

Articles of Association of Bowspirit Kids gemeinnützige GmbH

1 Name of Company, Registered Office

- (1) The name of the company is: Bowspirit Kids gemeinnützige GmbH.
- (2) The company's registered office is in Lübeck.

2 Goal and Purpose of the Company

- (1) The company directly and exclusively serves charitable purposes as defined in the "Tax-privileged purposes" section of the German Fiscal Code.
- (2) The business purpose of the company is the advancement of assistance to young people.
- (3) The goal and purpose of the company shall be realised in particular by the establishment and operation of maritime holiday camps for sick and traumatised children and youth and their siblings.
- (4) The company is a non-profit, charitable organisation; it does not primarily serve its own economic purpose.
- (5) The company is entitled to establish branches in Germany and other countries, to hold shares or interests in or invest in other companies, and to acquire, represent and found additional companies.
- (6) The company is also entitled to enter into business transactions which have an economic connection with the aforementioned companies and which may be beneficial to achieving and promoting the company's purpose.

3 Use of Funds

- (1) The company's funds may only be used for the purposes specified in the Articles of Association. The shareholders are not entitled or permitted to receive any shares in the profit or dividends, and, in their capacity as shareholders, are not entitled or permitted to receive any other payments or benefits from the company's funds.
- (2) Upon their resignation or the dissolution of the company or the cessation of tax-privileged purposes, the shareholders shall not be paid back any more than the amount of their paid-in capital shares and the fair market value of their contributions in kind.
- (3) No person shall be permitted to benefit from expenses that are alien to or inconsistent with the purpose of the company or from disproportionately high remuneration or compensation.
- (4) Persons in voluntary positions are only entitled to reimbursement of verified expenses.
- (5) The managing directors are entitled to receive (a lump sum) remuneration for their work and time expended. The amount of the remuneration shall not be unreasonably high. The measure of reasonability shall be based on the charitable, non-profit objective and purpose of the company.

4 Duration of Company

The company's operations shall commence with its entry in the commercial register. The company shall be established for an indefinite period of time.

5 Share Capital, Company Shares

- (1) The share capital of the company amounts to € 25,000.00 (in words: twenty-five thousand euros).
- (2) Of the share capital:

Michael Speckenbach shall acquire a share in a nominal amount of € 25,000.00 (No. 1), which shall be paid in cash.

6 Commitment to the Company

Each partner is obligated to work for the company, unless he or she is exempted from the commitment to the company by way of a shareholders' resolution.

7 Managing Director

- (1) The company shall have one or more managing directors.
- (2) The appointment and dismissal of managing directors and their exemption from the non-competition clause shall take place by way of a shareholders' resolution.

8 Representation of the Company

- (1) One sole managing director represents the company alone. If several managing directors are appointed, the company shall be represented by two managing directors jointly or by one managing director together with an authorised signatory/representative. The power of representation of a managing director can be regulated otherwise by means of a shareholders' resolution; in particular, the managing directors can be granted sole power of representation and all or individual managing directors can also be exempted from the restrictions of Section 181 of the German Civil Code (BGB), so that they can represent the company in legal transactions in their own name or as agents of a third party.
- (2) The power of representation of the managing directors vis-à-vis third parties shall not be limited by the restrictions on management stipulated by law or the articles of association.
- (3) The founding shareholder, Michael Speckenbach is, by virtue of special rights, a managing director with sole power of representation and is exempt from the restrictions of Section 181 BGB. He can only be dismissed or recalled for good cause.

9 Management Board/Directors

- (1) The management of the company's business operations shall be the joint responsibility of several managing directors, unless otherwise determined by a shareholders' resolution, in particular in accordance with the rules of procedure.
- (2) In relation to the company, each managing director is obligated to comply with the restrictions on management specified or to be specified by law, the articles of association, the managing director's employment contract and shareholders' resolutions.
- (3) The managing directors shall be required to obtain prior consent by means of a shareholders' resolution for any and all transactions that extend beyond the regular business operations of the company.

10 Shareholders' Resolutions

- (1) Unless otherwise stipulated by law or these articles of association, the shareholders shall decide on all of the company's affairs by way of passing resolutions with a simple majority of the votes cast by all shareholders.
- (2) A resolution can only be passed with only 75% of the votes cast by all shareholders with respect to the following matters:
 - (a) an amendment to the articles of association,
 - (b) the dissolution of the company,
 - (c) the resolutions pursuant to Sections 7, 8 and 9 of these Articles of Association.
- (3) Each € 50.00 nominal amount of a share shall grant one vote.

