



**Naturland**

# **Statutes**

**Naturland**

**- Association for Organic Agriculture -**

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## Contents

Statutes of Naturland - Verband für ökologischen Landbau e.V.	1
Article 1 Name, Principle Place of Business, Financial Year	1
Article 2 Purpose	1
Article 3 Charitable status	2
Article 4 Acquisition of membership	2
Article 5 Admission fee, membership dues	2
Article 6 Termination of membership	2
Article 7 The Naturland trademark	3
Article 8 Structure	4
Article 9 Organisation	4
Article 10 Assembly of delegates	5
Article 11 Election of delegates	6
Article 12 Board of directors	8
Article 13 Standards committee	9
Article 14 Certification committee	10
Article 15 Regional assemblies, INTERNATIONAL assembly	11
Article 16 Provincial and states boards	11
Article 17 National committee	12
Article 18 Professional committees	13
Article 19 Regional groups	13
Article 20 World Advisory Board	13

Article 21 Amendments to the statutes	14
Article 22 Dissolution of the association	14
Article 23 Court of arbitration	15
Article 24 Concluding provisions	15
Appendix to Article 23 of the Statutes	15

**Statutes  
of  
Naturland – Verband für  
ökologischen Landbau e.V.**

To enhance legibility, all references will be made using the male gender. However, this form implicitly includes both genders.

**Article 1**

**Name, Principle Place of Business, Financial Year**

- (1) The association bears the name "Naturland – Verband für ökologischen Landbau e.V." (hereinafter "Naturland").
- (2) Naturland is domiciled in Munich.
- (3) Naturland's financial year is the calendar year.

**Article 2**

**Purpose**

- (1) Naturland's purpose and mission is to protect our environment and to preserve our natural bases of life by means of organic management in all areas of agriculture. Naturland promotes the sciences and the practical application of organic methods in the areas of agriculture, forestry and all fields of food production and natural produce, developing them further and supervising their practical realisation. Naturland deepens public understanding of the contents and purpose of organic agriculture and encourages the adoption of organic forms of nutrition and behaviour compatible with the environment. The association takes a firm stance against racist and xenophobic activities and other discriminatory and contemptuous behaviour. The association takes a stand against any activities which could indicate any connection of the organic food industry with extremist ideas.
- (2) In particular, Naturland pursues the realisation of the purpose stated under Art. 2, Sec. (1) of these statutes by:

- the promotion of research and the sciences in the area of organic agriculture
- the promotion of education and advanced training in the field of organic agriculture
- promotion of education at schools and other educational institutes with the aim of affording an insight into organic correlations and enabling the students to behave responsibly towards their natural surroundings
- promotion of co-operation on development aid policies, particularly concerning the improvement of fair and social conditions in agriculture and trade
- co-operation with other associations whose purpose is care and use of our natural basis of life in a responsible manner or the protection of our environment
- elaboration of standards for organic agriculture (hereinafter "Naturland's standards"), in particular standards on production and the processing of produce derived from organic agriculture and the surveillance of their implementation and observance
- conclusion of contracts with members (producers) of Naturland obliging them to manage their entire farms according to the principles of organic agriculture, particularly in accordance with Naturland's standards (hereinafter "producer contracts")
- co-operation in the elaboration and development of general German and international standards by other associations in the field of organic agriculture
- providing information to the public on the contents and aims of organic agriculture and the education of the consumer on the correlation between food production, the consumer and the environment, in particular by participation in or organisation of conferences and public events as well as the publication and dissemination of written information on these topics

### **Article 3**

#### **Charitable status**

- (1) Naturland exclusively and directly pursues non-profit-making objectives pursuant to the section “Purposes eligible for deductible contributions” under German tax law.
- (2) Naturland is a non-profit organisation that does not primarily pursue economic ends for its own good. Naturland’s funds may only be used to achieve the aims set out in the statutes. Members do not receive any donations from Naturland’s funds. It is prohibited to favour anyone by expenses which do not serve Naturland’s purpose or by unreasonably high compensation.
- (3) Naturland is independent of all political parties, ideologies and religions.
- (4) Should Naturland be liquidated or dissolved, or lose its status as a non-profit organisation, the association’s property will fall to a non-profit-making organisation in the field of organic agriculture to be stipulated in the resolution of dissolution, such organisation being obliged to use it directly and exclusively for non-profit-making purposes, specifically that of the promotion of organic agriculture. The resolution must be presented to the Inland Revenue for approval before the dissolution can be deemed effective.

### **Article 4**

#### **Acquisition of membership**

- (1) Any natural person or legal entity and any unincorporated group of individuals may become a member of Naturland. The board of directors decides upon the written application for membership. No legal right to admission exists. All other matters are governed by the rules of procedure of the board of directors.

- (2) The assembly of delegates has the right to appoint honorary members upon the recommendation by the board of directors.

