Josef Bergt

Collection of Laws of Liechtenstein

Company law

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LAW

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(AktR) Law governing
limited liability
companies (GmbH) Law
governing institutions
(AnstR) Law governing
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from 20 January 1926

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Introduction

Art. 1

A. Application of the law

1) The Act shall apply to all matters of private law for which it contains a provision, either verbatim or by interpretation.

2) It shall apply to questions of public law only to the extent provided for in the law itself.

3) If a rule cannot be derived from the law, the judge shall decide according to customary law and, where such a rule is lacking, according to the rule that he would establish as a legislator (finding of law).

4) He follows proven doctrine and tradition.

B. Content of legal relations Art.

2

I. Acting in good faith

1) Everyone shall act in good faith in the exercise of his rights and in the performance of his duties.

2) The manifest abuse of a right does not find legal protection.

Art. 3

II. Good faith

1) Where the law has attached a legal effect to a person's good faith, its existence is to be presumed.

2) A person who could not have been bona fide in paying attention as may be required of him under the circumstances is not entitled to plead good faith.

Art. 4

III. Judicial discretion

1) Where the law refers the judge to his discretion or to the appreciation of the circumstances or to important reasons, he shall make his decision according to law and equity.

2) This rule shall be applied mutatis mutandis to the decisions and orders to be made by administrative authorities under this Act.

Art. 5

C. General provisions of the Code of Obligations and practice and local usage

1) The general provisions applicable to the Code of Obligations (law of contractual obligations) shall apply mutatis mutandis to the legal relationships regulated herein, unless this Act provides otherwise.

2) Where the law refers to practice or local usage, the previous law shall be deemed to be its expression unless a different practice or local usage is proven.

Art. 6

D. Rules of evidence

1) Unless otherwise provided by law, the existence of an alleged and disputed fact shall be proved by the person who derives rights from it or puts it forward as a defense against a claim of the opponent.

2) Public registers and public documents provide full proof of the facts or circumstances attested by them, as long as the incorrectness of their contents is not proven.

3) This proof is not bound to any particular form.

Art. 7

E. Competent authority

1) Where the law does not provide otherwise, the district court shall have jurisdiction.

2) The court shall decide on disputes arising from the application of this Act in the course of legal proceedings, unless the procedure outside of court is reserved or otherwise stipulated.

3) The right to refer its decisions or rulings to higher authorities is reserved.

4) Unless otherwise provided by law, decisions or orders of municipal bodies may be referred to the government, those of the government or other administrative authorities or bodies of the state.

be referred to the Administrative Court in the administrative proceedings.

Art. 8

F. International Law

Retrieved

1. Department

Individuals (Natural persons)

1. Title

The right of personality

1. Section

Personality in general

Art. 9

A. Legal capacity

1) Anyone has legal capacity.

2) Accordingly, all people (natural persons) have the same capacity to have rights and obligations under private law within the limits of the legal system.

3) This provision is also mandatory under international law.

B. Capacity to act

I. Maturity

Art. 10

1. Content

1) A person who has the capacity to act has the ability to create, change, cancel or transfer rights and obligations under private law by his or her acts or omissions.

2) In the case of the deputy, however, the capacity to judge is sufficient for this purpose.

3) Unless otherwise provided by law or legal transaction, everyone is liable for his obligations with all his assets (unlimited).

2. Requirements

Art. 11

a) In general

1) A person has capacity to act if he or she is of age and capable of judgment, unless the law provides for an exception in individual cases, such as limited capacity to act and testamentary capacity.

2) Capacity to act is presumed unless its absence is obvious, as in the case of children, for example.

Art. 12

b) Maturity

A person is considered to be of age if he or she has reached the age of 18.

c) Declaration of Maturity

Art. 13

Repealed

Art. 14

Repealed

Art. 15

d) Judgement

1) For the purposes of private law, a person is deemed to have the capacity to judge if he or she does not lack the ability to know the motives and consequences of his or her behavior or to act in accordance with correct knowledge because of his or her age or as a result of insanity, mental weakness, drunkenness or similar conditions.

2) The judge must determine in each individual case whether this ability to act reasonably is lacking in the aforementioned circumstances.

II. Capacity to act Art.

16

1. In general

Incapacitated persons are persons who are incapable of judgment or under the age of majority.

Art. 17

2. Absence of the ability to judge

Subject to the exceptions provided for by law and the provisions on the liability of third parties, a person who is incapable of judgment cannot produce any legal effects through his or her conduct.

3. Incapacitated or incapacitated persons capable of judgement

Art. 18

a) In general

1) Minors who have reached the age of 14 are, in case of doubt, deemed to have capacity. They can only commit themselves by their actions or give up rights with the consent of their legal representatives.

2) Without such consent, however, they may, even without the cooperation of their legal representative, obtain benefits that are gratuitous and, where the law does not provide for an exception, exercise rights to which they are entitled for the sake of their personality.

3) You will be liable to pay damages in tort.

4) The assertion of highly personal rights is exclusively available to the beneficiaries, subject to the participation of the legal representative as specifically provided for by law.

5) Paras. 2 to 4 shall apply mutatis mutandis to persons to whom a custodian has been appointed.

b) Own action of the guardian or a person to whom a guardian is appointed

Art. 19

aa) Consent of the guardian or custodian

1) If wards or persons to whom a guardian has been appointed have capacity, they may enter into obligations or relinquish rights as soon as their guardian or guardian has expressly or tacitly given his or her consent in advance or subsequently approves the transaction.

2) The other party shall be released if the consent is not given within a reasonable period of time which he or she has set himself or herself when making the declaration of intent or which he or she subsequently sets for the guardian or custodian or has set by the judge in extrajudicial proceedings.

Art. 20

bb) Lack of consent

1) If the guardian or custodian does not give his or her consent, either party may recover the benefits performed, but the person under guardianship or the person to whom a custodian is appointed shall be liable only to the extent that the benefit was used for his or her benefit or to the extent that, at the time of recovery, he or she still possesses the benefit or is still enriched or has maliciously deprived himself or herself of the enrichment.

2) If the person under guardianship or the person to whom a guardian has been appointed has induced the other party to erroneously assume his or her capacity to act, he or she shall be liable to him or her for the damage caused in accordance with the provisions on tortious acts.

Art. 21

cc) Profession or trade

The person under guardianship or the person to whom a guardian has been appointed, to whom the guardianship court expressly or tacitly permits the independent operation of a profession or trade, may undertake all transactions that are part of the regular operation and shall be liable therefrom with all his or her property, unless exceptions are provided for or permitted.

Art. 22

c) Limited capacity of the child to act

1) The child has the same limited capacity to act under parental authority as a guardian.

2) The provisions on representation by the guardian shall apply mutatis mutandis, with the exclusion of the provisions concerning the participation of the guardianship authority.

3) The child's property is liable for the child's obligations regardless of the parental property rights.

Art. 22a

Reservation of the

ABGB

More detailed provisions on Articles 9 to 22 are contained in the General Civil Code.

1) Retrieved

III. International Law

Art. 23

1. In general

2) The acquisition of Liechtenstein citizenship does not result in the loss of maturity once it has been acquired.

3) [A minor foreigner who marries a Liechtenstein citizen acquires maturity through marriage even if her native law does not provide for this].

Art. 24

2. Exceptions

Retrieved

C. Relationship

Art. 25

I. Related by blood

1) The degree of consanguinity is determined by the number of births conveying it.

2) Two persons are related in a straight line if one is descended from the other and in a collateral line if they are jointly descended from a third person and are not related in a straight line among themselves.

Art. 26

II. Affinity

1) A person who is related by blood to a person is related by marriage to that person's spouse or registered partner in the same line and to the same degree.

2) The partnership in law shall not be annulled by the dissolution of the marriage or registered partnership which established it.

Art. 27

III. International Law

The relationship and affinity of a person shall be judged according to the law to which the legal relationship in question is subject.

D. Home and residence

I. Home

Art. 28

1. In general

1) A person's homeland is determined by his or her citizenship.

2) Citizenship is determined by public law.

2. International Law

Art. 29

a) In general

Whether a person is a citizen of another state is determined by the law of that state.

Art. 30

b) Multiple citizenship

Repealed

Art. 31

c) Homeless

Retrieved

II. Residenc

e Art. 32

1. Private law term

1) A person's domicile is the place where he or she stays with the intention of remaining permanently.

2) No one may be domiciled in more than one place at the same time, but may have one or more business establishments in addition to the domicile, in accordance with the regulations on companies and the commercial register.

Art. 33

2. Other types of residence

1) The preceding Article shall not affect establishment and residence under public law, nor tax residence and the like.

2) The deposit of documents of identification, the obtaining of a residence permit, the transfer of goods to a certain place, the registration in the commercial register, participation in a business, renting of premises and the like are not sufficient in themselves to establish residence.

Art. 34

3. Stay

1) Residence in the sense of private law is the actual temporary stay in a place without regard to the solidity of the connection with the place.

2) Residence in a place for the purpose of attending an educational institution and the placement of a person in an educational, care, medical or penal institution or for temporary work, such as seasonal work, shall not constitute residence.

Art. 35

4. Change in domicile or residence

1) The residence of a person, once established, remains in force until the acquisition of a new residence.

2) If a previously established domicile cannot be proven or if a domicile established abroad has been abandoned and no new domicile has been established in Liechtenstein, the place of residence shall be deemed to be the domicile.

Art. 36

5. Residence

1) The domicile of a minor child shall be the domicile of the parents or, if the parents do not have a common domicile, the domicile of the parent who has custody (§ 144 ABGB).

2) If the minor child is under guardianship, the domicile of the guardianship court shall be deemed to be the child's domicile.

3) If important reasons justify it, the district court may, after hearing the parties in the non-contentious proceedings, allow a minor child to establish an independent residence.

4) Incapacitated minors who, with the consent of their legal representative, reside outside the family community with the intention of remaining there permanently and who dispose of their income independently have independent residence.

Art. 37

6. International Law

Whether a foreigner resides in Liechtenstein or a Liechtenstein citizen resides abroad is to be assessed exclusively according to Liechtenstein law.

2. Section Protection of personality

A. In general Art.

38

I. Inalienability

1) No one can renounce legal capacity in whole or in part.

2) No one may deprive himself of his freedom by legal transactions or restrict himself in their use to an extent that violates the law or morality.

II. Enforcement

Art. 39

1. In general

1) Anyone whose personal circumstances (personal goods) are unauthorizedly violated or threatened, such as, for example, physical and mental integrity, honor, credit, domestic peace, freedom, name, coat of arms, house emblems and similar signs, the right to one's own image, correspondence, business and similar relationships and, in general, the right to respect and validity of personality, unless personal rights, such as copyrights, rights of inventors and the like, are regulated by special laws, and insofar as their protection is compatible with the interests of fellow human beings, may demand a determination of the circumstances, removal (remission) of the disturbance, restoration of the former condition by revocation and the same and omission of further disturbance, without having to prove fault on the part of the other party.

2) In order to prevent future disturbance, the judge may, if damage has been caused, also impose a reasonable security in the judgment or equivalent document, such as a writ of execution, by the means permitted by the law on compulsory enforcement.

3) The injunction may also be enforced if the act to be prohibited constitutes a punishable offense at the same time.

4) In all cases, the necessary protective measures can be taken in advance of the legal dispute upon request in the command procedure.

Art. 40

2. Damages and satisfaction

1) A person whose personal circumstances have been unlawfully violated is also entitled to compensation for damages if he or she is at fault.

2) The claim for payment of a sum of money as satisfaction, if not justified by the particular gravity of the injury (such as the particular value of the property attacked, the severity of the attack or the like) and by intentional fault, shall be admissible only in the cases provided for by law.

3) Instead of or in addition to this payment, the judge may, in the case of fraudulent intent, also order another form of satisfaction, such as a declaration of honor by the court, publication of the judgment at the expense of the other party, donation of a sum of money to a charitable foundation or institution designated by the defendant or to a fund for the poor, and the like.

3. Right of reply Art. 40a to

40eRepealed

4. Common rules

Art. 41

a) In general

1) The various claims based on the infringement of a personal right may be asserted jointly or individually or as an appendix in criminal proceedings, in which case the provisions on tort shall apply in addition.

2) The claim for removal, restoration, security and mere determination shall be non-transferable and non-inheritable on the plaintiff's side as well as on the defendant's side, and the claim for personal injury shall be non-transferable and non-inheritable only on the plaintiff's side, however, subject to the reservation of the claim.

of heirs for attacks on the memory of a deceased person and the corpse.

3) The claims for damages and satisfaction are mutually transferable and heritable.

4) The claims shall become time-barred one year after the day on which the injured party becomes aware of the infringement and the person of the infringing party, but in any case after the expiry of three years from the day of the infringing act, provided that the infringement can no longer be prosecuted under criminal law.

5) Insofar as other laws, such as the Code of Obligations, have established special provisions for the protection of personal relationships, such as for homicide and bodily injury, the provisions given here are only to be applied in a supplementary manner.

Art. 42

b) International Law

Retrieved

B. Right to the name in particular

I. Name protection

Art. 43

1. In general

1) Unless the law allows exceptions, the right to a name is indispensable, non-transferable and non-inheritable or not subject to any other disposition by the bearer of the name.

2) Both the civil name and the alias which a person adopts for the performance of a certain activity or in the execution of certain undertakings in place of the ancestral name are protected.

3) However, the alias is not protected against the actual bearer of the name, where a confusion of persons is brought about which is detrimental to the latter.

4) The special provisions on business names, company or trademark protection and the like, as well as on the change of name, shall remain reserved.

2. Enforcement

Art. 44

a) In general

1) If a person disputes the use of his or her name, he or she may, in particular, sue for a declaration of his or her right (action for recognition of name).

2) If a person is adversely affected by another person demonstrably assuming or misusing his or her name, he or she may demand redress in accordance with the provisions on the assertion of the protection of personality rights in general (name appropriation).

3) If the name is withdrawn by the court, the judge shall, if necessary, make the relevant order to correct the civil or commercial register or other public registers ex officio.

4) The individual claims arising from an infringement of the name become time-barred after the expiry of one year from the infringement, whereas the right to the name itself is non-limitable and irreplaceable.

1) Retrieved

Art. 45

b) International Law

2) A Liechtenstein citizen who resides abroad but whose name is infringed domestically may seek protection before the Regional Court.

II. Name change

Art. 46

1. In general

1) The name may be changed if there are important reasons for this in personal, business or professional circumstances. An important reason in personal circumstances exists in particular,

if the applicant wishes to obtain the surname of a parent, the spouse of a parent or a person from whom he/she derived his/her surname and whose surname has been changed.

2) A name change is required for any change of name in the civil registry (such as additions to the family name, changes to the first name).

3) The Princely Government shall at the same time determine the scope and content of the change, such as the effect of the father's name change on his children and the like.

