

# Articles of the Association "DeepSea Mining Alliance"

(Version from February 18<sup>th</sup>, 2015)

## Preamble

As an industrial nation, Germany is highly dependent on the import of key mineral resources. Resources which have not yet been tapped until now are marine mineral resources (MMR), which are enjoying an ever-increasing degree of interest throughout the world and which can play a significant role in securing the availability of metal resources in the medium term.

As a result of the symposium "Deep-Sea Mining - Technological and Resource-Policy Potentials for the German Economy", which took place on 19 June 2012 as part of the activities of the "National Master Plan Maritime Technologies" (NMMT) at the Federal Ministry for Economic Affairs (BMWi), a positive conclusion was drawn with regard to the strategic relevance of MMR as well as the feasibility of deep-sea mining from a technical and ecological point of view.

The German marine technology industry predominantly consists of small and medium-sized enterprises (SMEs), which have a high level of expertise. Furthermore, there are a number of significant companies engaged in offshore engineering, mechanical engineering, mining, metallurgical processing as well as environmental engineering. Other key players are German shipyards, for whom it will be possible in future to enter the emerging market for the extraction and mining of MMR with special offshore vessels. Last but not least, German shipping companies will join the deep-sea mining industry with the operation of mining, supply, transport, research and survey vessels.

For the focused pooling of all further activities regarding the initiation of commercial, technological and R & D projects as well as for a better coordination of national and international deep seabed mining activities, the establishment of a "Deep-Sea Mining" association is regarded as absolutely essential. Further important tasks of the association will concern internal and external communication as well as the harmonised representation of interests vis-à-vis politics, industry and the world of finance as well as the public and the media..

## § 1 Name und registered Office

- (1) The association bears the name "**DeepSea Mining Alliance**" (DSMA)
- (2) The headquarters of the association is located in Hamburg and it is entered in the Register of Associations there.
- (3) The financial year is the calendar year.

## § 2 Purpose

- (1) The association serves as a focal point of contact for the German deep-sea mining industry. In addition to existing structures such as industrial branch associations and networks the following tasks shall be realized with priority:
  - Promotion of the development of deep-sea mining projects in Germany, in Europe and internationally for the cross-sector pooling of expertise

- Consideration of innovation and R & D projects for deep-sea mining
- Creation of a communication and action platform for German, European and international seabed mining activities
- Representation of the association's goals at national and international ministries, governmental agencies and research institutes as well as the European Union
- Ongoing coordination of all deep-sea mining activities with the relevant authorities
- Close cooperation with leading research institutes and experts in the fields of marine research, exploration, exploitation, environmental monitoring and processing / smelting;
- Consideration of all environmental aspects - both in the deep ocean as well as in coastal areas and on land
- Establish and maintain contacts with the German raw materials processing industry, including, in particular, the Rohstoff Allianz GmbH (RA) (Commodity Alliance) in Berlin
- Support in the establishment of contacts with the European Union and other relevant international deep-sea mining actors
- Creation of a "strategic roadmap" with the provisional target to realize a "Pilot Mining Test"
- Initiation of a national deep-sea mining umbrella brand as a prerequisite for future international marketing activities
- Initiation of market and technology studies for the development of these target markets
- Initiation of development and cooperation projects between member companies and scientific institutions on the national and international level
- Protection of new products and technologies by means of national and international property rights
- Preparation of cooperation projects with all appropriate national and international partners and networks
- Development of a strategy for the international marketing regarding the know-how of the German deep-sea mining industry
- Identification of national and international industrial companies as potential end users for MMR
- Addressing license holders and licensees for international (IMF) and national and bilateral (EEZ) deep sea mining projects
- Addressing mining companies, raw material suppliers and commodity merchants
- Preparation and organization of activities and measures regarding public image

2) The Association is a non-profit entity. It does not pursue goals primarily serving its own economic interest. Funds may only be used for statutory purposes and objectives.

(3) To fulfil its statutory duties the Association may create and maintain facilities or enlist the services of third parties.