- (3) In order to sustain the purpose defined under Art. 2 (1) of these statutes, applications for membership may be also be accepted by sponsors. Sponsor members are not entitled to participate in any assemblies. Apart from this, Art. 4 (1) of these statutes applies.

### **Article 5**

#### **Admission fee, membership dues**

- (1) All members pay an annual fee. It is payable in full even if membership commences or terminates in the course of the calendar year. In addition, an admission fee may be charged for admission to Naturland.

- (2) The assembly of delegates determines the amount and date of payment of the annual fee and of the admission fee.

- (3) In addition, producer members may be charged a fee under the rules governing such fees as determined by the assembly of delegates. The board of directors may make temporary exceptions in individual cases, subject to the agreement of the provincial and states committees.

- (4) Honorary members are exempt from membership fees. Furthermore, the board of directors may forfeit or accept deferred payment of the admission fee or of membership fees, in whole or in part, for reasons of equity.

### **Article 6**

#### **Termination of membership**

- (1) Membership terminates upon
  - the death of a member
  - voluntary withdrawal
  - termination of the producer contract
  - exclusion from Naturland.

- (2) Voluntary withdrawal is made by written declaration to the board of directors. Notice must be given at least three months before the end of any calendar month. The board of directors may agree to exceptions.
- (3) Given serious cause, a member may be excluded from Naturland by a resolution passed by the board of directors. A serious cause is in particular if the member
- defaults on the membership fee despite two consecutive reminders
  - contravenes these statutes or Naturland's standards or the purpose of the association
  - violates contractual agreements concluded with Naturland or
  - inflicts gross harm on Naturland's interests.

Before the board of directors passes such a resolution, the member is to be granted an opportunity to make a statement of defence within an appropriate deadline. The resolution passed excluding the member must cite the reasons for this decision and be sent to the member by recorded delivery. The member has a right to appeal to the assembly of delegates against the resolution of exclusion passed by the board of directors. The appeal suspends the exclusion. The appeal must reach Naturland in writing within one month of receipt of the resolution of exclusion. If the appeal is filed within the deadline, the assembly of delegates has to make a final decision in the matter. If the assembly of delegates following the lodging of the appeal does not come to a final decision, then the resolution of exclusion is treated as not having been pronounced. If the member does not avail him- or herself of his or her right of appeal against the resolution of exclusion or misses the deadline for the appeal, then his or her membership terminates upon the conclusion of the period allowed for the appeal.

## Article 7 The Naturland trademark

- (1) Naturland is the owner of various word and figurative marks containing the word "Naturland" (hereinafter referred to collectively as "the Naturland trademark") which are protected in numerous European and non-European countries. Furthermore, Naturland is the owner of the word mark "Naturland" (hereinafter "the word mark") which is also protected in Germany and numerous European countries.
- (2) Naturland is entitled to transfer its right to grant non-exclusive rights to the use of the Naturland trademark to third parties (hereinafter "licensees") in whole or in part.
- (3) Members are only entitled to use the Naturland trademark upon conclusion of a separate agreement (hereinafter "licence agreement") between the member and Naturland or its licensees expressly permitting its use. This also applies where the word or symbol component of the Naturland trademark is used on its own.
- (4) Members are in particular only entitled to use the word mark as a brand, domain or part of a domain, or as a name or company name or to designate their business or enterprise or to refer to their membership of Naturland in printed matter, on packaging or other means of identification in the manner explicitly permitted under the licence agreement. Members are urged to ensure that business partners also only make reference to their business as being a member of Naturland, be they suppliers or customers, if they have concluded the relevant agreement.
- (5) In all cases, the definitive version of the Naturland trademark to be used is the trademark definition submitted to the German patent office in the currently valid version, where applicable.

## Article 8 Structure

Naturland is divided into

1. central
2. regional and
3. operational entities

whereby none are legal personalities in their own right.

## Article 9 Organisation

(1) As central organs, the bodies of Naturland are:

- the assembly of delegates (Arts. 10 and 11)
- the board of directors (Art. 12)
- the standards committee (Art. 13),
- the certification committee (Art. 14).

(2) On a regional level, the bodies of Naturland are:

1. in Germany

- the provincial assemblies composed of Naturland members of any one German federal state, and the states assemblies composed of members of neighbouring federal states (Art. 15 sec. 1)
- the provincial and states boards (Art. 16 sec. 1)
- the national committee (Art. 17)
- the regional groups (Art. 19)
- the chairpersons of the regional groups (Art. 19. Sec. (2))

2. outside Germany

- the INTERNATIONAL assembly (Art. 15 Sec. 2)
- the world advisory board (Art. 20)

(3) At the operative level, the bodies of Naturland are:

- the professional committees (Art. 18 Sec. 1)

- the chairpersons of the professional committees (Art. 18 Sec. 4).

(4) The bodies pass their resolutions by simple majority of their members present and entitled to vote, unless these statutes or the law prescribe otherwise. Abstentions are not counted; in a tied vote, the motion is deemed as rejected. On the request of a member who is entitled to vote, voting shall be carried out by secret ballot. A member is not entitled to vote in cases where the resolution to be passed causes conflict between the interests of Naturland and those of the member or people closely related to the member (spouses, relations and relatives by marriage up to the second degree).