4) Special provisions are reserved, such as in the case of declaration of marriage, divorce, adoption in lieu of children and the like.

Art. 47

2. Procedure

1) The Princely Government is responsible for changing the name in the administrative procedure.

2) The change of name shall be notified ex officio to the registrar of civil status for entry of an annotation in the register of births and, if the change concerns a married person, for annotation in the register of marriages, and shall be published in the Official Gazette.

3) The registration does not change the status of the person in the rights of persons and families.

Art. 48

3. Contest

1) Any person who is aggrieved by the change of name may, within one year of becoming aware of it, challenge it in a court of law in dispute proceedings against the person whose name has been changed.

2) The legal remedies otherwise provided for the assertion of the protection of the name

are inadmissible in

addition.

Art. 49

4. International Law

1) A foreigner residing in Liechtenstein can only be granted permission to change his name by the government if he proves,

that according to the law or practice of the competent authorities of his home country, the application of Liechtenstein law and the jurisdiction of the Liechtenstein authorities is recognized.

2) The change of name granted by a foreign authority to a Liechtenstein resident abroad in application of Liechtenstein or foreign law is recognized in Liechtenstein subject to the right of retaliation.

3) The action for annulment against Liechtenstein citizens abroad can also be raised in Liechtenstein according to domestic law.

Art. 49a

Business delegation

The Government may, by decree, delegate business pursuant to Articles 46, 47 and 49 to an office for independent execution, subject to the reservation of legal recourse to the collegial Government.

3. Section

Beginning and end of personality Art.

50

A. Birth and death

1) Personality begins with life after completed birth and ends with death.

2) Before birth, the child has legal capacity subject to being born alive.

B. Eviden

ce Art.

51

I. Burden of proof

1) Any person who, in order to exercise a right, claims that a person is alive or has died or was alive at a certain time or has survived another person shall furnish proof thereof.

2) If it cannot be proved that of several deceased persons, one survived the other, they shall be deemed to have died at the same time.

Art. 52

II. Evidence

1) The proof of the birth or death of a person is kept with the civil status certificates.

2) In the absence of such, or if the existing ones are proved to be incorrect, the proof may be furnished by other means.

3) The death of a person, even if no one has seen the body, may be considered proven as soon as the person has disappeared under circumstances that make his death certain.

Art. 53

III. International law

Repealed

C. Declaration of missing

Art. 54

I. In general

1) If the death of a person is highly probable because he or she has disappeared in grave danger of death or has been absent without notice for at least five years, the judge may declare him or her missing in extrajudicial proceedings at the request of those who derive rights from his or her death.

2) The principle of investigation shall apply in the non-contentious proceedings. In order to safeguard the rights of the missing person, he/she shall be provided with counsel for the proceedings.

Art. 55

II. Procedure

1) The request may be made after the expiration of at least one year from the date of the danger of death or five years from the date of the last notice.

2) The judge shall make a reasonable public request to anyone who can provide information about the disappeared or absconded person to come forward within a specified period of time.

3) This period must be set at a minimum of one year since the initial termination.

4) If the disappeared or absent person reports within the time limit, or if news about him is received, or if the time of his death is proven, the request shall lapse.

Art. 56

III. Effect

1) If no report is received during the scheduled time, the missing person will be

or absent person is declared missing, and rights derived from his death may be asserted as if the death had been proved, unless exceptions are provided by law.

2) The effect of the declaration of disappearance is referred back to the time of the threat of death or the last message.

Art. 57

IV. International Law

1) The district court is exclusively responsible for the declaration of disappearance of a national.

2) Foreigners may be declared missing by the Regional Court if they own property in Liech- tenstein, or if the surviving spouse or registered partner is domiciled in Liechtenstein and the requirements for the divorce court or dissolution court of the Regional Court are met.

3) Similarly, the district court may declare a foreigner missing if his or her wife is domiciled in Liechtenstein and, prior to the marriage-

The person in question must have possessed or still possesses Liechtenstein citizenship at the time of the conclusion of the contract.

4) Retrieved

2. Title

The civil status register (certification of civil status) Art. 58

A. Significance of the notarization

1) Civil status registers are kept to record the personal status of a natural person in law (civil status).

2) The formally correct entries have full probative force as long as their incorrectness is not proven.

B. Organization and procedure

I. Civil Registry Office

1. Stock

Art. 59

a) Cast

1) The country forms a register office district.

2) The registry office (Zivilstandsamt) is run by a government-appointed registrar (Zivilstandsbeamter) and his deputy.

Art. 60

b) Substitution

1) The deputy shall act if the registrar is unable to do so, or if the certification concerns himself, his spouse, registered partner or a person engaged to him or related to him in the direct line or in the collateral line up to the second degree, or if the registrar makes the notification.

2) If both the Registrar and his deputy are prevented from attending or are absent, the Government shall designate an extraordinary deputy upon notification by these persons or by a party.

3) Wherever the following refers to the Registrar, the provisions shall apply mutatis mutandis to the Deputy Registrar, unless the individual provisions provide otherwise.

Art. 61

c) Duties

1) The registrar shall keep the registers in accordance with the regulations, arrange for the entries, prepare extracts, make notifications and handle all matters assigned to him by law or by instruction of the supervisory authority.

2) In particular, the government may require the registrar to make periodic records, such as those of citizens who have become eligible to vote, children who are vaccinated and of school age, or children whose parents are married or not married to each other, and statistical records for the competent authorities.

Art. 62

2. Salary and expenses

Repealed

Art. 63

3. Responsibility

Retrieved

4. Supervision

Art. 64

a) Supervisory authority and complaints

1) The Civil Registry Office shall be under the regular supervision of the Government, which may issue the necessary instructions to it, shall have the keeping of the registers periodically examined and shall report thereon to Parliament.

2) Complaints against the Registrar's performance of his duties, such as refusals, delays or certain orders, shall be decided by the Government and, subsequently, by the Administrative Court.

Art. 65

b) Disciplinary sanctions

Repealed

Art. 66

5. Notarization of civil status abroad

1) The Government may entrust the diplomatic and consular representatives of the country abroad with the duties of a civil registry office in general or for individual cases.

2) It may issue the necessary instructions on the supervision and on the tasks.

3) In this regard, the Government may also conclude the necessary agreements with the State representing Liechtenstein abroad and with other States.

Art. 67

6. Procedure, administrative assistance and notices

1) The provisions on administrative proceedings shall apply to the proceedings in civil status registry matters, unless otherwise provided for in the individual provisions below.

2) All authorities shall provide administrative assistance to the Civil Registry Office.

3) Unless otherwise provided by law, announcements shall be made in the official gazette by the Registrar.

II. Register attachment

1. Main and auxiliary registers

Art. 68

a) In general

1) The civil registry consists of the registers of births, deaths, marriages and registered partnerships.

2) Further registers may be prescribed by the Government; in particular, the Government may order the keeping of a duplicate register in accordance with more detailed instructions.

Art. 69

b) Register equipment

1) Registers must be furnished, bound, and numbered consecutively with page numbers as directed by the Government.

2) The government shall officially certify the numbers of pages on one side of the cover.

3) The numbering of the entries starts at the beginning of each year from

new.

4) When a volume has been completed, after the last entry of the volume, the completion shall be certified by the Registrar.

5) The opening of a new volume shall be certified by the Registrar on the first page before the first entry with a reference to the previous volume.

Art. 70

2. Directory of persons

1) For all registers, an alphabetical list of the persons to whom the entries of the civil status cases and the marginal notes made on them refer must be prepared and maintained.

2) In the table of contents, each person is to be listed with his or her surname, together with the first names, date of birth, place of residence and home town or, in the case of foreigners, the nationality and the page number.

3) Persons who have changed their names as a result of marriage, divorce, declaration of marriage, adoption of a child or for other reasons shall be listed in the register under the various names they have borne.

Art. 71

3. Receipts

1) All documents on which the entries in the register are based shall be arranged and numbered chronologically by register in separate compartments and by year, unless they are to be issued.

2) Each document is assigned the number of the entry to which it refers.

3) The documents and correspondence relating to each entry may also be combined in one file or in one bundle of files.

Art. 72

4. Language

1) The civil status registers as well as the extracts and notifications are to be written in the national language.

2) However, extracts, transcripts or notices in foreign languages may be issued.

3) The Registrar may call in interpreters who shall co-sign the entry or translated extracts in this case.

Art. 73

5. Storage

1) All registers and vouchers, unless surrendered, shall be carefully preserved as directed by the Government and shall not be destroyed.

2) Other identification documents and notices, such as those published namely in sheets, public notices and the like, relating to the entries shall also be kept with the relevant register files.

III. Register management

Art. 74

1. Responsibility

The Civil Registry Office is exclusively responsible for registering births, deaths, marriages and partnerships.

2. Notifications at residence and home

a) Notices to be given Art. 75

aa) Domestically

Suspended

Art. 76

bb) Liechtenstein citizens abroad and communications with foreign countries

1) Civil status cases concerning Liechtenstein citizens residing or staying abroad shall not be communicated to foreign countries, unless otherwise provided by international treaties or other agreements.

2) All notifications to foreign countries shall be forwarded by the Registrar through the Government, unless they concern Liechtenstein citizens.

Art. 77

b) Incoming messages

1) The registrar who receives information from abroad about facts requiring registration shall enter them in the relevant register as soon as possible.

2) On the instruction of the government, civil status facts which occurred abroad but were not recorded there may also be included in this register, provided they are otherwise duly proven.

Art. 78

c) Indication of the recipient or sender of the messages

1) In the case of incoming communications, the person who made them must always be indicated at the end of the entry or note.

2) Similarly, notices emanating from the Registrar shall indicate to whom they have been delivered.

3. Insight, excerpts

Art. 79

a) In general

1) The civil registers must be made available for inspection by anyone upon request.

2) At the request of parties or an authority, the registrar shall issue register extracts in accordance with official forms.

3) He may also make certified copies of the supporting documents and notifications.

4) Extracts issued and certified by the Registrar shall have the same force and effect as the registers themselves.

5) The Registrar may issue certificates of life, residence or domicile only to those persons who, to the Registrar's official knowledge, live, reside or are domiciled in the Register Office district.

Art. 80

b) Excerpts content

1) The extracts shall reproduce the entry together with the marginal notes and, if corrected, according to the corrected wording.

2) Retrieved

3) In extracts requested by private persons, a reference to the fact that the parents of a child are not married to each other shall be included only if it is expressly requested.

4) The excerpts from the death register should not contain the cause of death.

IV.Display

Art. 81

1. In general

1) The notification shall be made orally by the person subject to the obligation or in writing or in the same manner by a deputy, stating the items to be registered.

2) The record to be made of the oral notification, for which forms may be used, shall contain the information required for the registration and the exact date of the notification and shall be read to the person making the notification and signed by him and the Registrar.

3) If the persons required by the following provisions to sign certifications of the registrar are unable or refuse to do so, the registrar shall so certify in the register.

4) Judicial and administrative authorities and their organs are obliged to notify the Registrar of facts subject to registration and of any changes in accordance with the existing regulations.

Art. 82

2. Control by the Registrar

1) If the Registrar does not know the persons or the signature of the person making the report, or if the report does not appear credible to him, he shall make the entry only after he has satisfied himself of its accuracy.

2) He should be provided with the necessary identification and clarifications.

3) At all times, the Registrar shall verify its competence.

Art. 83

V. Action ex officio

1) If the person obliged to notify fails to do so, and if the Registrar becomes aware of this, he shall request the person obliged to notify to provide the facts and circumstances subject to notification by means of compulsory administrative proceedings, on pain of a fine in the event of failure to do so.

2) The provisions on the procedure for entries in the Commercial Register shall apply mutatis mutandis to the further procedure.

VI. Entries Art.

84

1. Based on forms

1) Entries in the register shall be made in accordance with a standard form, the wording and format of which shall be determined by the Government.

2) The places on the form that remain blank are to be filled in with horizontal lines.

3) If the open lines of the form are not sufficient, they shall be replaced by intermediate lines, which, if necessary, shall also be filled in by dashes.

4) If individual parts of the form cannot be used, they must be crossed out.

5) If a fact to be stated in the entry is not known, this must be noted in the text.

Art. 85

2. Type of registration

1) The entries are to be made immediately after receipt of the notification or co

The registration must be made in writing, stating the date of registration, and must be signed by the Registrar in his own hand.

2) Entries shall be written out without abbreviations, and the more important time entries shall be written in words and figures.

3) Entries in the registers shall be made chronologically in the order of the notifications or communications.

4) Nothing alien to their purpose may be inscribed in the registers.

5) Displayed marriages, partnership registrations, births and deaths are numbered consecutively.

6) Annotations shall be made in the relevant section or in the margin of an entry in the cases provided for by law.

Art. 86

3. Shaves, corrections, intermediate fonts

1) The entries are to be made in careful writing without shaving, corrections or interlineations.

2) If the recording of a fact cannot be made within the space allotted to it according to the form, it shall be made as a marginal note, and if the entry is made only in part in the margin, the connection with the part standing within the form shall be indicated and the number of lines written in the margin shall be noted at the end of the entry.

3) Prescriptions noted before the registration is signed may be corrected by a margin note signed by the Registrar or by annotation at the foot of the registration before signature.

Art. 87

4. Corrections

1) A terminated registration may be corrected only by order of the Government.

2) If, after registration, a notification proves to be incorrect, or if an entry otherwise needs to be corrected, both the registrar or the representative of public law and the parties themselves may apply to the government for correction in the administrative procedure, unless the correction is ordered in another procedure.

3) The correction of any apparent oversight or error by the Registrar shall be ordered by the Government upon its own motion as soon as it becomes aware thereof.

4) An administrative appeal against this correction, which must be notified to the parties, may be lodged with the appeals authority.

5) The correction shall be entered in the form of a marginal note, without changing the corrected entry.

Art. 88

5. Changes in municipal and national citizenship law

The government must notify the Civil Registry Office of any changes in municipal and state citizenship law.

Art. 89

6. Foreign documents

1) If foreign decisions or other documents concerning changes in the civil status, citizenship or name or concerning the declaration of marriage of a person whose birth, marriage or registration of partnership has been recorded in a domestic register are presented, they shall be annotated in a corresponding manner, provided that the government or, in the further course, the appeal authority grants this on the basis of the law.

2) However, an authorization shall only be granted if the decision or the document has been issued or drawn up by the competent authority in accordance with the applicable law.

3) If the birth, marriage or partnership has been entered in a foreign civil register, the changes in civil rights, citizenship or name or the declaration of marriage, as well as the corrections to birth, death, marriage or partnership register entries may be noted in the register in accordance with the government's instructions.

A same-sex marriage contracted abroad is recognized as a registered partnership.

4) In the case of Liechtenstein citizens, this entry must be made if the change is to be considered legally effective.