(4) For the implementation of specific projects, additional structures can be created, such as:

- working groups for the joint processing of projects
- legal units like a "Projekt GmbH", (Project Ltd.) if necessary for subsequent commercial projects

### **§ 3 Membership**

(1) Members may be natural or legal persons, including, in particular, companies and research institutes that support the aims of the Association.

(2) The admission application for the Association shall be addressed in writing to the Board. The Board decides on the acceptance of the application. Against the decision of the Board, the applicant or any member may request a decision of the General Assembly within six weeks after the announcement.

(3) If foreign companies or institutions wish to be members of the Association and recognize its statutes, the General Assembly shall decide with a two-thirds majority of the votes present regarding this request.

(4) A member may be excluded upon resolution by the Board if damage is inflicted on the Association as a result of the member's conduct, if his membership fee is not paid despite warning or if the factual prerequisites for admission to the Association no are longer be met. Within four weeks after exclusion, the member may submit his objection by registered letter to the management. The appeal shall have a suspensive effect. The General Assembly shall decide on the objection by a two-thirds majority of the votes.

(5) All members have voting rights at the general assembly and are eligible to submit applications.

(6) The members are obliged to do their utmost to support the Association in the performance of its tasks.

(7) Each member shall pay an annual fee which is determined by the General Assembly in the adopted schedule of fees. The membership fees are due in the first quarter of each fiscal year. In the founding year, the membership fees are to be paid within one quarter after the foundation.

#### **§ 4 Organs of the Association**

(1) The organs of the Association are

- the General Assembly
- the Board
- the Management
- the Advisory Board

(2) During their membership and also beyond the term of their activities, all members of the organs board of directors, management, advisory board shall be bound to confidentiality regarding all information, marked "confidential" or "secret", which they receive in their capacity as a member of these organs, unless the confidentiality has been lifted.

#### **§ 5 General Assembly**

(1) The General Assembly consists of the members or representatives of the members.

- Members have one vote.
- Companies with over 100 employees and major research institutes have two votes.
- Companies with more than 500 employees have three votes.

Voting by proxy is admissible and must be confirmed in writing.

(2) Membership meetings will be held:

- Annual General Assembly once per financial year,
- Extraordinary General Meetings upon the resolution of the Board or upon the written request of at least 25 % of the votes.

(3) General Meetings are convened and chaired by the Chairman of the Association or, in his absence, by his deputy.

(4) The invitation to the Annual General Meeting shall be in writing or by e-mail at least four weeks before the meeting, including the agenda. Members are to invited to an extraordinary general meeting - including the agenda - within a period of at least 8 days.

(5) The General Assembly shall have a quorum if at least one-third of all votes are present.

Otherwise, a further meeting will be held within three weeks, which constitutes a quorum in each case. An explicit reference to this peculiarity is required in the invitation to this second meeting.

6) The General Assembly shall decide by a simple majority of the votes present, unless otherwise specified. For decisions on amendments to the Statute, the approval of at least two-thirds of the votes present is required.

(7) The minutes of each General Assembly shall be prepared and signed by the Chairman of the General Assembly and the Secretary. These minutes shall be sent to each member.

(8) Applications concerning the agenda of the General Meeting shall be submitted to the Board not later than five days before the meeting. Applications which are not submitted in time, can only be dealt with if they are approved by two-thirds of the votes of the members present.

(9) In special cases, voting may take place by written consent in lieu of a meeting.

## **§ 6 Duties of the General Assembly**

The General Assembly is responsible in particular for:

- the approval of the budget, accounting report and the annual report,
- the election of the Board,
- the election of the Management
- the election of members of the Advisory Board,
- the formal approval of the institutions of the Association,
- taking decisions on amendments and on the dissolution of the Association,
- the membership fee regulation,
- the choice of auditors
- taking decisions on matters of the Association, for which neither the Board nor the Advisory Board is responsible.

## **§ 7 Board**

(1) The Board consists of at least the Chairman of the Association, two Vice-Chairmen and the Treasurer. Each of them has the power to act alone as the legal agent of the Association. All of the tasks of the Chairman arising from these Articles or the law may be performed in his absence or with his consent by one of the Deputy Chairmen.