(5) Bodies are entitled to adopt their own rules of procedure. All rules of procedure of the standards and certification committees require the approval of the board of directors to become effective.

(6) Resolutions of the bodies may also be passed by means of postal vote, which includes votes cast by telefax or email. In this case it is necessary for a simple majority of the members participating in the voting procedure, being at least 25% of the members entitled to vote, to have voted in favour of the motion or resolution within a deadline of at least four weeks of the invitation to cast their vote in writing, the timely receipt of the written vote being the date of its receipt by the board or by the chairperson or by the person in charge of the body. The bodies may also add further requirements to their rules of procedure.

(7) The members of the bodies act in an honorary capacity unless these statutes expressly state otherwise or the members of the bodies are entitled to claim for appropriate compensation by virtue of an explicit resolution of the assembly of delegates.

## Article 10

### Assembly of delegates

- (1) The assembly of delegates consists of the delegates elected as per Art. 11, Sec. (1) of these statutes.
- (2) The assembly of delegates is solely responsible for the following matters:
  - election and dismissal of the board of directors
  - adoption of the budget on the basis of the draft presented by the board of directors for the coming financial year
  - receipt of and resolution on the annual financial report of the board of directors, exonerate the board of directors
  - election and dismissal of the standards committee as well as the certification committee
  - election of up to four auditors of whom at least half must be members of Naturland, or of an external auditor upon recommendation by the board of directors
  - receipt of the audit report
  - determination of the amount of the annual membership fees, setting their due date, and deciding on the admissions fee
  - passing all fee schedules
  - resolutions on amendments to the statutes except for those matters for which the board of directors is responsible under Art. 21, Sec. (2) of these statutes, and the winding up of Naturland
  - passing Naturland standards based on the recommendations of the standards committee
  - deciding on a member's appeal against an exclusion resolution of the board of directors
  - nomination of honorary members
  - debating and deciding on motions proposed by the other assemblies under Art. 9, Sec. (2) and (3)
  - appointment of project teams to discuss questions specific to areas of certification, and consulting and deciding upon the recommendations submitted by the project teams
  - consultation and resolutions on the conclusion, amendment and termination of co-operation agreements
  - consultation and resolutions on the amounts of expenses to be paid to members of bodies
  - and any other business of Naturland which these statutes expressly ascribe to the assembly of delegates.
- (3) Personal attendance is normally required at assemblies of delegates. Provided that no mandatory legal provisions determine otherwise, assemblies of delegates may also be held without the delegates having to be present at the venue of an assembly, particularly by means of telecommunications and data transmission, in virtual assemblies with audio-visual data transmission ("virtual assembly of delegates") and also in the form of combined attendance and virtual assemblies of delegates. The board of directors may allow the delegates to submit their votes in text form even without participating in the assembly of delegates.
- (4) The assembly of delegates will be convoked by the board of directors at least once a year. Invitations must be issued at least one month prior to the date of the assembly of delegates, such period commencing on the day after the invitation was sent. The invitation is sent to the delegates in text form along with the agenda drawn up by the board of directors by post to the delegates' latest addresses of which Naturland had been informed. Motions proposed by bodies and individual delegates on the agenda have to be considered by the board of directors provided they are received by the board of directors in text form at least three weeks before the date set for the assembly. Proposals for additional items to be included on the agenda made during the assembly of delegates itself require a majority decision of two thirds of the valid votes cast in order to be admitted.



(5) Given serious cause, the board of directors can call for an extraordinary assembly of delegates at any time at one week's prior notice. This meeting must be convened if matters particularly affecting Naturland's interest require it or if over one quarter of all delegates request the board of directors to convene such a meeting, the request having been made in text form and citing the purpose and the reasons for the meeting. The regulations governing the ordinary assembly of delegates also apply to the convening of and resolutions passed at the extraordinary assembly of delegates.

(6) The assembly of delegates elects a chairperson and a person to take the minutes at each assembly. When elections take place, the chairperson can appoint an election committee to perform the functions of the chairperson for the duration of the election. The chairperson determines the method of voting. The delegates are not bound by directives when making their decisions. Besides the members of the board of directors, members of other organs and also guests invited by the board of directors to attend the assembly of delegates to help them form their opinions are entitled to participate in the assemblies of the delegates. They can participate in discussions and consultations but have no voting rights.

(7) The assembly of delegates is quorate if over half of the delegates are present. In the absence of a quorum, the board of directors immediately issues an invitation to another assembly of delegates at two weeks' notice, with the same agenda. In this case the assembly is quorate independent of the number of delegates attending.

(8) Minutes are to be taken of the resolutions passed by the assembly of delegates and have to be signed by the chairperson and the minute keeper of the assembly in question. The minutes must record the following items: place and time of the assembly, the name of

the chairperson and the minute keeper, the number of delegates who attended the meeting, the agenda, the result of each vote and the voting procedure. A copy of the minutes shall be sent to every delegate within three weeks of the assembly by email or telefax.