C. Birth register

I. Displays

Art. 90

1. Display cases

1) Any birth and any miscarriage occurring after the sixth month of pregnancy must be reported to the Registrar within three days after they have occurred; however, late reports shall be accepted.

2) If a child of unknown parentage is found, the head of the municipality in whose territory the child was found shall be notified immediately, and the head of the municipality shall ascertain the information required for registration and notify the registrar thereof.

3) When calculating the time limit, the day of birth or finding is not included.

4) If the child's first name is not known at the time of notification, it must be notified subsequently and no later than one month after the birth.

Art. 91

2. Persons subject to notification

1) The father of the woman in wedlock shall be the first to report the birth, then, in order, the midwife, the doctor, any other person who was present at the birth, and the head of the household or the owner of the dwelling or apartment where the birth took place, and, lastly, the mother, as soon as she is able to do so.

2) The birth of a child out of wedlock may be reported by the father, provided he acknowledges the child.

3) If the birth took place in a public institution, such as a prison, poorhouse, hospital, the head or administrator of this institution is obliged to report it.

II. Registratio

n Art. 92

1. With known parentage

1) The following must be entered in the register of births:

1. Place, year, month, day and hour of birth; in the case of multiple births, each child must be entered separately, if possible with an exact indication of the time sequence;

2. Family name (surname), first name and sex of the child; for stillborn children or children who died before notification, a first name is to be entered only if requested;

3. Surname, first name, home country and place of residence of the parents, or, if the child was born out of wedlock, of the mother and her parents, as well as the year of birth of the mother and an indication that the parents of a child are not married to each other;

4. Surname and first name, occupation and place of residence of the person reporting, with the capacity in which he/she has reported, such as father, midwife.

2) Children born dead after the sixth month of pregnancy shall be entered in the register of births.

Art. 93

2. At the foundling

1) In the case of children of unknown parentage, the entry must be made in brief:

1. Place, time and circumstances of finding;

2. the child's sex, as well as his or her presumed age, physical characteristics and distinguishing marks;

3. Condition of the clothes and other things found with the child;

4. the na- men to be given to him according to the decision of the competent head of the municipality;

5. the persons with whom the child is placed.

2) If the parentage of the child can be subsequently established by a decision or in some other way, this must be added in the margin.

3) If it turns out that the birth has already been registered in another place, the entry of the discovery shall be crossed out with an explanatory margin note on the instructions of the government.

4) If the birth has not yet been registered at the place where it took place, this must be done after the parentage has been established and reference must be made to this in a marginal note on the recording of the finding.

III. Registration of changes

Art. 94

1. In general

1) Changes in marital status, such as those resulting from a declaration of marriage, a challenge to marriage, the recognition of a child born out of wedlock, a judicial award of marital status or the adoption of a child, as well as the subsequent determination of parentage and changes of name, must be recorded in the birth register upon official notification or upon notification by the parties involved and, if the change affects a married person, in the margin of the marriage register.

2) Decisions on such changes shall be notified by the deciding authority to the Registrar in whose registers the birth and, in the case of marriage, the marriage of the persons affected by the change is recorded.

Art. 95

2. Recognition of a child born out of wedlock

1) The recognition of a child born out of wedlock must be notified by the district court or any competent authority to the civil registry office responsible for the recognizer and the child for the purpose of annotation.

2) If an objection raised against recognition under the Family Code is not protected, or if it is not appealed to the judge within the prescribed period, this shall be entered as a marginal note.

and shall be communicated by the registrar of the recognizer's place of origin to the other registries with which the recognition has also been recorded.

Art. 96

Retrieved

D. Register of deaths

I. Display

Art. 97

1. Display cases and time limit calculation

1) Every death or discovery of a corpse shall be reported to the registry office within one day at the latest.

2) If an official investigation of the death takes place, the registration shall be made on the basis of the written notification of the competent authority.

3) The day of death or the day on which the body is found shall not be included in the

notification period. Art. 98

2. Notifiable

1) The head of the family shall be the first to report the death or the discovery of the body of a known person, and then, in order: the spouse or registered partner, the person closest to the deceased, the head of the household or the owner of the dwelling or apartment where the death occurred or the body was found, any person who was present at the time of death, and, lastly, the head of the municipality.

2) If the body of an unknown person is found, the head of the municipality in whose territory the body was found shall be notified, and the head of the municipality shall report the discovery to the registrar.

II. Registratio

n Art. 99

1. For known persons

1) In the death register shall be entered for known persons:

1. Place, year, month, day and hour of death;

2. Surname, first names and any surnames of the deceased and his parents, his home and place of residence together with house number, occupation and marital status (single, married, in a registered partnership, widowed, divorced or in a dissolved partnership), year, month and day of birth;

3. Surname, first name and occupation of the living, deceased or divorced spouse or of the living, deceased or dissolved partner;

4. the cause of death, whenever possible medically attested;

5. Surname, first name, occupation and place of residence of the person making the announcement and, if related to the deceased, the degree of relationship.

2) Retrieved

3) Stillborn children are not to be entered in the death register.

Art. 100

2. For unknown persons

1) The notification and the registration shall contain, if the person is unknown:

1. Place, time and circumstances of finding the body;

2. their sex and presumed age;

3. the physical features and special characteristics;

4. the description of the clothes and other things found with the body;

5. the presumed cause of death and the presumed time of death.

2) If the person of the deceased becomes known, the registration may be supplemented on the instructions of the government, and if it is established by decision, this shall be noted in the margin.

3) Retrieved

Art. 101

3. Failure to find the body

1) If the death of a person who has disappeared must be assumed to be certain under the circumstances, the death may be registered on the instructions of the director, even if no one has seen the body.

2) After all, anyone who has an interest can demand the judicial determination of the life or death of the person in extrajudicial proceedings.

3) Such a decision is noted in the same way as a rectification decision.

Art. 102

4. In case of declaration of disappearance

1) If a person is declared missing, the decision shall be communicated by the district court to the registrar for registration ex officio.

2) If the declaration of disappearance is overturned, whether by determination of the life or the time of death of the disappeared person, this decision shall be noted in the margin.

Art. 103

5. After burial

1) Burial prior to registration in the register of deaths may take place only with the permission of the head of the municipality where the burial is to take place.

2) If the burial has taken place without this authorization, the death may only be registered on the government's instruction after the facts of the case have been ascertained.

Art. 104

E. The marriage register

The marriage register contains the facts and circumstances required by the marriage law, as well as any changes to them.

Art. 104a

E. The partnership register

The facts and circumstances prescribed by the Partnership Act and any changes thereto shall be entered in the Partnership Register.

Art. 105

F. International Law

1) Unless otherwise stipulated in the preceding or following provisions, domestic law shall apply to the civil status register.

2) Foreign public notarizations are permitted for entries in the civil status register.

Art. 105a

G. Prescriptive law

1) The Government may, by ordinance, issue supplementary regulations on the organization, procedure and keeping of the register.

2) The communes may be called upon to cooperate in civil status matters. Art. 105b

Business delegation

The Government may, by decree, delegate business under Articles 76, 77, 87, 88, 89, 93, 101, and 103 of this Act to an office for independent execution, subject to legal recourse to the collegial Government.

2. Department

The association persons (The legal entities)

3. Title

General regulations

A. Personality

I. Requirements

Art. 106

1. Registration

1) Associations of persons organized as corporations (corporations) and independent institutions dedicated to a special purpose, including foundations, acquire the right of personality through entry in the Commercial Register (incorporation), even if the requirements for registration were not actually met, in the absence of a statutory provision to the contrary, subject to the procedure for annulment.

2) Registration is not required:

1. for the public corporations and institutions;

2. for associations which do not pursue such an economic purpose, which consists in the operation of a trade conducted in a commercial manner and which are not subject to re- visions;

3. Retrieved

4. insofar as the law otherwise provides for an exception.

Art. 107

2. Purpose and object

1) Associations of persons and associations of property, the economic purpose of which is to carry on a trade, business or other commercially conducted business, may, unless the law allows an exception, only acquire the right of personality as companies with personality (joint-stock company, partnership limited by shares, limited liability company, registered cooperative, registered mutual insurance association or registered auxiliary fund) or as institutions where personality has not been acquired, registered cooperative, registered mutual insurance association or registered provident fund) or as an institution and, where personality has not been acquired and the requirements for another form of association or company are not met, shall be subject to the provisions governing simple partnerships.

2) Companies with personality and establishments may also be founded for purposes other than economic ones.

3) Where the law refers to legal entities which are treated in the same way as partnerships, this is understood to mean, in the absence of a legal provision to the contrary, all other legal entities whose main purpose is to carry on a business conducted in a commercial manner. In particular, the investment and management of assets or the holding of participations or other rights shall not be deemed to be a business conducted in a commercial manner, unless the nature and scope of the enterprise require a commercial operation and orderly accounting.

4) The object of the business may be any kind of business for economic or other purposes, and the articles of association may state it generally or specifically.

4a) Where the law refers to charitable or benevolent purposes, this shall be understood to mean purposes the fulfillment of which promotes the general public. In particular, the general public is promoted if the activity benefits the public welfare in a charitable, religious, humanitarian, scientific, cultural, moral, social, sporting or ecological field, even if only a certain group of persons is promoted by the activity.

5) Associations of persons and institutions including foundations for immoral or unlawful purposes cannot acquire the right of personality by law.

Art. 108

II. Absence of the same

1) If a person acting on behalf of the association has acted before or without acquiring personality, the persons acting, in particular the founders or persons already designated as organs or, in the case of meetings, the deciding participants, shall be liable in accordance with the provisions governing simple partnerships, with the reservation of the right of recourse against the other participants.

2) A person who has not acted himself is liable only if it must be assumed under the circumstances that he has given power of attorney to a person acting on his behalf.

3) Persons who have become liable without limitation by their acts, with or without power of attorney, may have this liability assumed by the person forming the association within three months after he has acquired personality, if the obligation has been expressly assumed by the persons acting on behalf of the person forming the association and the latter appears to be authorized to do so by law or by the articles of association.

4) After this takeover, only the association person shall be liable to the creditors, subject, however, to the special provisions on contributions in kind and takeovers in kind and on unauthorized acts.

5) If property has been transferred to a person for the purpose of establishing a federation, then

in case of doubt, it is subject to the provisions on the tacit fiduciary relationship.

Art. 109

III. Legal capacity

1) The members of the association are by law equal to natural persons in all rights, such as property rights, rights to name or honor, membership rights, shares in companies and all duties, as far as these rights or duties do not have the natural conditions or characteristics of humans, such as sex, age or relationship, as a necessary prerequisite.

2) The provisions applicable to natural persons shall therefore also apply, with this restriction, to association persons.

3) In this sense, the legal entities may, through their bodies or representatives appointed to represent them, act in their name or under their company name before all judicial and administrative authorities and in all proceedings as a party, intervener, respondent, participant or in a similar capacity for their rights and obtain entries in public registers such as the land register, commercial register, patent register and the like and demand legal protection.

4) In disputes of the Association, each member may by law, at its own expense, intervene, be a party to or be joined by one of the parties, but where the law recognizes minorities of members as parties, only members belonging to such minority may intervene in a dispute of the minority.

IV. Capacity for action and tort

Art. 110

1. Prerequisite

1) The members of the association shall be capable of acting as soon as the bodies indispensable for this purpose have been appointed in accordance with the law and the articles of association.

2) Unless a deviation results from the individual provisions, the by-laws, the articles of association, the articles of incorporation (foundation deed) and the like shall also be deemed to be articles of association in this sense.

2. Actuation

Art. 111

a) In general

1) Natural persons as well as association persons and companies may be appointed as members of a body.

2) The organs are called to express the will of the association person.

3) Without regard to their competence and subject to the right of recourse against the wrongdoer and the special provisions on the liability of the principal by operation of law, they shall bind the association person both by concluding legal transactions and by

their other conduct, insofar as this constitutes the performance of their agency activity or took place on the occasion and under the opportunity presented by the agency activity.

4) The persons of the Association shall also be criminally liable, within the limits of their legal capacity and capacity to act, for unlawful acts committed by a body or any other representative appointed in accordance with the Articles of Association in the exercise of their representative duties, subject to any right of recourse against the wrongdoers.

5) If a legal entity or company is an organ or representative of another legal entity or company, the representative acts of its authorized organs and persons shall directly entitle and obligate the represented legal entity or company, subject to any right of recourse against the wrongdoers.

6) The acting persons are also personally responsible for their unauthorized culpable conduct and, if the conditions of the preceding paragraph apply, also the authorized representative of the association or company.

Art. 112

b) Resolution

1) Unless otherwise stipulated by law or the Articles of Incorporation, the subject matter of the resolution shall be specified when convening a multi-member body.

2) Unless otherwise provided, the resolutions of a multi-member body shall require a simple majority of the countable votes in order to be valid.

3) Votes that can be counted are those that are represented and have voted in the individual case and are not excluded from the right to vote.

4) Unless otherwise provided by law or the Articles of Association, resolutions of the governing bodies may also be adopted by way of written consent to a motion submitted (circular resolution), unless a member of the governing body requests a meeting and oral deliberation.

V. Domicile and place of

jurisdiction Art.

113

1. Seat

1) The registered office of the Association shall be at the place where it has the center of its administrative activity, unless otherwise provided for in its Articles of Association, subject to the provisions concerning the registered office in international relations.

2) The domicile of the association person is by law equal to the domicile of the individuals.

3) A legal entity may have one or more branches in addition to its registered office.

4) The transfer of the registered office within the country's borders must be reported to the Commercial Register for registration.

Art. 114

2. Jurisdiction, etc.

1) Subject to special statutory provisions, the courts and administrative authorities at the place of their registered office shall have jurisdiction over persons belonging to the Association.

2) For disputes between a legal entity and its members arising from membership, as well as for claims of creditors arising from liability or due to dissolution or the like, the place of jurisdiction shall by law be the place of the legal entity's registered office, unless an exception is provided for by law, such as in the case of legal entities under foreign law, even if the statutes otherwise provide for arbitration.

3) Foreign associates who have a branch office in Switzerland may be sued by law for all claims at the location of this branch office, and insolvency proceedings may be instituted.

4) For actions arising from liability, the Liechtenstein judge is competent in all cases if the defendant is a Liechtenstein legal entity or branch office or if the defendant has a domicile or registered office in Liechtenstein.

Art. 115

VI. Protection of personality

1) Persons belonging to associations enjoy the same protection of personality as natural persons, unless a restriction arises from the limitation of their legal capacity or from the nature of the circumstances.

2) In particular, they are protected in their right to the name, company, signs, honor, letter, business and other secrets worthy of protection.

3) Insofar as an association person runs a company, its admissibility and its change shall be governed by company law and the otherwise applicable legal or statutory provisions.

4) The change of the name of an association person who is not registered in the Commercial Register shall be governed, but without the obligation to register, analogously by the regulations established for the company name, provided that the Articles of Association provide otherwise, subject to the prohibition of unfair competition.

