissolution of the Foundation**

- (1) The Foundation Management Board should resolve to dissolve the Foundation if it no longer appears feasible to continue the same even after making the changes to objects and internal organisation allowed by the Articles.
- (2) In the event of the dissolution of this Foundation, the assets remaining should be transferred to the non-profit "Dr. Hauschka Stiftung" foundation. Should the latter foundation no longer exist at that time, then the Foundation Management Board must decide, by a resolution of its members, on the purpose to which the Foundation assets should be put, and transfer the same to a suitable organisation capable of performing such duties and which is reliable in every respect.
The resolution must be passed
unanimously if there are 2 Management Board members,
with a 2/3-majority if there are 3 Management Board members,
with a 3/4-majority if there are 4 Management Board members.
- (3) Neither the foundation supervisory authority nor any other authority or body has any right of disposal over this Foundation or its assets.

Article 10 **Supervision of the Foundation**

This Foundation has been incorporated in accordance with the law on foundations of the state of Baden-Württemberg and has been approved according to the same; the alterations of the Foundation's Articles from 7 October 1986 until the present day have similarly been approved.