11 Shareholders' Meeting

- (1) Shareholders' resolutions shall be passed in a meeting.
- (2) Unless a shareholders' meeting is required by law, a meeting need not be held if all of the shareholders declare their consent to the disposition in question in text form or by submitting their votes in writing.
- (3) The shareholders' meeting shall be convened by a managing director of the company. The place of the meeting shall be the registered office of the company, unless another location is specified by way of a shareholders' resolution.
- (4) The annual general shareholders' meeting shall be convened in the first four months of a financial year in order to pass a resolution on the approval of the annual financial statements, the appropriation of profits and the discharge of the managing directors. In all other respects, the shareholders' meeting shall be convened where it appears necessary to a managing director to be in the company's interest or in the cases prescribed by law.
- (5) The meeting shall be convened by invitation sent to the shareholders by registered letter (registered postal mail) to the last address communicated by the shareholder to the company or by delivery by hand in exchange for verification of receipt. The invitation must be sent at least two weeks prior to the date of the meeting. The subjects of the proposed resolutions must be communicated in the invitation; the annual financial statements must also be enclosed with the invitation to the annual shareholders' meeting.
- (6) If the meeting has not been properly convened, resolutions may be passed only if all shareholders are present.
- (7) Every shareholder is entitled to participate in the shareholders' meeting. He or she may be represented by his/her spouse, another shareholder, or a third party bound to professional secrecy. Any other shareholder is entitled to request that the authorized representative authenticate himself or herself by furnishing a written power of attorney.
- (8) The meeting shall be chaired by the chairperson. The chairperson shall be elected by simple majority of the shareholders present and represented.
- (9) The shareholders' meeting shall constitute a quorum if at least half of the share capital is represented. In the absence of a quorum, a new meeting with the same agenda, which shall always be deemed to constitute a quorum, shall be convened within four weeks. This must be communicated in the invitation. Resolutions of the shareholders can only be passed in writing in a shareholders' meeting or in accordance with Section 48 (2) of the German Limited Liability Companies Act (GmbHG).
- (10) The chairperson shall document the passed resolutions in writing, sign the document and send it to the shareholders without undue delay.

- (11) Any appeal against a shareholders' resolution must be lodged within one month after receipt of the documentation/minutes regarding the resolution.

12 Board of Trustees

- (1) If and for as long as the company's shares are not yet fully held by the Bowspirit Kids Foundation, Lübeck, a board of trustees comprised of up to seven members shall exist as an additional body of the company.
- (2) The Board of Trustees is responsible for advising the management and the shareholders. Members of the Board of Trustees should therefore be individuals whose professional expertise, contacts and life experience make them particularly qualified to advance the achievement of the company's corporate purpose. The members of the Board of Trustees work in a voluntary capacity, but are entitled to reimbursement of necessary expenses they incur in that connection.
- (3) The Board of Trustees is established and staffed jointly and simultaneously with the Board of Trustees of Bowspirit Management GmbH, Lübeck.
- (4) The members of the first Board of Trustees shall be appointed by the Shareholders' Meeting. Subsequent elections and by-elections of members of the Board of Trustees shall be held by the Board of Trustees upon the proposal of the Shareholders' Meeting. The Board of Trustees shall elect a chairperson and a deputy chairperson from amongst its members. The Board of Trustees may issue its own rules of procedure.

13 Financial Year and Annual Financial Statements

- (1) The financial year is the calendar year. The first financial year commences with the registration of the company and ends on 31 December of that year.
- (2) The annual financial statements for the preceding financial year shall be prepared by the managing directors within the first three months of the subsequent financial year, unless the law permits the annual financial statements to be prepared within the first six months of the subsequent financial year, and must be signed by all managing directors.

14 Distribution of Profits

- (1) The shareholders are not entitled to the net profit for the year.
- (2) The net income for the year, less any existing loss carried forward from the previous year, shall be allocated to retained earnings.

15 Change in Shareholders

- (1) Transfer of company shares:
Shares may only be sold, pledged or encumbered in whole or in part by a shareholder if the shareholders agree to such a change in advance by way of a resolution with a majority of 75% of the votes cast by all shareholders. The shareholder concerned is entitled to vote.
- (2) Right of withdrawal:
Each shareholder is entitled to declare his or her withdrawal from the company
 - (a) if a compelling reason or good cause within the meaning of general corporate law exists at any time, or
 - (b) in all other cases, only with a notice period of six months prior to the end of a financial year. The notice of withdrawal must be sent to the company by registered letter.