Competition.

B. Foundation

I. Articles
of
Associati
on Art.
116

1. In general

1) Written articles of association are required for the formation of an association, unless otherwise provided by law.

2) Retrieved

3) The articles of association must designate the association as an association, joint-stock company, joint-stock company, joint-stock company, limited liability company, registered cooperative, registered mutual insurance company or registered auxiliary fund, institution or foundation, unless an exception is permitted by law.

4) To the extent that a corporate entity is required or intended, it must be set forth in the Articles of Incorporation in a manner consistent with law and the intent of the parties to have personality must be sufficiently apparent from them.

5) Where, except in the case of the meeting of the supreme body, public certification is required for the articles of association, the founders or members may sign their consent in different public certifications, also separated in time and place.

6) The Articles of Association and their amendment shall in all cases be signed by a founder or member.

Art. 117

2. Relationship with the law

1) If there are no mandatory provisions of the law and the articles of association do not contain any supplementary provisions concerning the legal entity, such as the organization, the relationship of the legal entities among themselves, with their members or with third parties, the non-mandatory provisions of the law shall apply in addition.

2) Provisions whose application is prescribed by law or is otherwise mandatory may not be amended by the Articles of Association.

3) Retrieved

II. Entry in the Commercial Register

Art. 118

1. Registration with the registry

1) Insofar as an entry in the Commercial Register is required to obtain the personality

If a registration is required or voluntarily requested, it shall be made at the registered office of the association body, enclosing the articles of association for retention with the register files and stating the facts or circumstances eligible for registration and the persons who make up the governing bodies of the administration and, if applicable, the auditors.

2) The application for registration in the Commercial Register is the responsibility of the persons entrusted with the administration. The Government shall regulate the details by ordinance.

Art. 119

2. Registration of branches

1) If, in addition to its head office (registered office), a company with personality has branch offices, such as a place of business or a company office with a certain degree of independence, which are not mere agencies, they shall also be entered in the Commercial Register at the location of the latter with reference to the registration of the main office.

2) The registration shall be made by persons authorized to represent the company in accordance with the articles of association, enclosing an extract from the register or similar in the name of the management.

3) If another association person operates a business conducted in a commercial manner for its purpose, it shall be obliged to register its branches.

Art. 120

3. Changes and resolution

1) Like the formation of a company, any change in the articles of association, in the composition of the bodies to be indicated at the time of registration, and the dissolution of a company must be reported to the Commercial Register, provided that registration is mandatory or has been requested voluntarily and is permissible.

2) Amendments to the Articles of Association shall be dealt with in the same way as the original Articles of Association, insofar as they have been amended, by the persons authorized to sign them. Even in the case of amendments not subject to registration, the full text of the Articles of Association in the version applicable at the time must be enclosed with the application.

3) Retrieved

4) Repealed

Art. 120a

III. Information on letters, order forms and websites

1) All letters and order forms, whether paper or otherwise, and websites used by corporations, com- manded corporations or limited liability companies must state:

1. the company name and the respective legal form;

2. the statutory seat of the Company;

3. if applicable, the fact that the Company is in liquidation;

4. the information necessary to identify the register in which the company is registered; and

5. the number under which the company is entered in the register.

2) If the company's capital is indicated on these letters, order forms and websites, the subscribed and paid-in capital must be indicated.

3) On all letters, order forms and websites used by a branch of a company within the meaning of paragraph 1 with its registered office abroad, in addition to the information on the company, the following must be stated:

1. the information necessary to identify the register in which the branch is registered; and

2. the number under which the branch itself is registered.

Art. 121

IV. Number of members

1) At the establishment of each corporation, there must be at least as many members as are necessary for the formation of the organs of the administration, unless the law allows an exception.

2) If the number of members subsequently falls below this minimum number, this shall not automatically entail the dissolution of the corporation.

3) If, however, this state of affairs persists so that, as a result thereof, the orders required by law or the articles of association can no longer be made for more than one year, the court shall, at the request of a member or of an unsatisfied creditor or a creditor threatened with damages, set a reasonable period of time for the corporation, after hearing any parties involved, to restore the lawful state of affairs and, if this is not done, declare the corporation dissolved by means of a decision after its res judicata effect.

Art. 122

V. Minimum share capital or minimum equity and the like

1) The minimum capital or minimum assets must be at least 50,000 francs in the case of a joint-stock company and other legal entities whose capital is divided into shares, at least 10,000 francs in the case of a limited liability company, and at least 30,000 francs in the case of legal entities whose capital is not divided into shares.

1a) In addition to the registration of the minimum capital or minimum assets in the national currency, such registration may also be made in euros or US dollars. In this case, the minimum capital or minimum assets of joint-stock companies and other legal entities whose capital is divided into shares shall not be less than the following

50,000 euros or $50,000; in the case of a limited liability company, at least 10,000 euros or $10,000; and in the case of an association whose capital is not divided into shares, at least 30,000 euros or $30,000.

2) Minimum capital and minimum assets must be fully paid in or contributed.

3) If the minimum share capital (minimum assets) falls below the prescribed amount, members or creditors may, for important reasons, file a petition for dissolution with the court in the same way as if the required number of members were not present in the non-contentious proceedings.

4) Where the law speaks of share capital, it means a numerical sum expressed in money; where it speaks of own assets, it means assets consisting of any objects or rights, which are only valued in money for accounting and other purposes.

5) The provisions of this Article may apply mutatis mutandis to the minimum amount or quota of a share.

6) Retrieved

C. Termination

I. Grounds for dissolution

Art. 123

1. In general

1) The association persons are dissolved:

1. in accordance with the law or the Articles of Association;

2. by a resolution of the supreme body which, in the absence of any other provision in the Articles of Incorporation, shall be adopted by two-thirds of the votes to be determined in accordance with the following clause, and on which, where the law also so provides, a public document shall be recorded;

3. by court decision if a member with unlimited liability demands dissolution for important reasons relating to the circumstances of the legal entity, or if members representing at least one tenth of the share capital or equity (non-prescribed monetary capital to be expressed in figures) of the legal entity, or where such capital or equity does not exist, at least one tenth of the members demand dissolution in order to avoid imminent serious damage after prior provision of security for any damage; however, instead of dissolution, the judge may order other measures, such as dissolution of the legal entity.

dissolve or exclude the plaintiff members in compliance with the regulations for the reduction of the share capital, order the sale of the membership shares in favor of the plaintiff members, appoint an administrator;

4. by the opening of bankruptcy proceedings, unless otherwise provided by law;

5. by court judgment, if all partners involved in the formation were incapacitated.

2) The provisions on the provision of security, the combination of several actions, the effect of the judgment and on damages in actions for the annulment or contestation of resolutions of the supreme body shall apply mutatis mutandis to the action for dissolution pursuant to item 3.

3) If the dissolution of an association occurs for other reasons, such as termination by members or third parties reserved by the articles of association, the provisions on liquidation shall also apply, unless otherwise provided by law.

4) In the event of the tacit continuation of a member of the Association beyond the period stipulated in the Articles of Association, one of the minorities referred to in para. 1 item 3 may, if this right is otherwise forfeited, demand the dissolution of the Association within six months of the expiry of that period, unless the dissolution or exclusion is effected at the discretion of the judge in compliance with the provisions, if any, on the reduction of the share capital.

Art. 124

2. Because of illegality or immorality of purpose, etc.

1) If the actual object of an association person is unlawful or unsuitable, the deprivation of legal capacity and dissolution shall take place without compensation:

1. on administrative action of the representative of the public law at the Administrative Court;

2. upon an action brought by a party or the representative of public law in the ordinary course of law.

2) In any case, the ordering of precautionary measures, such as the suspension of business operations, the appointment of a receiver and the announcement thereof, the seizure of books and records, and the removal of the company's assets, shall remain reserved.

writings, property and the like before the final decision by the government in the administrative compulsory proceedings or, at the choice of the applicant, by the district court in the non-contentious proceedings.

3) If an annulment proceeding against an association person is pending before one authority, it may no longer be initiated before the other, and if it is pending before both at the same time, the final decision shall rest with the Administrative Court.

4) The action for dissolution may be entered in the Commercial Register in the case of association perso ns entered in the Commercial Register upon application or ex officio before or during the dispute until final settlement of the proceedings.

5) As soon as the decision has become final, the judge shall instruct the Office of Justice to register the dissolution ex officio; after liquidation has been carried out, the entry of the association person shall be deleted ex officio.

6) The above provisions shall also apply if an association person is dangerous to the state in its purposes or means.

3. Due to material defects of the Articles of Association (nullifiability)

Art. 125

a) In general

1) If the original or amended Articles of Incorporation do not contain the provisions designated by law as essential, or if a provision of the Articles of Incorporation contradicts them, the nullity procedure may be initiated, provided that this does not concern the form, the lack of a provision on the announcement to the members or to third parties, or the minimum number of members.

2) Any member or any other person entitled to vote of a body of the association, of the administration or of the auditing body may, in administrative proceedings, after hearing its bodies authorized to represent it, or, if necessary, of a counsel specially appointed by the Office of Justice, have the body responsible set by the Office of Justice a reasonable period of time, which may be extended if necessary and which shall not be less than three months from the date of service, within which to remedy the defect and, if the defect is not remedied within the period set, may bring an action for dissolution.

3) The legal entity may at any time, even during nullity proceedings until a final decision by its competent organs, cure the defect by remedying it, but if such cure is effected only after the expiration of the period mentioned in the preceding paragraph, the legal entity shall pay all costs incurred by the opponents, without prejudice to its right of recourse against the wrongdoers.

4) In all cases, the association person shall retain the right of personality until the termination of its liquidation carried out in accordance with the other provisions of this Act, subject to bankruptcy.

5) This applies in particular with regard to the position of any members and third parties.

6) No action may be brought after the expiration of five years from the date of establishment of a provision designated as material.

Art. 126

b) Action for destruction

1) The action for destruction shall be brought against the person of the association, who shall be represented by the administration, if the latter brings an action, by the auditors, if any, if

However, if both the members of the management and those of the auditors file a lawsuit or, if the latter does not exist and there is no other representative for the association person, the court shall appoint counsel for the lawsuit in accordance with the provisions of the Code of Procedure.

2) Several actions shall be joined for simultaneous hearing and decision; the filing of the action, as well as the date of the hearing itself, may also be published, at the discretion of the court, in the manner provided for notices in the articles of association and, in the absence of such provision, in the official organs of publication and shall be entered in the commercial register ex officio.

3) The court may, at the request of the legal entity, order the plaintiff to furnish a security to be determined by it at its own discretion on account of the disadvantage threatening the legal entity; the provisions of the Code of Civil Procedure on the furnishing of security for legal costs shall apply mutatis mutandis to the furnishing of and compensation for such security.

4) Conversely, the court may postpone the execution of the challenged provision in the official order proceedings if one of the ver-

The company must be able to credibly demonstrate the threat of irretrievable harm to the bandsperson.

5) Any member or any other person entitled to vote of the Association may join the litigation at his own expense as an intervening party on one or the other side.

Art. 127

c) Procedure ex officio

1) Upon notification or on its own initiative, the Office of Justice may, ex officio, under the same conditions as in the case of an action for annulment, order the annulment of the bonded person without compensation in the administrative procedure.

2) The Office of Justice shall first set a reasonable deadline of at least three months, which may be extended for important reasons, for the legal entity to make a written or oral statement on record and, depending on the circumstances, to remedy the defect, and shall order the entry of the violation proceedings in the Commercial Register if the legal entity is registered there.

3) If the deficiency is not remedied and a statement is not made, and if in the meantime an action for annulment has not already become final, the applicant and the association person shall be summoned to a hearing to discuss the deficiencies, and a decision on dissolution shall be made.

4) In all other respects, the provisions applicable to actions for annulment shall apply mutatis mutandis to the proceedings and the decision.

Art. 128

d) Effect and responsibility

1) Insofar as the decision pronounces or rejects the destruction, it shall be effective for and against all members and organs of a legal entity, irrespective of whether they have participated in the proceedings or not.

2) The decision pronouncing the dissolution shall be notified to the Office of Justice in the case of associations registered in the Commercial Register, if it has not been issued by the latter, ex officio or upon request for registration and publication, insofar as the registered provision has been published.

3) For all damage caused to the Association by unfounded action or notification, the plaintiffs or notifying parties, insofar as the latter is not the representative of public law, or insofar as there is no other action ex officio, if there is intent or gross negligence, shall be liable to the Association without limitation and jointly and severally in accordance with the provisions on tort.

Art. 129

II. Asset utilization

1) If an association is dissolved, its assets shall, unless otherwise provided by law, the statutes or the competent organs, revert to the country, which, as universal successor, shall be liable for the obligations only to the value of the assets taken over and equally to the bona fide owner.

2) The assets shall be used in accordance with the provisions of the implied trust as far as possible for the purpose for which they were previously held, and such use may be demanded by the former participants in the dissolved entity by way of administration.

3) If an association person is judicially annulled for pursuing immoral or unlawful purposes, the assets shall, after the official li- quidation has been carried out, revert to the country for free use, even if it has been determined otherwise.

III. Liquidation

Art. 130

1. In general

1) The dissolution of an association for reasons other than bankruptcy shall result in its liquidation, unless otherwise provided by law.

1a) If a domestic branch (subsidiary) of a foreign company with personality is dissolved, the liquidation shall be carried out in the same manner as in the case of a domestic company with personality, unless the Office of Justice grants exceptions.

2) If there are still assets after the termination of the bankruptcy of a legal entity, they shall also be liquidated if it is not decided to continue the legal entity.

3) The procedure for liquidation of the assets of the entity shall be governed by the following provisions, unless special provisions are established for individual entities or their applicability is partially excluded, as in the case of associations or foundations not registered in the Commercial Register or in the absence of an obligation to keep books.

4) If, during the liquidation proceedings, it becomes apparent that the assets do not cover the liabilities to third parties, the liquidators shall apply for the opening of insolvency proceedings against the assets of the Association, while ceasing their activities.

5) If the petition does not originate from all liquidators, the court shall hear the members of the administration, as well as the other liquidators, before opening the insolvency proceedings and, if they do not share the same opinion, shall open the insolvency proceedings only if it is satisfied of the insolvency or overindebtedness.

6) Unless otherwise provided by law or the articles of association, a legal entity may, with the consent of all members, transform itself into another legal entity or company without liquidation, in all cases reserving the rights of third parties existing until the transformation.

Art. 131

2. Liquidation state

1) If the Association enters into liquidation, it shall retain its legal personality and shall continue to use its previous name with the addition "in liquidation", "in Liq." or "i.L." until the liquidation has been carried out vis-à-vis the third parties and among the members, if any.

2) They may be sued under their previous company name and execution may be demanded against them as long as the addition "in liquidation" or "in Liq." or "i.L." has not been entered in the Commercial Register in the case of an association entered in the Commercial Register, even if they have added the said addition to their signature on the documents.