(9) Claims with respect to the invalidity of resolutions passed in the assembly of delegates may not be submitted later than six weeks of the receipt of the minutes. Upon expiry of this deadline, any deficiencies in the resolutions are deemed to be remedied. If the assembly was held in whole or in part as a virtual assembly of delegates, the claim of invalidity may not be based on any infringement of rights caused by a technical malfunction unless Naturland can be accused of gross negligence or intent.

#### **Article 11 Election of delegates**

(1) The delegates are elected by Naturland's members in the German provincial and states assemblies and in the INTERNATIONAL assembly. The number of delegates to be elected by each assembly is determined by the number of members entitled to vote pursuant to Art. 15 of these statutes. The ratios are as follows:

- Where one of the above-mentioned assemblies comprises between 25 and up to 100 members entitled to vote, one delegate is elected (i. e. 1 delegate for 25 to 100 members).

Furthermore:

- For up to another 100 members with voting rights of any assembly, one further delegate is elected (i. e. 1 further delegate for 101 to 200 members)

and

- for up to another 200 members with voting rights of any assembly, one fur-

ther delegate is elected (i. e. 1 further delegate for 201 to 400 members)

and

- for up to another 200 members with voting rights of any assembly, one further delegate is elected (i. e. 1 further delegate for 401 to 600 members)

and

- for up to another 200 members with voting rights of any assembly, one further delegate is elected (i. e. 1 further delegate for 601 to 800 members)

and

- for up to another 200 members with voting rights of any assembly, one further delegate is elected (i. e. 1 further delegate for 801 to 1000 members)

and

- for up to another 500 members with voting rights of any assembly, one further delegate is elected (i. e. 1 further delegate for 1001 to 1500 members and 1 further delegate for 1501 to 2000 members etc.).

The number of members entitled to vote and belonging to any one assembly is the figure registered as of 31<sup>st</sup> December of the previous calendar year.

(2) The delegates are elected for a term of four years. They remain in office until the re-election of the delegates but at the most until the assembly called under Art. 11, Sec. (1), following the expiry of their term of office. Any reductions in the number of members entitled to vote in an assembly during the period of office of the delegates elected have no effect. If there is an increase in the number of members entitled to vote in an assembly during the term of office of the delegates

elected, as of 31<sup>st</sup> December of any calendar year, then the candidate with the next highest number of votes moves up as a delegate with effect from 31<sup>st</sup> December of the calendar year in question until the expiry of the term of office of the other candidates. Should a delegate not attend three consecutive assemblies of delegates, irrespective of the reason, he or she shall resign from this office. A delegate of the INTERNATIONAL assembly automatically ceases to be a delegate if he or she, irrespective of the reason, fails to attend four consecutive assemblies of delegates. A successor for any delegate resigning from the assembly for any reason whatsoever is determined according to the terms of Art. 11, Sec. (2), fourth sentence. National delegates are permitted to appoint a representative to the assembly of delegates once in their term of office to exercise their voting rights. Delegates of the INTERNATIONAL assembly, however, may under the same conditions appoint a representative four times. Representation requires a written proxy at all events, on the understanding that any duly authorised representative to an assembly may always only represent one delegate. A delegate of the INTERNATIONAL assembly may, however, represent all the delegates of the INTERNATIONAL assembly, under the same conditions. Only members of Naturland are eligible; however, legal entities may transfer their passive voting rights to third parties by means of a written declaration. Every member of an unincorporated company has passive voting rights. At least 75% of the delegates elected per assembly must be producer members unless no producer members or an insufficient number thereof stand for election. Every member of Naturland is entitled to nominate candidates to the office of delegate. One and the same person can be a member of only one of the central bodies of Naturland in accordance with the terms of Art. 9, Sec. (1).

(3) The delegates are elected by secret ballot. Every member of an assembly

who is entitled to vote has as many votes as the number of delegates to be elected. Cumulative voting is not permitted. In the German provincial and states assemblies the candidates elected are those for whom the greatest number of votes has been cast in the assembly, whereby, in the first round, they have to have received the votes of over half of the members present at the assembly who are entitled to vote. In the INTERNATIONAL assembly, the candidates elected are those who receive the greatest number of votes as representatives of the continents of Africa, America, Asia, Australia and Europe excluding Germany. A second representative of a continent, for whom the second largest number of votes is cast in the election of the delegates of all the continents which have Naturland members, is deemed as elected, provided every continent is already represented by at least one delegate. If a delegate should withdraw during his or her term of office, the seat falls to the candidate who has received the next highest number of votes. The term of office of the delegate who has moved up expires at the next meeting called in which a new delegate is to be elected. Should no such candidate be available, re-election shall take place at the next ordinary assembly as per Art. 11 (1).