(2) The members of the Board are elected by the General Assembly for a period of three years. They shall hold office until their successors are elected. Re-election is admissible.

(3) Should members of the Board resign during their term of office, a by-election shall be held within a period of 6 weeks.

(4) The Board manages the Association in terms of its purpose and is responsible for the external representation of the Association. In particular, it has the following basic tasks:

- Definition of guidelines for the work of the Association.
- Examination of the budget estimate and the annual accounts.
- Reporting and information of the members on the ongoing work of the Association
- Representation of the Association in political and scientific bodies.

The Board shall provide itself with “Rules of Procedure” for the performance of these tasks.

(5) The Board shall meet together as necessary, but at least once a year. Resolutions are adopted by majority vote. In the event of a tie, the vote of the chairman shall be counted twice.

(6) The Board meetings are convened with a period of at least two weeks and chaired by the Chairman or the Deputy Chairman.

(7) The Board manages its offices free of charge. Allowances may be decided by the General Assembly.

## **§ 8 Management**

1) The Board may appoint and dismiss one or several managers. If the Board has not appointed a managing director, management shall be carried out by a member of the Board. The Management is entitled to represent the Association legally as a special representative in the sense of § 30 BGB (German Civil Code). If more than one manager is appointed, each of them is authorized to represent the association individually.

(2) The Management is obliged to inform the Board regularly with regard to current business dealings without being specifically requested to do so

(3) The Management is obliged to draw up a budget and to submit it to the Board.

(4) The Management is responsible for keeping to the budget and for the management of the funds of the Association.

(5) the approval of the Board shall be obtained for unscheduled expenditure.

(6) The Management is responsible for the proper accounting records and for providing evidence of the Association's assets as well as on the use of funds each year. At the request of the Board, it shall submit interim accounting records.

(7) Any management expenses incurred shall be reimbursed.

(8) The Management shall attend all meetings of the Association's bodies.

## **§ 9 Advisory Board**

(1) The Association may establish an Advisory Board to support the Association's work.

(2) The Advisory Board has the responsibility to advise the Board in all matters pertaining to the Association.

(3) The Advisory Board shall be composed of individually appointed persons from the government, from authorities and branch associations as well as persons who are useful for the Association's purposes.

(4) The members of the Advisory Board shall be elected on the recommendation of the Board by the General Assembly for a period of 3 years. Upon acceptance of the election the Advisory Board member takes on the obligation to participate in the Advisory Board meetings and activities personally. Re-election is possible.

(5) The members of the Advisory Board elect from their members a chairman and a deputy chairman.

(6) The Advisory Board shall meet as required, but at least once a year, convened by its chairman or his deputy.

(7) The Advisory Board shall have a quorum if at least one-third of its members are present. Decisions of the Advisory Board are binding if taken with at least a simple majority of the members present.

(8) The decisions of the Advisory Board must be recorded in writing. The minutes shall be signed by the Chairperson of the Advisory Board meeting and the secretary.

(9) The Board shall participate in the meetings of the Advisory Board.

## **§ 10 Auditors**

(1) Two honorary auditors shall be appointed annually by the General Assembly to audit the financial statements of the Association.

(2) The auditors shall report to the Annual General Meeting on the results of their audit.

### **§ 11 Termination of Membership**

(1) Membership is terminated by resignation, expulsion, death or in the case of legal persons, due to loss of legal capacity. The withdrawal can be made only by written notice to the Board in compliance with a notice period of three months prior to the end of the calendar year.

### **§ 12 Dissolution of the Association**

(1) The dissolution of the Association can only be decided by a general meeting especially convened for this purpose.

(2) The Association will be suspended after 5 years if no prospects of success regarding the implementation of the goals of the Association (§ 2) are discernible...

(3) The dissolution order requires a two-thirds majority of all votes present.

(4) In case of dissolution, the Chairman of the Association shall be liquidator of the Association pursuant to § 76 BGB.