3) The organs of the legal entity, with the exception of the administration, whose powers as an organ shall be transferred to the liquidation agency, shall have the same powers in the state of liquidation as they had prior to liquidation, but with the limitation by operation of law to

such acts which by their nature can be justified by the purpose of the liquidation.

4) However, there shall be no further acquisition of membership; the members shall, however, remain obligated during the liquidation to make such payments, such as, for example, the payment of membership shares which have not been fully paid up, of additional contributions and the like, as appear to be necessary for the duration and condition of the liquidation as a result of its purpose and insofar as they serve to satisfy the creditors or to balance the accounts among the members.

3. Liquidators

Art. 132

a) Ordinary appointment and dismissal

1) The liquidators of the association shall be the managing and representing members, unless liquidation is assigned to other persons in the Articles of Association or by a resolution of the supreme body.

1a) At least one of the liquidators pursuant to para. 1 must meet the requirements pursuant to Art. 180a or, as a legal entity, must have a license pursuant to Art. 13 of the Fiduciary Act.

2) The authority of such liquidators may be extended, limited or revoked at any time by the supreme body or, in the event of important reasons, in particular in the event of inactivity or endangerment of national interests, at the request of a member or other parties involved or ex officio by the Office of Justice in administrative proceedings.

3) The Office of Justice may, at the request of creditors representing at least one-third of all uncovered credit balances, of representatives of professional associations, of members, or ex officio, for important reasons, in particular in the event of inaction or danger to national interests, order an official liquidation under its supervision or under that of a creditors' committee to be appointed, and have it carried out with appropriate application of the rules established on liquidation.

4) In the case of official liquidation, the court may order the interruption of all compulsory executions pending against the person subject to the liquidation.

5) The provisions on liquidators shall apply mutatis mutandis to the substitute liquidators.

Art. 133

b) Official appointment and position in bankruptcy

1) If the liquidators are not designated in the aforementioned manner, or if the association is revoked for pursuing unlawful or immoral purposes, or if its dissolution and liquidation is ordered pursuant to Art. 971, they shall be appointed by the Office of Justice in the administrative procedure, and in such case they may only be appointed by the Office of Justice.

The Board of Directors may be dismissed for good cause, in particular in the event of inactivity or if the interests of the country are endangered.

1a) The officially appointed liquidator must be a member of the administration who meets the requirements under Art. 180a or, as a legal entity, must have a license under Art. 13 of the Trustee Act. The Office of Justice may also appoint another suitable person as liquidator at the request of parties involved or ex officio, provided there are important reasons.

2) The registration of the official appointment or dismissal of liquidators shall take place ex officio.

3) If bankruptcy proceedings are opened against the assets of the legal entity, the insolvency administrator shall ensure liquidation in accordance with insolvency law; however, the organs, including any liquidators of a legal entity, shall have the same position as before the opening of bankruptcy proceedings, insofar as this does not involve disposals of components of the assets.

4) The liquidators have the status of a natural person as debtor vis-à-vis the insolvency administrator.

5) The costs of the officially appointed liquidators shall be borne by the association.

6) If the assets of the legal entity are not sufficient to cover the costs of liquidation, the state shall bear the costs of the liquidator, unless the latter was previously an organ of the legal entity. To the extent of the payments made by the state, any responsibility for the liquidation shall be assumed by the state.

claims of the company against the guilty body shall pass to the Land. If further assets emerge after the liquidation has been completed, the Land shall have a priority claim therefrom for compensation of the liquidator's costs.

Art. 134

c) Duties and responsibilities

1) The provisions on the obligation to register, on the filing and on the rights and obligations of the liquidators, which are established with respect to the general partnership, shall also apply to the associates, subject to the following provisions and in the opinion that the filings for the purpose of entry in the Commercial Register shall be made by the administration.

2) Any change in the composition of the liquidators, as well as the termination of their power of representation, shall be notified by them.

3) Unless otherwise provided by law, the same rules apply to the liquidators as to the administration, but not the prohibition of competition.

4) Liquidators who violate or neglect the obligations imposed upon them by law or by the Articles of Association shall be liable to the Association, after the dissolution of the

If necessary, the association person shall be liable to the members and creditors of the dissolved association person for the damage incurred without limitation and jointly and severally with the organs of the association person.

5) Unless otherwise provided, the liquidators shall act collectively and decide by a simple majority of votes.

4. Liquidation activity

Art. 135

a) Preparation of the balance sheet

1) Upon assuming office, the liquidators shall draw up a liquidation balance sheet, for which purpose the administration shall assist them and make available all relevant books and business papers.

2) The creditors whose whereabouts can be ascertained and who are evident from the books of account or are known in some other way shall be invited to register their claims by means of special notices, unknown creditors shall be invited to register their claims in the manner prescribed by the statutes for notices to third parties and, in the absence of such a provision, in the Liechtenstein national newspapers or in the manner otherwise prescribed by law, unless the Office of Justice permits a different method of invitation in the administrative proceedings, or provided that all creditors give their consent to such a method.

3) At the same time, they may apply to the court for interruption of all compulsory executions.

4) In administrative proceedings, the Office of Justice may, at the request of the liquidators, exempt them from the obligation to publish and invite creditors to file their claims for important reasons, in which case the period of the blocking period shall commence on the day on which the dissolution is published by the Office of Justice.

5) The request in accordance with the preceding paragraphs shall also be made in the case of association members who do not conduct a business in a commercial manner.

Art. 135a

b) Liquidation balance sheet

1) The liquidation balance sheet, unless exceptions are provided for or arise from the circumstances, is composed of assets on the one hand and debts to third parties, which do not include equity, special funds without personality or without fiduciary purpose, as liabilities on the other.

2) For the valuation in the liquidation balance sheet, the sales value at the time of drawing up the balance sheet is decisive for all assets without distinction.

3) The time-balancing distribution of organizational costs, of course losses,

The recognition and measurement of the fair value of bonds, write-downs and the like are not permitted.

4) Likewise, hidden reserves may no longer be retained.

Art. 136

c) Procedure

1) The liquidators shall terminate the current business, meet the liabilities of the association, insofar as the assets permit, in accordance with the order of priority under insolvency law and sell off the assets, and collect any outstanding member payments insofar as they are required to cover the liabilities.

2) When selling assets, real estate or equivalent rights may also be sold by private contract with the consent of the supreme governing body or of another governing body authorized by the articles of association.

3) A balance sheet shall be drawn up annually on the assets of the entity in liquidation, but no profits may be distributed or allocations made to the reserve fund during the liquidation.

4) Funds received which are not required for the payment of creditors may be deposited with the State Bank (the Savings and Loan Bank of the State) or, if there are important reasons, may be deposited in another manner or, with the consent of the court, may be used for partial payments in out-of-court proceedings.

Art. 137

d) Securing creditors

1) If known creditors have failed to register, the amount of their claims shall either be deposited with the court or paid to them without registration.

2) Likewise, a corresponding amount shall be deposited for the association's liabilities that are still pending and not due, as well as for the liabilities in dispute, unless the distribution of the association's assets remains suspended until they have been settled or the creditors are provided with a security equivalent to the judicial deposit.

3) For the purpose of supervising the liquidators and for the purpose of accelerating the liquidation, a creditors' committee may, at the request of creditors and for good cause shown, be appointed by a creditors' meeting convened under the chairmanship of the court by a simple majority of the votes represented and be attached to the liquidators, which committee may exclusively assert liability against the liquidators.

Art. 138

e) Distribution of assets and cancellation

1) The assets of a dissolved federated entity after repayment of debts,

if the members are entitled to certain shares and not to the Association itself and unless otherwise provided, shall be distributed among the members in proportion to the amounts paid up on such shares, but otherwise, in case of doubt, according to heads.

2) The distribution may not be executed earlier than after the expiry of six months from the day on which the announcement of the dissolution with an invitation to file claims has been published in the Liechtenstein national newspapers or in any other manner declared permissible by law, or, unless exceptions are permitted, in accordance with the order of the Office of Justice in the administrative proceedings for the third time.

3) A distribution before the expiry of this six-month period may be granted by the Office of Justice in administrative proceedings if, according to the circumstances, a danger to creditors is completely excluded.

4) After termination of their activities, the liquidators shall apply for the deletion of the association person for entry in the Commercial Register. This entry must be announced in the case of association persons who are subject to the publication obligation.

5) Deletion may take place before the end of the blocking period.

6) Upon completion of the liquidation, the liquidators shall convene the supreme body, if any, for the purpose of approving the final accounts and discharge, unless otherwise provided by the articles of association or the competent body; if the discharge resolution is refused without cause, the liquidators may have the discharge determined by way of an action against the person of the association.

Art. 139

5. Supplementary liquidation

1) If, after the deletion and its entry in the Commercial Register, further assets subject to distribution are found to exist, the Office of Justice shall, at the request of interested parties such as members, creditors or ex officio, distribute the assets in an administrative procedure by officially appointed liquidators in accordance with the provisions of insolvency law.

order of precedence. In all other respects, the provisions of Art. 130 par. 4 and 5 shall apply mutatis mutandis.

2) This provision shall apply mutatis mutandis if a legal entity has been dissolved as a result of bankruptcy and no special liquidators are appointed by the supreme body or it is decided to continue the legal entity.

3) If there are still undistributed assets of the legal entity, the statute of limitations which has occurred since the distribution may not be invoked against a creditor, provided he seeks satisfaction only from these assets.

Art. 140

6. Disposal of the assets as a whole

1) In the absence of any provision to the contrary in the Articles of Association, the assets may be transferred in their entirety in accordance with the provisions governing a resolution to dissolve the Association, and the resolution shall result in the dissolution of the Association, unless such dissolution has already been resolved or the entire assets are transferred by way of sale to a trustee for the purpose of satisfying creditors.

2) In the absence of any other provision of the law, the sale agreement must be made in writing and the transfer of the assets to the acquirer shall be carried out in accordance with the transfer provisions applicable to the individual assets.

3) The provisions on liquidation shall apply in the sense that the liquidators shall also be authorized to carry out those transactions and legal acts which the execution of the decided sale entails, but the transfer of the assets to the transferee may only take place in compliance with the provisions established for the distribution of the assets among the members.

Art. 141

IV. Assertion of claims against a deleted association person

1) If a legal claim is asserted against a legal entity that has been deleted from the Commercial Register, for example as a result of an action for resumption or nullity, the court shall, at the request of the parties involved, appoint counsel for the deleted legal entity to represent it in the proceedings and to be entered in the Commercial Register. With regard to

The provisions on the guardian ad litem (curator) shall apply mutatis mutandis to the costs of the guardian ad litem.

2) The relevant provisions on liability are reserved for liability for the unjustified subscription of liquidation shares.

3) If legal successors or other persons (companies, legal entities) are liable for the debts of the legal entity deleted from the Commercial Register and the limitation period has not yet expired, they may be sued as joint litigants in addition to the legal entity or separately, individually or jointly, in proportion to their liability.

4) Paras. 1 to 3 apply mutatis mutandis to foundations and associations not entered in the Commercial Register.

Art. 142

V. Keeping the books of account and business papers

1) The books of account and business papers of a dissolved partnership or a partnership equivalent thereto shall be kept at the expense of the liquidating entity.

The liquidator shall deposit the assets in a safe place to be determined by the registry authority in accordance with Art. 1059 for a period of ten years as requested by the liquidators and shall use them at the registry authority's discretion after the expiry of this period.

2) If an association is dissolved by bankruptcy, the insolvency administrator shall make more detailed arrangements for safekeeping at the expense of the insolvency estate.

3) Anyone who can credibly demonstrate an interest worthy of protection may be authorized by the district court to inspect the same in non-contentious proceedings, such as former members, legal successors, creditors.

VI. Takeover by the community Art. 143

1. Through acquisition of the shares

1) If a community (state or municipality) has acquired all the membership shares, such as shares and cooperative shares, of an association

If the municipality has acquired the status of a private-law association person, the dissolution of the association person may also be omitted if the municipality remains the sole member of the association person without, however, losing the status of a private-law association person.

2) The community or the persons designated by it shall then exercise the functions of the various organs of the association.

3) In the event of the dissolution of the legal entity, liquidation may be effected in such a way that the community declares to assume all liabilities of the legal entity.

4) The provisions on single-member associations remain reserved.

2. Takeover of assets and liabilities Art.

144

a) Effects

1) If a community has taken over the assets of a legal entity as a whole with assets and liabilities, only the community shall be liable to the creditors of the legal entity after the transfer of the liabilities.

2) If, however, the members of a commonwealth are not personally liable for its obligations, then, in the absence of any other provision, the liability of the commonwealth upon assumption shall be limited to the assets assumed.

3) The liabilities of the association shall be transferred to the community ten days after publication of the entry of the takeover in the Commercial Register, if an entry is made in the Commercial Register, but otherwise immediately after the takeover.

4) The establishment of a single-member association remains reserved.

Art. 145

b) Procedure

1) The application for registration in the Commercial Register, if required, shall be made jointly by the responsible representatives of the community and the association person, enclosing the takeover agreement.

2) Registration and publication may only take place after the liquidation of the association has been entered in the Commercial Register.

3) The liquidation may be agreed upon in such a way that the entity pays either a certain sum or the active surplus of the assets of the association to the entity in liquidation or to its members.

Art. 146

VII. Continuation of a dissolved association person

1) If a legal entity has been dissolved for the purpose of selling its assets as a whole or for the purpose of conversion into another legal entity or by resolution of the competent body, the body responsible for dissolution may, if the intended purpose has not been achieved or is no longer pursued and the distribution of the assets has not yet begun, resolve on the continued existence of the legal entity with the majority required for a resolution to amend the Articles of Association.

2) The same shall apply in the event that the association has been dissolved by the opening of bankruptcy proceedings, but the bankruptcy proceedings have been terminated after the conclusion of a reorganization plan or with the consent of the creditors, provided that the capital or assets required by law for continuation are still available.

3) If the legal entity is registered in the Commercial Register, the body required or responsible for registration shall also register the continued existence of the legal entity.

D. Membership

I. Accession

Art. 147

1. In general

1) The declaration to join a legal entity with shares as a member or to otherwise participate in its assets must be unconditional, except for the tacit condition of its coming into existence, and may not contain any conditions, but may contain a date until which the subscription or other declaration remains binding.

2) The form for acquiring the membership is also valid for the preliminary contracts hereof.

3) Conditional declarations may only be taken into account in determining membership if other binding declarations of membership or participation exist in the event that the condition does not occur.

4) If the date by which the declaration of accession to an association in the process of formation is to be binding is not fixed and is also not evident from the circumstances, the declaration shall be limited in time for a period of six months.

5) Wherever the law or the Articles of Association refer to members, this shall be understood to mean members of the Association and not members of a collective body, unless otherwise stated in the individual case.