## Article 12 Board of directors

(1) The board of directors is Naturland's board of directors pursuant to Art. 26 BGB<sup>1</sup>. It represents Naturland in both legal and non-legal matters. The board of directors is responsible for all Naturland's affairs insofar as they have not been attributed to another body. The presiding body is accountable to the assembly of delegates. In particular, it performs the following functions:

- convening the assembly of delegates

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<sup>1</sup> German Civil Code

- execution of resolutions passed by the assembly of delegates
- drafting a budget for every financial year, keeping the accounts and preparation of an annual financial report. The budget must contain operational budgets for the bodies under Arts. 15, 16 and 18 of these statutes. The distribution of funds in the budget must take the source of the funds from the assemblies as per Art. 15, Sec. (1) and (2), and Art. 18, into consideration.
- conclusion and termination of licensing and production agreements
- conclusion and termination of employment contracts
- resolutions on the acceptance and exclusion of members
- resolutions on addenda and/or amendments to Naturland's standards in exceptional cases justified by their urgency, which are valid until the next assembly of delegates
- approval of the trademark statutes applicable to the Naturland marks where required by law and the passing of resolutions on any amendments to the trademark statutes

(2) The board of directors has three members. Two further committee members may be elected, each having full voting rights. The board of directors and the two committee members together make up the extended board of directors. The extended board of directors, resp. the board of directors, elect one of the members of the board of directors as president and another as vice-president. The board of directors' members represent Naturland jointly with another board of directors' member except for board of directors' members granted sole power of representation by a unanimous vote of the board of directors.

(3) The board of directors and the committee members are elected by the delegates for term of four years. However, they remain in office until the board of directors is re-elected. Any delegate may nominate candidates. Only members of Naturland are eligible

for election. The members of the board of directors are elected by secret ballot. Each delegate entitled to vote has as many votes as the number of members of the board of directors to be elected. Cumulative voting is not permitted. Those candidates for the board of directors are elected for whom the greatest number of votes has been cast, whereby, in the first round, they have to have received the votes of over half of the members present at the assembly who are entitled to vote. Nominations are still acceptable if made during the assembly in which the board of directors is to be elected. If a member of the board of directors or a committee member withdraws prematurely during his or her term of office, a replacement is elected at the next assembly of delegates for the remaining term of office of the board of directors. The members of the board of directors and the committee members cannot concurrently be members of one of Naturland's central bodies under Art. 9, Sec. (1). They are entitled to attend meetings of the other Naturland bodies and to contribute to the discussions but have no voting rights there. If a member of another of Naturland's central bodies is elected to the board of directors or as a committee member, he or she retires from the other office upon election.

- (4) Members of the board of directors and the committee members are entitled to adequate compensation of their activities in the board of directors. The compensation agreement is subject to approval by the assembly of delegates.
- (5) In order to perform the tasks defined in Art. 12, Sec. (1) of these statutes, the board of directors may appoint project teams. In particular, the board of directors may appoint a budget committee to advise the board of directors in budgetary matters.
- (6) In order to pursue Naturland's mission, the board of directors may establish

one or several operational offices, determine their activities by rules of internal procedure and appoint full-time managers. Persons who are not members of Naturland may become managers or employees of the operational offices. The managers and other staff of the operational offices are paid salaries and are subject to the directives of the board of directors.

### **Article 13 Standards committee**

- (1) The standards committee is composed of up to five members. They are elected for a term of four years by the assembly of delegates upon the proposal of the board of directors, remaining however in office until the standards committee is re-elected. Persons who are not members of Naturland are also eligible. A member is not entitled to vote if, at the time of voting, Naturland's interests may conflict with the personal interests of the member or of persons close to the member (spouses, relations and relatives by marriage up to the second degree).
- (2) The task of the standards committee is to elaborate and develop Naturland's standards and to make recommendations on Naturland standards to be passed and amended by the assembly of delegates. Furthermore, the commission decides upon the binding interpretation of Naturland's standards.
- (3) In order to perform the tasks falling under its range of responsibilities as defined in these statutes, the standards committee may establish project teams composed of persons with special fields of knowledge in the respective area of certification and who are appointed by the board of directors at the suggestion of the standards committee.
- (4) The standards committee is required to consult experts in relevant fields when deliberating upon standards of specific professional areas. Where pro-

professional committees as per Art. 18 exist, they may appoint an expert with speaking and consultation rights to the standards committee.

- (5) Where a professional committee is affected by standards or amendments to standards specific to their fields, upon which the assembly of delegates is to decide, the said professional committee has the right to refer these standards or amendments back once to the standards committee for further consultation. If it avails itself of this right, then the standards or their amendments do not become effective until the standards committee has conferred upon them once more, and then passed on its recommendations to the assembly of delegates which has then passed them. Furthermore, professional committees may draft proposals for amendments to the standards and present these to the standards committee.