- (3) **Expulsion:**
A shareholder is obligated to leave the company without his/her consent,
- (a) immediately, if and as soon as insolvency proceedings are initiated with respect to his/her assets or the initiation of insolvency proceedings is refused for insufficiency of assets;
 - (b) by a shareholders' resolution – on which he/she is not entitled to vote – on the date specified in the resolution, but not before the shareholder concerned has been notified of the resolution,
 - I. if a distraint or execution has been levied on his/her share and is not lifted within two months, or
 - II. if the other shareholders cannot reasonably be expected to continue their business relationship with a shareholder for a compelling reason arising from the person or conduct of that shareholder.
- (4) **Death of a shareholder:**
Heirs or legatees of a shareholder, provided that the company has more than one shareholder at the time of the death of said shareholder, shall be obligated to leave the company, insofar as they themselves are not shareholders or descendants of the decedent.
- (5) **Execution of the withdrawal:**
In accordance with a shareholders' resolution, on which he/she is not entitled to vote, with the majority of the votes cast by the other shareholders, the withdrawing shareholder or his or her heirs/legatees shall be obligated to transfer his/her share in whole or in part to the company itself, to one or more shareholders or to third parties to be designated by the company, or to accept the forfeiture of the share.

A withdrawing shareholder or his or her heirs/legatees shall be refunded the paid-in capital shares and the fair market value of contributions in kind provided by him/her from the shareholder acquiring his/her share (or if there is more than one, then from the severally liable shareholders) in the event of forfeiture or repurchase by the company.

The withdrawal of a shareholder shall not lead to the dissolution of the company. The remaining shareholders must promptly pass a resolution with regard to how the company will be continued.

16 Dissolution

- (1) In the event of the dissolution of the company or the cessation of tax-privileged purposes, the assets of the company, to the extent that they exceed the paid-in capital shares of the shareholders and the fair market value of the contributions in kind provided by the shareholders, shall be transferred equally (i.e. one quarter of the assets each) to
- (a) the "Lübeck-Hilfe für krebserkrankte Kinder e.V." association, Lübeck,
 - (b) the "Förderverein der Augenklinik e.V." association, Lübeck,
 - (c) the Deutsche Kinderkrebsstiftung foundation, Bonn, and
 - (d) the Stiftung Kinderzukunft foundation, Gründau,

which shall use them directly and exclusively for charitable, non-profit purposes.

If one of the aforementioned organisations no longer exists at the time of the dissolution of the company, the corresponding shares shall be paid to an entity entitled to a tax-privileged status as specified in the most current version of the aforementioned organisations' articles of association, provided that the funds are used directly and exclusively for charitable, non-profit purposes.

- (2) The capital shares paid in by the shareholders and the fair value of the contributions in kind provided by the shareholders shall be paid out to the shareholders.

17 Non-Competition Clause

Unless a shareholder is authorised by a prior approving shareholder resolution, on which he/she was not entitled to vote, he/she shall not be permitted to conduct or engage in any business transactions in the business segment related to the purpose of the company whether on his/her own account or on behalf of a third party, occasionally or commercially, indirectly or directly, independently or in association with others, or in any other manner. In particular, the non-competition clause covers the indirect or direct participation in competing companies or the provision of consulting services to them, as well as the participation as a silent shareholder or sub-participant or minority interest in competing companies.

18 Final Provisions

- (1) Announcements by the company shall exclusively be published in the German Electronic Federal Gazette or any official publication that may replace it.
- (2) If one of the provisions of these Articles of Association or a future provision added to it is or becomes invalid, ineffective or unenforceable in whole or in part or subsequently ceases to be valid or enforceable, that shall not affect the validity of the other provisions. The same applies if it becomes evident that the provisions in these Articles of Association contain an omission or loophole. In lieu of the invalid, ineffective or unenforceable provision or for the purpose of correcting the loophole, an appropriate provision shall then apply which, provided it is legally possible, comes closest to what the shareholders would have agreed on if they had known about the invalidity, ineffectiveness, unenforceability or incompleteness of the Articles of Association. If the invalidity or ineffectiveness of a provision is based on a measure of performance or time (deadline, notice period or date) specified in the Articles of Association, then a measure of performance or time that is legally permissible and comes as close as possible to what the shareholders intended shall apply.
- (3) Each shareholder shall be obligated to amend contracts which conflict with the company's purpose or the shareholders' fiduciary duty vis-à-vis the company and other shareholders.

19 Expenses

The costs and fees associated with the company's incorporation (commercial register, announcements, consultations, notary) shall be borne by the company up to a total amount of € 2,500.00.

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