Art. 148

2. Contest

1) Unless otherwise provided by law, after the formation of an association per- son, a member's declaration of accession by taking up shares and the like, as well as the articles of association, may not be challenged by a member on the grounds of a lack of will (error, deception, fear) or by a creditor or heir on the grounds of prejudice.

2) Claims for damages against those who are responsible for the lack of will are reserved, as well as the creditor's right of execution and other means of avoidance provided for by law.

II. Membership shares

Art. 149

1. In general

1) Unless otherwise provided by law or by the Articles of Association, members of the Association may grant their members share rights to which the provisions applicable to cooperative shares in registered cooperatives shall apply, unless otherwise provided, in particular with regard to rights and obligations.

2) Unless otherwise provided by law or the Articles of Association, membership is indivisible, alienable and heritable.

3) The transfer of membership and the creation of a limited right in rem to the same shall be effected by written contract, provided that there are no securities over the membership and the articles of association do not impose more difficult provisions, such as a right of first refusal, approval of bodies or members.

4) In the event of bankruptcy of a member, the transfer shall require the consent of the bankruptcy administration in order to be valid, insofar as it involves a disposition of the bulk property.

5) In case of doubt, the distribution of profits shall be made in proportion to the contributions made by a member to the membership shares.

6) Unless the law provides otherwise, profit participation certificates with or without membership may be issued in the case of association members, and the provisions governing profit participation certificates shall apply mutatis mutandis to such certificates if membership is not associated therewith, but otherwise those governing profit participation shares in stock corporations shall apply mutatis mutandis.

7) The appointment of trusteeships with or without the issue of trust certificates for shares in profits, liquidation proceeds and the like and the transfer of membership by operation of law shall remain reserved.

Art. 150

2. Membership securities

1) Membership securities may only be issued if expressly permitted by law.

2) If securities are issued in violation of this provision or before the acquisition of personality, they shall be null and void, and the issuers and, insofar as they are at fault, the other participants shall be liable to the holders without limitation and jointly and severally for all damage caused by the issue, without prejudice to the obligations and entitlements arising from the accession or from any subscription.

3) The provisions relating to shares as securities, in particular those relating to the share certificate, shall also apply to other membership securities.

Art. 151

3. Own shares

1) In the absence of other provisions of the law or the statutes, an association person may neither acquire its own shares for consideration nor take them as a pledge.

2) This prohibition does not apply:

1. if the acquisition is made at an amortization provided for by law or the articles of incorporation;

2. if it is made in accordance with the provisions of the law and the Articles of Association for the purpose of partial repayment of the share capital;

3. if it is made to satisfy the association person's own claims and is necessary to protect the association person's interests;

4. if the acquisition or the pledge is connected with the operation of a line of business which, according to the Articles of Association, is part of the object of the company;

5. if it takes place with that of a physical entity.

3) In the cases referred to in paragraph 2 items 1 and 2, the repurchased shares shall be used immediately for

to render any further alienation unusable, and in the cases pursuant to para. 2 items 3 to 5 to alienate it further with the greatest possible acceleration.

4) Own shares held by a member of the association shall not be taken into account in the distribution of profits and other benefits from membership, including liquidation shares.

5) For the purpose of circumventing the law or the Articles of Association, a fiduciary may not be appointed by a federated body in respect of its own shares.

6) Where a statutory reserve fund is required, the fund may be invested in whole or in part in proprietary shares only with the approval of the Office of Justice.

7) The other provisions relating to treasury shares remain reserved.

Art. 152

4. Proportion of multiples

1) A membership share to which several members are entitled undivided shall be jointly represented by them in law and in duty.

2) As long as there has been no dispute among them regarding the membership share, they shall be jointly and severally liable to the association person for the payments on the membership share.

3) Several members shall appoint a joint representative.

4) If they fail to appoint the representative and to notify the person of the association thereof, declarations of will may be made to one and a joint representative may be appointed by the judge in out-of-court proceedings.

5. Trust certificates

Art. 153

a) In general

1) Unless the Articles of Association provide otherwise, the members with property rights may appoint a trustee in accordance with the relevant provisions and accordingly transfer the shares to the trustee for the limited or unlimited exercise of the personal (property) rights of membership, namely the right to vote, subject to the property rights and obligations of membership.

2) In the absence of any other provision in the trust instrument, the trustee shall deposit the securities delivered to it with the association person against delivery of trust certificates, which shall be the same as membership securities or otherwise transferable, for the benefit of the members (trustors).

3) Trust certificates of a security nature relating to pecuniary claims arising from membership may, if the articles of association do not prohibit it, even be issued by the

members as trustees or by a specially appointed trustee, if the membership is not linked to a security or is indivisible.

Art. 154

b) Form and effect

1) The trust certificate shall state the powers of the trustee agency from which the pecuniary benefits of membership may be obtained and shall otherwise contain the same content as the deposited security over the membership, unless deviations result from the issuance of several trust certificates over one membership or otherwise.

2) The deposited securities are by law non-transferable as long as trust certificates have been issued for them; if they are issued contrary to this provision, the issuers and, insofar as they are at fault, the other participants are liable to the owner without limitation and jointly and severally for all damage caused.

3) With regard to the obligation to render services to the person of the association, the members are in the same position as other members, but in the absence of any other provision in the trust instrument, only the trustee may assert the rights arising from the membership or have them asserted by others.

4) The assertion of claims arising from membership in the event of compulsory enforcement against the member or the opening of bankruptcy proceedings against the member's assets shall, if a trust exists, only be permissible in accordance with the provisions governing trusteeship.

5) The establishment of other trusteeships remains reserved.

Art. 155

III. Acquired and other rights

1) Acquired rights to which members are entitled as such may not be withdrawn or restricted without their consent, even by an amendment to the Articles of Association, unless all members with equal rights are affected in the same way by the withdrawal or restriction.

2) Unless otherwise provided by law or the Articles of Association, if a member withdraws or is expelled without dissolution of the legal entity and has a claim to dissolution, settlement or similar, this claim shall be determined on the basis of a liquidation balance sheet drawn up for this purpose, but legal reserves shall be included under liabilities accordingly.

3) By law, every member has the right to inspect and copy the Articles of Association and, where they are reproduced, to receive a copy against reasonable payment.

IV. Liability and obligation to make

additional

contributions Art. 156

1. In general

1) Only the assets of a legal entity shall be liable for its obligations, unless otherwise provided or permitted by law and, in the latter case, prescribed by statute.

2) A liability or obligation to make additional contributions on the part of the individual members may therefore only be stipulated by the articles of incorporation if the law permits it, and there shall be a joint and several liability for them only where the law or the articles of incorporation so provide.

3) In the absence of any other provision, they shall be enforced in accordance with the provisions governing the pay-as-you-go system.

4) If the association's own shares are held by the association's member, liability and the obligation to make additional contributions shall be suspended during the period of ownership, as shall any subscription rights, which, in the absence of any other provision in the Articles of Association, shall be governed by the provisions laid down in this respect for the stock corporation.

2. The pay-as-you-go system

Art. 157

a) In general

1) Insofar as the insolvency creditors should not be able to be satisfied on account of their claims to be taken into account in the subsequent final distribution in the insolvency proceedings from the assets of the association person existing at the time of the opening of the insolvency proceedings, members with a liability or an obligation to make additional contributions shall be obliged to make contributions (apportionments) to the insolvency estate for the shortfall to be covered in accordance with the insolvency liquidation balance sheet, and in the absence of any other provision in the articles of association, in the case of limited liability or an obligation to make additional contributions, in proportion to the liability sums or additional contribution amounts, but otherwise according to heads (contribution estate).

2) If individual members, including those who are excluded by law or by the Articles of Association, are unable to pay contributions, e.g. due to inability to pay or for other reasons, these shall be distributed among the other members, provided that a limited liability or obligation to make additional contributions does not prevent this.

3) Voluntary payments made by members in excess of the contributions due under the foregoing provisions shall be reimbursed to them in advance after the creditors have been satisfied out of the contributions and may, if necessary, be claimed by means of an additional payment calculation.

4) Against the dues, a member may set off a claim against the association person-

The insolvency administrator shall be entitled to claim compensation for the contributions provided that the conditions are met under which it can claim compensation as an insolvency creditor in respect of the claim arising from the contributions.

5) If the apportionment procedure is applied outside the insolvency proceedings in accordance with individual provisions of this Act, the administration or liquidators shall take the place of the insolvency administrator, provided that the powers and duties otherwise vested in them under the provisions on the apportionment procedure shall cease to apply.

b) Advance calculation

Art. 158

aa) In general

1) Immediately after the opening of the insolvency proceedings, the insolvency administrator shall calculate, on the basis of the liquidation balance sheet drawn up, the contributions to be paid in advance by the members to cover the deficit shown in the balance sheet, taking into account the different liability and additional contribution ratios in the case of groups of members, such as in the case of mixed cooperatives.

2) In the calculation, all members are to be listed by name (company) and place of residence (registered office) and the contributions due to them, whereby the amount of the contributions is to be assessed in such a way that a foreseeable inability, regardless of whether it has been judicially determined or not, to pay contributions does not result in a loss of the total amount to be covered for individual members.

Art. 159

bb) Declaration of enforceability

1) At the request of the insolvency administrator, the calculation shall be declared enforceable by the District Court in summary proceedings by means of a decision which can only be challenged by legal action.

2) For this purpose, the court shall immediately order a hearing (date) to be published in the official gazette for the explanation of the calculation by the parties involved, to which the members listed in the calculation or their legal successors, the members of the administration or liquidation board, the auditors and the insolvency administrator, as well as, if a creditors' committee has been appointed by the district court, these members shall also be summoned, and in which they shall be heard briefly without any actual evidentiary proceedings.

3) In the public notice and in the summonses, it shall be stated that the calculation is available for inspection at the court registry one week before the hearing.

4) The court decides on the objections raised, if necessary corrects the calculation or orders its correction and finally declares the calculation

enforceable by means of a decision.

5) The decision shall be pronounced at the same hearing or at a hearing specially ordered in accordance with the second paragraph, to which the parties involved at the first hearing may be summoned orally, and at the same time it shall be declared that the calculation with the decision declared enforceable, which shall not be served, shall be available for inspection by the parties involved at the court registry.

Art. 160

cc) Enforcement

1) After the calculation has been declared enforceable, the insolvency administrator shall collect the contributions from the members without delay.

2) Enforcement against a member shall take place in accordance with the provisions applicable to them on the basis of an enforceable copy of the decision to be served on the member together with an extract from the calculation, in which at least the total amount of the shortfall, the name (company name) of the member and the amount attributable to the member must be shown.

3) The legal remedies to which the member is entitled as a debtor in enforcement proceedings against an enforcement title or the claim on which it is based, such as actions, complaints and the like, shall remain unaffected.

4) The collected contributions shall be deposited or invested at the Land Bank or at another place determined by the insolvency administrator or the creditors' committee.

Art. 161

dd) Action for annulment

1) Each member or its legal successor may challenge the calculation and the decision declared enforceable by way of an action against the insolvency administrator with a request for annulment of the contribution calculation and the decision enforceable against it, for example because it is not or no longer a member, because the calculation does not comply with the legal or statutory provisions or the balance sheet is incorrect, or because not contributions but other payments are demanded and the like.

2) The challenge shall be made only within the emergency period of one month from the date of pronouncement of the decision and only to the extent that the plaintiff asserted the ground for challenge at the hearing on the declaration of enforceability or was unable to assert it through no fault of his own, such as, for example, if the ground arose only after the hearing or out of ignorance of the law.

3) The oral hearing in the contestation proceedings shall not be held before the expiry of the emergency period, and several contestation proceedings shall be combined for simultaneous hearing and decision.

4) The court may, during the litigation, suspend enforcement or order the cancellation of enforcement measures upon application and against any security, to which the provisions on security for legal costs shall apply mutatis mutandis.

5) The final judgment shall be effective for and against all members liable to pay contributions, irrespective of whether they have appeared as intervening parties in the proceedings or not.

6) After the unused expiration of the emergency period of one month, the membership for the members listed in the membership list for the apportionment procedure is deemed to be legally established.

Art. 162

ee) Additional calculation

1) If the total amount to be covered is not reached due to the inability of individual members to pay contributions, or if the calculation has to be changed in accordance with the judgment rendered on an action for annulment or for other reasons, the insolvency administrator may draw up a supplementary calculation.

2) If necessary, repeat the preparation of the additional calculation.

3) The preceding provisions on the advance calculation, the declaration of enforceability, the enforcement and the action for annulment shall apply to the additional calculations.

Art. 163

c) Margin calculation

1) As soon as the final distribution is commenced in accordance with the provisions of the Insolvency Code, the insolvency administrator shall determine, by supplementing and correcting the advance payment and the supplementary calculations made in relation thereto, how much the members still have to pay in contributions in accordance with the applicable provisions, including the costs of the insolvency and apportionment proceedings, insofar as the members have not already been called upon by advance payment proceedings up to the limit of their liability or obligation to make additional contributions.

2) The last paragraph of the preceding article shall apply to this calculation of additional contributions, with the proviso that contributions shall not be apportioned to members who are found to be unable to pay contributions.

3) By means of the calculation of additional contributions, it is also possible to assert claims for recourse from the membership arising from the liability or the obligation to make additional contributions, apart from the assertion of claims for recourse elsewhere.

Art. 164

d) Distribution of the contribution mass

1) The insolvency administrator shall, after any required additional contributions have been declared enforceable, but otherwise after the advance invoice has been executed, immediately distribute the existing stock of contributions and, if sufficient stock of the contributions still to be collected has been received, distribute it among the creditors by means of a supplementary distribution in accordance with the provisions of the Insolvency Code.

2) In addition to the insolvency shares to be retained (insolvency dividends), which are attributable to the claims designated in accordance with the Insolvency Code, the shares shall be retained on claims which have been disputed by the administration or the liquidators in the proceedings on the claims of the insolvency creditors.

3) The creditor of the insolvency proceedings shall be free to remove the objection of the administration or the liquidators, as the case may be, by means of a petition filed within one month from the date of contesting the claim against the person of the association and with effect for the contributory estate; however, if the objection has been validly declared as justified, the shares shall be released for distribution among the other creditors of the contributory estate.

4) In a dispute over the objection, the non-litigating creditors and the insolvency administrator may intervene.

5) Any surplus not required to satisfy creditors, unless voluntary payments by members or third parties are to be reimbursed in advance, shall be repaid to the members by the insolvency administrator in proportion to the amount of contributions paid.

Art. 165

V. Delay in payment in kind, exclusion of set-off, right of retention, etc.

1) In the absence of a provision to the contrary, the provisions of the Code of Obligations on the consequences of default shall generally apply to default in the case of contributions in kind or other non-monetary ancillary benefits, and only the party who has undertaken to make such a contribution shall be liable.