#### **Article 14 Certification committee**

- (1) The certification committee consists of up to 30 members. These are elected for a term of four years by the assembly of delegates upon the proposal of the board of directors, remain however in office until the certification committee is re-elected. Persons who are not members of Naturland are also eligible. Co-ordinators of the certification sub-committees pursuant to Art. 14, Sec. (3) of these statutes are members of the certification committee with a right to vote. A member is not entitled to participate if, at the time of passing a resolution, Naturland's interests conflict with the member's personal interests or the interests of persons close to them (e. g. spouses, relations and relatives to the second degree). The members are obliged to disclose such conflicts of interest at their own initiative. The members of the certification committee should represent various professions and areas of society in order to guarantee the

requisite expertise in the fields certified and the neutrality of the certification committee. The following areas in particular should be represented:

- science and research
- production of organic produce
- processing of/trade in organic produce
- consultancy in the field of organic agriculture
- consumer and environmental protection

- (2) It is the task of the certification committee to monitor the practical implementation of and conformity to Naturland's standards by its producer members and other persons who have committed themselves contractually to compliance with Naturland's standards (hereinunder "contractual partners"). In particular, it decides on whether to issue its annual certificate confirming compliance with standards and, where producer members or contractual partners breach the standards, on the imposition of the penalties listed in the contracts.

- (3) The certification committee is not bound to directives or recommendations of other Naturland bodies. The certification committee may determine in its procedural rules that sub-committees may be established to perform the functions for which it is responsible under the statutes. These sub-committees are composed of at least two members of the certification committee and the respective co-ordinator of the sub-committee. The rules of procedure may stipulate that, to make a quorum, at least half of the sub-committee's members must be present.

- (4) The certification may establish a secretariat to perform the functions for which it is responsible under the statutes, with the agreement of the board of directors. The members of the secretariat, whose activities set out in the rules of procedure of the certification committee, receive a salary and are

bound by the directives of the certification committee in their special field.

#### **Article 15 Regional assemblies, INTERNATIONAL assembly**

(1) All members of Naturland having their main place of residence or of business or headquarters of its association within the territory of a province of the Federal Republic of Germany constitute the national assembly. If the number of members of any province or of several adjacent provinces does not constitute the minimum number of members necessary to elect a delegate to the assembly of delegates pursuant to Art. 11, Sec. 1, first enumeration, of these statutes, then they form a states assembly by combining the regional assemblies of adjacent provinces. Every provincial assembly has to join the provincial assembly of an adjacent province or the states assembly of adjacent provinces which, when including the members of the adjoining provincial assembly, has reached or exceeded the minimum number of members pursuant to Art. 11, Sec. 1, first enumeration of these statutes for the election of a delegate. The amalgamation of various states assemblies becomes invalid in the following calendar year if, during the previous calendar year,

1. one of the regional assemblies acquires enough members to be able to elect one or several delegates on its own, or
2. the regional assembly chooses to join a different adjacent regional assembly or states assembly, which is possible at the earliest at the next election of delegates.

(2) All members of Naturland with their main place of residence or of business or the headquarters of their association in the territory of a state outside the Federal Republic of Germany constitute the INTERNATIONAL assembly.

(3) All the assemblies under Art. (1) and (2) pass resolutions in general meetings. Every ordinary member of Naturland has a vote in the meeting. Members can issue proxies to be represented in the meetings. The proxy must at all events be in writing and the authorised representative may only represent one member in any one meeting.

(4) The regional and states assemblies perform the following functions:

1. They implement the purposes of these statutes as per Art. 2 in their respective regions.
2. They elect delegates and regional boards.
3. They put motions to the assembly of delegates and formulate recommendations for the realisation of Naturland's aims.
4. They may establish working groups to perform certain tasks.

(5) The members of the assemblies named above meet at least once a year for an assembly. They are called by the board of directors or by the board elected by the assembly at four weeks' notice, the invitation to include the agenda. The board of directors or the board of the respective assembly may call for an extraordinary meeting at one week's notice. The invitation to and the running of the meeting and the minutes taken are covered by Art. 9, Sec. (4), and Art. 10, Sec. (3) to (9), of these statutes.

#### **Article 16 Provincial and states boards**

(1) The provincial board members – which are not boards of directors pursuant to Art. 26 BGB<sup>2</sup> – are the delegates elected. Assemblies under Art. 15, Sec. (1), which do not have a delegate, may elect a provincial board at each of the respective states assemblies. In addition, committee members, the number of which is to be determined by the as-

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<sup>2</sup> German Civil Code

sembly, may be elected. The term of office of this board is concurrent with that of the delegates pursuant to Art. 11, Sec. (2) of these statutes, and it remains in office until the new elections.

- (2) The boards of German provinces are called provincial boards. If the assembly should elect more than one person to the provincial board, this board may elect a chairperson and another as vice-chairperson from among the board members.
- (3) The function of the provincial and states boards are to convene the assemblies at which they are elected, to execute the resolutions passed there and to run the business of Naturland which falls under the responsibility of this assembly in agreement with the board of directors, particularly observing the interests of the members of the assembly. Where it has to represent Naturland in public, the board of directors may endow the provincial chairperson or other board members with the authority to execute necessary business. The details are covered by rules of representation to be passed by the assembly of delegates.
- (4) If, due to special circumstances, the provincial or states board has to act on matters falling under the responsibility of the assembly, e. g. in another German province as provincial board or provincial chairperson of the provincial assembly, then the relevant assembly, with the agreement of the board of directors, appoints the members of the board responsible for the local business of the assembly as special representatives pursuant to Art. 30 BGB<sup>3</sup>. The regulations governing the issuing of proxies under Sec. 3 apply accordingly.
- (5) The board members of the assemblies pursuant to Sec. (1) bear liability within the association for damages arising from their work in the same way as the members of the board of directors.

The members of the board of directors are not liable within the association for projects they execute. If the assembly of delegates approves the activities of the board of directors, then this approval extends to the board members under this article, unless the assembly of delegates excludes the board from this approval. Further to the approval of the activities of the board members pronounced by the assembly of delegates for the board of directors or the board members especially, the approval of the activities of the board members by the assembly responsible for the election of the board under Sec. (1) is required.

- (6) The members of states other than Germany may elect a board composed of up to 5 members bearing the customary title for such a board in their country. If a delegate has already been elected from the state of the INTERNATIONAL assembly, he or she belongs to the states' board. The regulations described above for the provincial boards apply to the states board.

#### **Article 17 National committee**

- (1) The provincial chairpersons of the German provinces constitute the national committee jointly with the board of directors.
- (2) The board of directors shall convene the national committee at least once a year. Every provincial chairperson and every member of the board of directors has one vote. Apart from this, the regulations of Art. 15, Sec. (5) of these statutes apply to the assemblies. Further, the regulations of Art. 9, Sec. (4) and Art. 10, Sec. (3) to (9) of these statutes apply accordingly.
- (3) The function of the national committee is to advise the board of directors on and co-ordinate the affairs for which they are responsible and which are common to Naturland as per Art. 2 and

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<sup>3</sup> German Civil Code

to the assemblies as per Art. 15, Sec. (1) and (2) of these statutes, and to perform the tasks for which they are designated under these statutes. This specifically includes advice on matters pertaining to agricultural and environmental policy, research and educational matters and on the strategy of Naturland.

#### **Article 18 Professional committees**

- (1) Professional committees may be created upon the recommendation of the board of directors or upon written application of ten or more Naturland members having the same specific professional characteristics. Full members of the professional committees are to be appointed from among the members of Naturland who have the same specific professional attributes. They may be complemented by individuals suitable on both a personal and a professional level, without voting rights. Art. 15, Sec. (3) and (5) of these statutes apply to the professional committees accordingly.
- (2) Professional committees promote the aims of Naturland in their specific sphere of competence and pursue their specific professional concerns. Furthermore, they advise the board of directors and are entitled to submit motions to the assembly of delegates. Besides this, they co-operate on the work on standards with special rights as per Art. 13.
- (3) Each professional committee consists of up to five members holding voting rights. These are elected for a period of four years by the assembly of delegates upon the recommendation of the board of directors.
- (4) The full members of every professional committee elect a chairperson from among their numbers. The election, tasks and responsibilities of the chairperson of the professional committee are governed by Art. 16 of these statutes.

utes. The chairperson of a professional committee can participate in assemblies of delegates with speaking and consultation rights and introduce motions to the assembly of delegates in the name of the professional committee. The professional committees may call upon external experts in an advisory capacity.

#### **Article 19 Regional groups**

- (1) Regional groups may be established by the board of directors upon written application by ten or more members of Naturland. Art. 15, Sec. (3) and (5) of the statutes applies to the regional groups accordingly.
- (2) Each regional group elects a chairperson for the regional groups from among its numbers. The election, the tasks and the responsibilities of the chairperson are governed by Art. 16 of these statutes accordingly.
- (3) The chairpersons of the regional groups are invited by the board of directors to an assembly of the chairpersons of the regional groups at least one a year. Art. 15, Sec. (3) and (5) of these statutes governs the assembly of the chairpersons of the regional groups accordingly.
- (4) It is the function of the regional groups to deliberate on issues common to Naturland on a regional level as per Art. 2 of these statutes and to perform all other tasks conferred upon them in these statutes.

#### **Article 20 World Advisory Board**

- (1) The world advisory board consists of up to ten members. Delegates of the INTERNATIONAL assembly are members of the world advisory board. Further members are elected by the assembly of delegates for periods of four years following the proposal of the board of directors or upon submission



of a proposal made by the current members and receipt of the approval of the board of directors and remain in office only until the re-election of the advisory board. The board of directors consults the members of the world advisory board before appointing further members. The members of the world advisory board shall represent members in continents in which Naturland has members entitled to vote as per Art. 15 (2) and such board members are to be appointed from among the members of Naturland.