2) For the contribution in kind, which can be credited to the share capital or own assets, the association person can, after it has arisen from the warranty due to defects according to the principles of the purchase contract, claim a reduction and compensation, but not the conversion, and if the contribution is completely worthless, the claim for payment of the contribution in money.

3) No set-off or right of retention in respect of an item belonging to the Association Person may be asserted against a claim of the Association Person arising from a member's obligation to make payments on capital shares or from any other obligation to make contributions or additional contributions as a member.

4) If a performance other than a contribution in kind is owed, the objection of a possible non-fulfilled consideration cannot be raised.

5) If the departure of a member has been delayed or prevented through the fault of governing bodies and the member has suffered damage as a result, the members of the governing body concerned shall be liable first and foremost and the person of the association secondarily.

E. Organization

I. Supreme body

Art. 166

1. In general

1) In the case of associates with membership, the meeting of the members shall constitute the supreme body, unless the law or the statutes provide otherwise, as in the case of meetings of delegates, circular resolutions and the like.

2) The bylaws may delegate the powers of the general meeting in whole or in part to a committee or council of members consisting of members or non-members elected by the entire membership at the general meeting or at section or division meetings provided for by the bylaws and separated by location, profession or similar considerations (representative constitution).

3) For these committee, section or division meetings, unless otherwise provided for or unless the nature of the meeting dictates otherwise, the following shall apply

The same provisions as for the General Meeting, including the minority rights, shall apply to the General Meeting of Shareholders.

4) In the case of non-membership associations which have a supreme body, the provisions laid down for the supreme body of corporations shall apply mutatis mutandis to the latter, unless otherwise provided.

2. Convocation

Art. 167

a) In general

1) The supreme body shall be convened by the administration (board of directors), the liquidators or, by law, by the representatives of the bondholders or other bodies authorized to do so under the articles of association or by their individual members or third parties and, during the insolvency proceedings, also by the insolvency administrator, as often as required by law or the articles of association or if the interest of the association person so requires; in case of imminent danger, the auditors may also convene.

2) In the case of companies with personalities and their equivalent associates, the supreme body shall be convened at least once a year, unless in the case of associations the supreme body is not convened at least once a year.

If the Board of Directors has less than 20 members, all resolutions shall be passed by circular letter, or if the Articles of Association do not expressly provide for an ordinary meeting of the supreme body once and for all, stating the time, place and agenda.

3) The form of the convocation, whether orally, in writing or by public announcement, may be regulated in more detail by the Articles of Association, unless the law provides otherwise, and this shall specify the place, time and purpose of the meeting, and in particular, in the case of intended amendments to the Articles of Association, their essential content; however, unless the law or the Articles of Association provide otherwise, every meeting shall be announced in the Liechtenstein national newspapers at least one week before it is held.

4) No resolutions may be passed on items whose discussion has not been announced in the manner required by law or the Articles of Association (agenda), with the exception of the resolution on the chairmanship and taking of minutes, on the request made at the meeting of the supreme body for the convening of an extraordinary general meeting, and on the resolution on the convening of an extraordinary general meeting.

The Board of Directors is also entitled to request the opening of an investigation into the management of the company and the appointment of representatives for this purpose.

5) Prior notice is not required for the submission of motions and for negotiations without the adoption of resolutions.

6) If all members or representatives are assembled and no entitled person raises an objection, they may form a meeting of the supreme body without observing the formalities otherwise prescribed for the convocation, and in the same a valid discussion may be held and a resolution passed on the matters within its sphere of activity (universal meeting).

Art. 168

b) Minority rights

1) The meeting shall be convened if the representatives of at least one tenth of the countable votes, or if there are less than 30 countable votes, at least three votes request it, stating the purpose, in a petition signed by the petitioners.

2) If the request is not adequately complied with by the competent body, at the request of those entitled to vote and after hearing the members of the Board, the meeting may be convened by the Office of Justice in an administrative procedure with the simultaneous appointment of a chairman, and, in addition, damages may be claimed against the offending bodies on the basis of their contractual relationship, if necessary in accordance with the provisions on torts.

Art. 169

3. Participation

1) Unless otherwise provided, members or other persons entitled to vote may be represented by such persons or by third parties with written power of attorney.

2) The legal, statutory or firm representatives of persons incapable of acting, of associates or of companies must be admitted to participate in the discussions and resolutions without special powers of attorney, even if the Articles of Association do not permit representation or permit representation only by other persons entitled to vote.

3) Persons incapable of negotiating, such as drunks, may be excluded from the meeting.

4) The members of the Auditors may participate in an advisory capacity if they are not members of the Association.

5) The Articles of Association may determine, within the limits of the law, to what extent non-members, such as bondholders and the like, are entitled to participate in the deliberations and votes.

6) A list of the participants present or represented at the meeting of the supreme body of a company with personality, as well as of the votes they hold, shall be prepared, signed by the chairman, and made available during the meeting (attendance list).

4. Powers and decision-making

Art. 170

a) In general

1) Unless otherwise provided by law or the articles of association, the supreme body shall have the same powers as those established for registered cooperatives, in particular it shall supervise the activities of other bodies and decide on the competence of the bodies.

2) Voting may take place either at the meeting or, if public certification of the resolutions is not required, without a meeting, by means of ballot boxes or in such a way that, in the case of associations with fewer than 20 members, instead of the meeting of the supreme body, the expressly formulated resolutions are sent to the persons entitled to vote by registered letter and the minimum number of persons entitled to vote required for a resolution give their written consent.

3) The same rules that apply to voting also apply to elections.

4) A minority in accordance with the provision on minority rights may request that specific items be placed on the agenda for discussion and resolution by means of a signed petition to be sent to the administration or to the body otherwise convening the meeting at least five days before the meeting.

5) Unless otherwise provided by law or the Articles of Association, the rules of parliamentary proceedings shall apply to the conduct, deliberation and passing of resolutions.

Art. 171

b) Management and protocol

1) Unless the Articles of Incorporation provide otherwise, a member elected by the meeting shall preside at each meeting.

2) The administration shall ensure that minutes are kept which briefly provide sufficient information on the discussions, resolutions and elections, and shall make the necessary arrangements for the form of voting and for the determination of voting rights.

3) In the absence of a provision to the contrary in the Articles of Association or at the meeting, the minutes shall be kept by a member and signed by the chairman of the meeting and the secretary.

4) Any person entitled to vote shall be allowed to inspect the minutes during business hours and shall be permitted to obtain a copy upon request.

c) Required majority Art.

172

aa) In general

1) Unless otherwise provided, the resolutions shall be valid only if approved by a simple majority of the countable votes present, with at least one tenth of all votes represented, unless, at the request of the Administration, the judge in the non-contentious proceedings allows an exception for important reasons.

2) Unless otherwise provided by law or the Articles of Association, as in the case of multiple voting rights or proportional representation, each member shall have one vote.

3) The articles of association may grant bondholders or lenders, with or without a claim to conversion of their creditor right into a membership right, a more closely defined voting right to which the provisions governing the exercise of voting rights by members shall apply in a supplementary manner, provided, however, that the entirety of such voting rights shall not be restricted.

If the number of voting rights is to exceed half of all votes, but if more than one third of all voting rights are to be granted, the approval of at least three quarters of the total votes is required.

4) If the membership is linked to a security, the majority shall, in case of doubt, be calculated according to the number of shares, but in case of delegates' meetings, each delegate shall, in case of doubt, have one vote.

5) The Articles of Association may also provide that individual groups of members or

shares, but one member must have at least one vote.

6) If the law or the Articles of Association require a minimum number of votes for a resolution to be passed, and if not enough votes are represented at a first meeting, then, subject to other provisions in the Articles of Association, this resolution on the same matters may be passed by a simple majority at a second meeting to be convened within a reasonable period of time, which shall be at least eight days, irrespective of the minimum number, unless otherwise provided.

7) In the event of a tied vote, the opinion which the Chairman agrees with shall be deemed to be the resolution.

8) The preceding paragraph shall apply mutatis mutandis in particular if circular resolutions are admissible.

Art. 173

bb) Special authorizations and obligations

1) If a corporate body has members or shares with different rights or obligations, such as preferred and common shares or limited and unlimited liability or obligation to make additional contributions, the persons having equal rights or obligations among themselves shall form a party in the dispute proceedings and special groups (classes) in the voting if the resolution to be adopted affects their rights or obligations in an unequal manner, and the consent of all groups required for an amendment of the Articles of Association shall be required for the validity of such resolution.

2) In the absence of other provisions in the Articles of Association, these special meetings shall be convened by the Administration and presided over by a participant elected by the meeting; in all other respects, the provisions governing the supreme body shall apply to them mutatis mutandis.

3) In the absence of any other provision in the Articles of Association, the provisions of the preceding article shall apply to the adoption of resolutions.

4) If the difference in entitlement consists merely in an unequal number of votes, only one joint resolution shall be adopted, taking into account the difference in voting entitlement.

Art. 174

cc) The amendment of the Articles of Association

1) Unless the Articles of Association provide otherwise, they may be amended with the consent of three quarters of all members present at the meeting of the supreme body, representing at least half of all shares or, in the absence thereof, of all members.

2) Unless otherwise specified, new obligations to perform on the part of members may be

The members of the Supervisory Board may only establish or increase the number of shares with their consent; otherwise, a resolution is only valid if it has not been contested.

3) Amendments to the by-laws must be made in writing, even if such by-laws were established in a public document.

4) Amendments to the Articles of Association shall be made in writing to the same extent as the original Articles of Association and, if necessary, shall be publicly certified and entered in the Commercial Register.

5) Amendments to the wording only may be delegated to another body by a resolution of the supreme body.

6) An amendment to the articles of association does not exist if, according to company law, a clearly distinguishable addition is added to the name of a branch office.

Art. 175

d) Exclusion from the right to vote

1) Without prejudice to the right to participate in the meeting and to deliberate, every person entitled to vote shall be excluded by law from voting in his own name or in the name of a third party on the adoption of a resolution on a legal transaction or a legal dispute between him, his spouse, registered partner, fiancé or a person related to him in a direct line, on the one hand, and the Association person, on the other hand, as well as

in the case of a resolution on a legal transaction or a legal dispute between a third party and the person entitled to vote, from which a person entitled to vote derives a personal advantage or disadvantage.

2) Own shares held by the association person himself are not entitled to vote and do not belong to countable votes, but the association person appointed as trustee may exercise the right to vote.

3) In the case of resolutions on the discharge of the administration with regard to the management of the company and the settlement of accounts, persons who have in any way participated in the management of the company shall by law not have the right to vote.

4) A resolution in violation of these provisions may be challenged in accordance with the provisions governing the challenge of resolutions of the supreme body.

5) These restrictions do not apply to association members with fewer than 30 voting members, to members of the Board of Statutory Auditors, in elections and dismissals, or if otherwise permitted an exception by the Office of Justice in the administrative process.

Art. 176

e) Voting rights for usufruct, pledge and other rights

1) If the right of membership is subject to a limited right in rem, only the member or the trustee equivalent thereto shall be entitled to vote, subject to the right of proxy.

2) If there are securities over the membership, the owner of the title is obliged to allow him to exercise the right to vote, provided that the immediate return of the unchanged title after the exercise of the right to vote is guaranteed.

3) If a membership right is in usufruct, only the member is entitled to vote; however, the member must obtain the consent of the usufructuary for all resolutions that are not ordinary administrative acts and is liable for damages if this obligation is violated.

4) The depositary may only exercise the voting right for the securities held in custody (custody votes) if he has a special power of attorney from the depositary for this purpose, unless the law allows exceptions, such as in the case of fiduciary deposits.

5) The exercise of other personal (manorial) rights arising from membership shall, in the absence of any provision or agreement to the contrary, be equivalent to the exercise of voting rights.

6) This provision shall apply mutatis mutandis to other voting rights.

Art. 177

f) Public certification of the resolutions

1) The resolutions of the supreme body concerning the constitution, the amendment of the articles of association and the dissolution of a legal entity shall be recorded in a public deed in all cases where the membership consists of a pecuniary interest or the law otherwise requires it, unless the law itself provides for an exception, such as in the case of cooperatives, small insurance associations and institutions, in the case of certification by circular letter.

2) The notary must personally attend the adoption of the resolution and must record the minutes, stating the place and time of the meeting, and therein state precisely and briefly the resolutions adopted, as well as all events occurring in his presence at the meeting and all statements made which are of relevance for the assessment of the regularity of the proceedings.

3) The minutes shall be signed by the chairman of the meeting and by a person designated as recorder.

4) If the requirements for this are met and it is specifically requested, confirmation of the identity of the chairman and other persons present at the meeting may also be deemed sufficient in the minutes.

5) The public deed shall be accompanied, if necessary, by the draft articles of association of the founders, declarations of accession, the signed subscription prospectus, the articles of association approved by the general meeting, and the like.

6) In all cases, except in the case of joint stock companies, limited partnerships and limited liability companies, the public deed may be replaced by a certified declaration signed by all parties involved.

5. Contestation of resolutions

Art. 178

a) In general

1) The administration and, if the latter does not bring an action itself, the auditors of the Association may take decisions of the supreme body or of any other body which violate the provisions of the law or the Articles of Association.

The member of the association may challenge the legal validity of the decision by filing a complaint, counterclaim, plea or summons with the judge at the seat of the association.

2) If the resolution has as its object a measure the execution of which would render the members of the Board of Directors or of the Auditors liable to prosecution or to the creditors or members of the Association, any member of the Board of Directors and of the Auditors may by law challenge it or refuse to execute it.

3) Furthermore, in the case of associations with members, subject to the provisions on acquired rights, the representatives of at least one-twentieth of all the votes, but not less than three votes, and in the case of less than ten votes or members, each vote or member, respectively, may challenge and annul by operation of law a resolution to which they have not given their consent, and the judge may impose on them security for the costs of the proceedings, applying mutatis mutandis the provisions of the Code of Civil Procedure, failure to comply with which shall render the right of challenge null and void.

4) Likewise, individual voters may be excluded if they have not been summoned to the meeting in accordance with the law or the Articles of Association, or if they have otherwise been prevented or unreasonably hindered from attending the meeting or voting, and as a result have not participated in the meeting or voting, or if, in the case of a circular resolution, persons entitled to vote have voted against it or have been ignored, or, finally, if persons not entitled to participate have participated in a resolution, whether or not an objection has been raised, have a resolution challenged and set aside if they can at the same time show to the satisfaction of the court that these defects had an influence on the passing of the resolution.

5) The court may order the execution of the contested order in the order procedure

postpone the decision if it can be shown that the association is threatened with irreparable disadvantage.

Art. 179

b) Assertion, liability for damages, etc.

1) The right of those entitled to vote to contest the resolution shall lapse if they have not, within one month of the resolution being adopted, declared their intention to take legal action or, if the Articles of Association provide for a special contestation procedure, if the Articles of Association do not provide for a special contestation procedure.