- (2) The world advisory board advises Naturland on questions of the promotion of organic agriculture and questions concerning global fair-trade and social standards, and initiates research and development projects as well as innovative measures. Furthermore, it promotes the objectives of Naturland on a specialist level and pursues its professional aims in this context. It advises the board of directors in such matters and is entitled to propose resolutions to the assembly of delegates. The advisory board is required to consult specialists in specific fields in its deliberations on professional standards as per Art. 18. The advisory board may also consult external experts in its professional deliberations.

#### **Article 21**

##### **Amendments to the statutes**

- (1) Amendments to the statutes require a resolution passed by the assembly of delegates with a two thirds majority of the valid votes given.
- (2) Amendments to the statutes required compulsorily by law or to maintain Naturland's non-profit-making status can be passed by the board of directors. This decision by the board of directors must be unanimous.

#### **Article 22**

##### **Dissolution of the association**

The dissolution of Naturland requires a three quarters majority of valid votes given by the assembly of delegates.

## Article 23

### Court of arbitration

- (1) A court of arbitration settles all disputes between Naturland and its members, without the possibility of recourse to legal action, as per the Rules of the Court of Arbitration laid down in the appendix of these statutes which are an essential part of these statutes.
- (2) The right to apply for provisional legal protection to the appropriate legal court in urgent cases is not affected by Art. 21, Sec. (1), of these statutes.

## Article 24

### Concluding provisions

- (1) Should one or several regulations of these statutes be null and void, this does not affect the validity of any other of the regulations of these statutes.
- (2) In addition, the provisions of the German law on associations apply.
- (3) Announcement by Naturland will be made in the association journal or in circular letters.

## Appendix to Article 23 of the Statutes

### Rules of the Court of Arbitration

#### 1. Court of arbitration

- (1) The court of arbitration consists of one arbitrator. The arbitrator has to be qualified for the judicial office and have sufficient special knowledge of the respective cases. The complainant has to send the charge and invite the defendant to a hearing at the court of arbitration to settle the matter within 14 days. If the parties fail to agree on an arbitrator or to arrange a hearing within the given time period, the president of the Higher Regional Court under the jurisdiction of which Naturland falls shall nominate the arbitrator at the first request made by one of the parties. The complaint and specifications on the controversy must be appended to the request.
- (2) Within a certain period of preclusion set by the arbitrator, each party has the right to apply for a debate, with the arbitrator as chairperson, on the extension of the court of arbitration to a maximum of three arbitrators. If the arbitrator determines that agreement can be reached on this point, he or she has to apply to the president stipulated under Art. (1) to nominate one or a further arbitrator. He or she may make suggestions and must specify the controversy or submit the complaint.
- (3) After several judges have been nominated, the court of arbitration elects a chairman from its number.
- (4) If an arbitrator leaves the court of arbitration for any reason whatsoever, a new arbitrator has to be nominated as per the above regulations.
- (5) Any person who has been excluded from participation in proceeding in a state court of law may not function as an arbitrator.
- (6) Parties may be members, bodies of Naturland, members of bodies, even if

they have withdrawn their membership or the validity of their membership, their election, nomination or appointment is disputed. Complaints are not admitted if the controversy (e.g. withdrawal and similar matters) dates back more than two years.

- (7) If the complainant and the defendant consist of several persons (a faction), they are considered one party. They decide among themselves by simple majority on the nomination of an arbitrator.
- (8) The competent court of arbitration is that under the jurisdiction of which Naturland's head office fall.

## **2. Costs and advance payment**

The court of arbitration decides on the costs pursuant to Art. 91 seq. of the ZPO<sup>4</sup> and is entitled to request adequate advance payment for the cost of the proceedings from the parties. Costs are decided at the discretion of the court of arbitration.

## **3. Arbitration award**

The reasons for the arbitration award must be specified. Every party receives a copy of the arbitration award. The regulations on the signatures required by the arbitration judges are governed by Art. 1054 ZPO.

## **4. Evidence**

- (1) The court of arbitration has the right to collect evidence and to hear the testimony of experts.
- (2) Wherever necessary, application may be made for the support of the relevant courts, e.g. in the collection of evidence pursuant to Art. 1050 ZPO the County Court for the head offices of the association, or otherwise to the competent Higher Regional Court under the jurisdiction of which the head offices of the association fall. The

court of arbitration must make such an application if one of the parties so request.

## **5. Law of procedure, applicable law**

- (1) Regulations Art. 1025 of the 10<sup>th</sup> book of the ZPO are applicable to the procedure of the court of arbitration.
- (2) The court of arbitration must decide in accordance with current law and has to apply the laws of the Federal Republic of Germany.

## **6. Retrial at the court of arbitration**

If the arbitration award is cancelled by the competent court, the arbitration clause does not expire. In this case the parties have to re-appoint a court of arbitration constituted in compliance with the above regulations. The arbitrators who participated in the prior proceedings are excluded from participation in the new proceedings.

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<sup>4</sup> Zivilprozessordnung (German code of civil procedure)