The court shall give notice thereof immediately after exhaustion of the administrative remedies and shall bring the action before the judge within one month of the adoption of the resolution at the latest.

2) If the contested resolution is entered in the Commercial Register, the judgment shall, at the request of the contesting parties, be entered by the registering authority in amendment of the earlier entry and published to the extent that the latter is required.

3) The judgment declaring the nullity shall be effective for and against all persons entitled to vote of a person of the association.

4) The plaintiffs who have acted negligently in bringing the action shall be liable to the Association without limitation and jointly and severally in accordance with the provisions on tort for any damage caused by an unfounded challenge to the decision of the Association.

5) The provisions on actions for annulment shall apply in addition to the action for annulment.

6) In other respects, decisions may also be annulled ex officio by the Office of Justice in accordance with the rules established for annulment ex officio.

Art. 179a

6. Presentation of the annual financial statements

Insofar as the association is obliged to present accounts in a proper manner (Art. 1045), the draft annual accounts and, if applicable, the annual report and the consolidated annual report must be submitted to the supreme body for approval within six months of the end of the financial year, unless important reasons justify an exception.

II. Administrati

on Art.

180

1. In general

1) Each association person must have an administration (board of directors, executive director and derglei-

Unless otherwise specified, the Board of Directors may consist of one or more natural or legal persons or companies and is elected by the supreme body for a term of three years.

members of the association person or third parties is appointed, whereby the members of the administration are reappointable and may or may not be salaried.

2) Subject to the provisions on the participation of the community, the articles of association may also grant other third parties, such as loan and bond creditors, charitable companies the right to appoint individual members of the board of directors or its chairman (bound board of directors).

3) If during a business year individual members of the Board of Directors cease to be members or are prevented from managing the company, the remaining members may continue to manage the company and represent it until the next meeting of the supreme body, unless the Articles of Association provide otherwise.

4) The respective members of the administration or other authorized signatories and the expiry or a change in their power of representation must be notified without delay to the persons of the association registered in the commercial register, enclosing proof of the appointment, such as an excerpt from the minutes or the like, unless a reappointment has been made.

5) The rules established for the members of the administration shall also apply to their deputies, if any, when they act or are to act as such.

6) A special management cannot be appointed for a branch office, but a special authorized representative can be appointed as an authorized signatory.

7) Unless otherwise provided by law or the articles of association, the power of management also includes the power of representation.

8) The provisions governing the board of directors of joint-stock companies may be declared applicable by the articles of incorporation.

Art. 180a

1) At least one member of the management of a legal entity authorized to manage and represent the entity must be a national of a party to the Agreement on the European Economic Area, a person treated as such by virtue of an international treaty, or a legal entity and must be licensed in accordance with the Trustee Act.

2) Persons holding a license under the Act on the Supervision of Persons pursuant to Art. 180a of the Persons and Companies Act shall be deemed to have the same status.

3) Exempt from the obligation under subsection 1 are association persons who, on the basis of the Trade Act or another special law, have a managing director.

or which are supervised by the government, a municipality, the land transfer authority or another authority. This does not apply to foundations that are subject to supervision pursuant to Art. 552 § 29.

4) Retrieved

5) Retrieved

2. Management

Art. 181

a) In general

1) The management of the company shall be vested in all members of the administration, unless otherwise stipulated or ordered by a resolution of the competent body.

2) If the management consists of several members and the articles of association do not stipulate otherwise, no member may perform a management action alone unless there is imminent danger.

3) If, according to the articles of association or a regulation established on the basis thereof, each member of the administration is authorized to manage the company on his own, then if one of them objects to the performance of an act belonging to the management, such act must be omitted unless the articles of association provide otherwise.

4) However, the effects vis-à-vis third parties shall remain unaffected.

b) Powers and duties Art.

182

aa) In general

1) The management has all powers and duties that are not transferred or reserved to another body, such as the appointment and revocation of procuration. In particular, it also has

to ensure the preservation of the share capital as well as the safeguarding and success of the company within the scope of their legal duties and the possibilities offered.

2) It shall manage and promote the association person's business with care and shall be liable for observing the principles of diligent management and representation. A member of the administration acts in accordance with these principles if he/she was not guided by extraneous interests in his/her entrepreneurial decision and could reasonably assume that he/she was acting on the basis of adequate information for the benefit of the association person.

3) The founders shall hand over to the administration all documents related to the establishment of the legal entity.

4) The administration is obligated to the association person to observe all restrictions

The Company shall comply with the provisions of the law, the Articles of Association, the decision of the competent body or otherwise.

5) Unless otherwise provided, the administration of an association person shall have the same powers and duties as the administration of registered cooperatives.

Art. 182a

bb) Compliance with accounting regulations

1) The members of the administrative, management and supervisory bodies of an entity required to keep proper accounts (Art. 1045) have a collective duty to ensure that the required accounting documents, namely the annual financial statements, the consolidated financial statements, the annual report and the consolidated annual report and, if submitted separately, the corporate governance report, are prepared and disclosed in accordance with the provisions of Title 20 on accounting.

2) The members of the administration shall ensure that the books of account (Art. 1046) or records and vouchers (Art. 552 § 26, Art. 1045, para. 3) are available within a reasonable period of time at the registered office of the association.

Art. 182b

cc) Compliance with the declaration requirement

1) The management of legal entities registered in the Commercial Register which do not operate a commercial business and whose statutory purpose does not permit the operation of such a business shall, within six months of the end of the financial year, submit to the Commercial Register a declaration to be signed or co-signed by the member meeting the requirements under Art. 180a, confirming that:

a) at the end of the preceding financial year, the records and supporting documents referred to in Art. 1045, para. 3, are available; and

b) the company has not carried on a commercial business in the previous financial year.

2) The obligation to submit the declaration referred to in para. 1 does not apply if, based on other statutory provisions, the annual financial statements must be submitted annually to the tax administration.

3) The Office of Justice shall monitor the timely compliance with the duty to file a declaration as stipulated in para. 1. If the declaration is not submitted in due time, the Office of Justice shall issue a reminder to the defaulting company and, if the default continues and at least a further twelve months have elapsed, initiate the dissolution and li- quidation proceedings ex officio. The imposition of a fine in accordance with § 66a (final division) remains reserved.

4) The Office of Justice has the right to review the declaration submitted in accordance with para. 1 within a period of two years within the meaning of paras. 5 and 6. A review is not required if the declaration is confirmed by an approved or licensed auditor or auditing company.

5) If an examination reveals that a statement of assets and liabilities within the meaning of para. 1 cannot be submitted, the Office of Justice shall set a period of grace for the submission of the statement of assets and liabilities or a confirmation pursuant to para. 4 and, after the expiry of this period, shall initiate the dissolution and liquidation proceedings ex officio.

6) If an examination of the statement of assets and liabilities reveals that the company was engaged in a trade conducted in a commercial manner, the Office of Justice shall notify the Tax Administration.

Art. 182c

dd) Interim dividends

1) The distribution of interim dividends (interim dividends, interim distributions, payments on account of current profits) during the financial year is permitted.

2) Interim dividends may only be distributed in the case of legal entities that are obliged to prepare accounts in accordance with the regulations (Art. 1045) on the basis of interim financial statements (interim balance sheet and interim income statement).

3) The articles of incorporation may provide that the management may distribute interim dividends on current profits or from profits carried forward from previous years or from special reserve funds on certain dates during the financial year without prior resolution of the supreme body.

4) Interim dividends may only be distributed if this does not affect the share capital and any statutory reserves.

Art. 182d

ee) Inspection of annual financial statements by members

1) The administration of legal entities which are obliged to present accounts in a proper manner (Art. 1045) shall ensure by law that the annual accounts and, if applicable, the consolidated annual report are made available to the members by circular letter at least twenty days before the meeting of the supreme body which is to decide on the approval of the annual accounts or before the adoption of a resolution and, in addition, for a quarter of a year after the meeting.

2) Any member of the Company may, by law, obtain a copy of the annual financial statements and, if applicable, the annual report and the consolidated annual report or the report on the course of business of the Company, with proof of his or her participation.

Board of Directors require.

Art. 182e

ff) Capital loss, over-indebtedness and insolvency

1) If the last annual balance sheet of an association member shows that half of the basic capital is no longer covered, the administration shall immediately inform the members of the supreme body and notify them of the restructuring measures to be taken.

2) If there is justified concern that a legal entity is overindebted or insolvent, the administration shall immediately draw up an interim balance sheet at continuation value and at liquidation value. At the same time, the administration shall convene a meeting of the supreme body and request such reorganization measures.

3) In the case of association members, the interim financial statements shall be audited by an auditor within the meaning of the Auditors Act:

1. when bonds have been issued;

2. if the capital shares are listed on a stock exchange; or

3. for medium-sized and large companies within the meaning of Art. 1064.

4) All other members of the association shall be audited by the statutory auditors.

Art. 182f

gg) Notification of the court

1) If the interim balance sheets at going concern values and at liquidation values show that the legal entity is overindebted or insolvent, the administration shall notify the court.

2) The court need not be notified if creditors of the legal entity rank behind all other creditors to the extent of the shortfall in cover at going concern values and defer their claims or if there is a concrete prospect that the over-indebtedness or insolvency will be remedied within two months of the preparation of the interim financial statements or of the determination of insolvency.

3) If there is an obligation to make additional contributions, the court must only be notified if the over-indebtedness or insolvency is not remedied by the parties liable to make additional contributions within two months of the determination.

Art. 182g

Repealed

Art. 183

c) Non-competition

1) Unless otherwise provided for in the articles of association, members of the management of partnerships with personalities carrying on a commercial business and of other similar associations may not, without the consent of the supreme body or, in the absence thereof, without the approval of the judge in the case of extra-judicial proceedings, engage in business for their own account or for the account of third parties, nor may they participate in the business of a partnership without personalities or of an association in the same line of business as unlimited partners or members, neither do business in the business sector for their own account or for the account of third parties, nor participate in a company without personality or in an association person of the same business sector as partners with unlimited liability or members, nor hold a position in the administration or in the auditing body.

2) Consent may be expressed in general terms in the articles of association; it may also be assumed if, at the time of appointment as a member of the administration of the association, the member was aware of such activity or participation and, nevertheless, its cancellation was not expressly stipulated.

3) Members of the administration who transgress the prohibition expressed in the first paragraph may be dismissed at any time without obligation to pay compensation; in addition, the person in charge of the association may claim damages or demand instead that the transactions made for the account of the member of the administration be deemed to have been concluded for his account and, with regard to transactions concluded for the account of third parties, the surrender of the remuneration received therefor or the assignment of the claim to remuneration.

4) The aforementioned rights of the person of the association shall expire in three months from the day on which the other members of the administration and, in the absence of such, the members of the auditors have become aware of the substantiating fact, and in all cases after the expiry of one year.

5) Further contractual agreements, such as the competition clause and the like, shall remain reserved.

3. Representation

Art. 184

a) In general

1) The representation of persons belonging to the Association shall be carried out by the organs appointed for this purpose or by other special representatives in accordance with the provisions of the Articles of Association, whereby the administration shall not require any special power of attorney provided for by law.

2) The operation of business of the association person, as well as the representation of the association person in this business operation, may, if the administration consists of several members, also be assigned to individual members or other authorized representatives or employees of the association person.

3) As a representative or managing body, such as the board of directors or administration, or as a member or other representative of such a body, associations may also be appointed.

The members of the Board of Directors and the Supervisory Board may be appointed by the General Meeting of Shareholders as representatives of individuals or companies, whose persons authorized to represent or manage the Company shall then, unless special delegates are designated for this purpose, perform all acts of the governing body or representative on their behalf.

4) Unless otherwise provided by law, the administration shall have the status of a legal representative.

5) The persons of the association who are not registered in the Commercial Register are obliged, upon request by the Office of Justice, to disclose their members appointed to represent the administration (the Board of Directors) in order to avoid the administrative penalties permitted in the Commercial Register proceedings.

Art. 185

b) Party position

1) A person acting as a representative shall be deemed to be acting in bad faith if any of the persons acting as a body or representative is acting in bad faith, or if a person acting as a representative fails in bad faith to bring the defect to the attention of the responsible persons.

2) The provision of the preceding paragraph shall be applied mutatis mutandis when it concerns the assessment of the knowledge, fault or good faith of the person making the association.

3) The members of the representative body shall take oaths, vows of allegiance and the like on behalf of the members of the association in the same manner as a party.

4) If insolvency proceedings have been instituted against the assets of the association person, the members of the administration shall have the same obligations towards the regional court as a natural person as debtor. The administration shall safeguard the rights of the legal entity vis-à-vis the insolvency administrator.

Art. 186

c) Exclusion

1) When concluding legal transactions of the association person, in which a member of the administration is interested, as for example when concluding legal transactions with himself, the latter may not participate by law, except in case of urgency.

2) If, as a result, a valid resolution cannot be passed, the business shall be submitted to a statutory body, and in the absence of such a provision, to the supreme body, which shall entrust one or more special proxies with the representation of the association person or shall settle the business itself.

3) This provision shall not apply in the event of a deviating provision in the Articles of Association or in the case of associations with fewer than thirty members.

Art. 187

d) Power of attorney of the organs and representatives

1) The governing bodies as well as the other persons appointed for the overall management and representation (representative bodies) are authorized by law vis-à-vis third parties acting in good faith to conclude all transactions on behalf of the association. Legal and statutory provisions regarding the manner in which representation is exercised are reserved.

2) Third parties also include association persons or companies in which the association person has a share as a member.

3) In the relationship between the representative bodies and the person of the association, the latter are obliged to comply with the restrictions imposed by the statutes or the relevant resolutions of the competent bodies within the framework of the legal regulations.

4) The legal transactions carried out by them shall be valid for the association person even if they were not expressly carried out in the name of the association person, but may be inferred from the circumstances at the time of the pre-

It is clear from the information provided that the intention of the parties involved was that they should be carried out on behalf of the person making up the association.

5) The power of representation of the authorized representatives is based on the power of attorney granted to them; in case of doubt, it extends to all legal acts which the execution of such transactions usually entails.

Art. 187a

e) Restrictions on the effect of representation

1) The person of the association shall not be bound by acts of representative bodies exceeding the powers that are or may be assigned to such bodies under the law.

2) The legal entity shall not be obliged by acts of representative bodies which exceed the scope of the object of the company, if it proves that the third party was aware or should have been aware according to the circumstances that the object of the company was exceeded by the act. The publication of the articles of association and the corresponding resolutions of the competent bodies shall not suffice as evidence.

3) If the representative body exceeds its competences determined internally by the Articles of Association or by decisions of the competent bodies, the Association body shall not be bound by such acts if it proves that the third party was aware or should have been aware according to the circumstances that the act exceeded the internally determined competences.

Art. 188

f) Exercise

1) The articles of association shall determine for each association person the form in which the management must declare its will, who is authorized to sign and, if several are authorized to sign, whether an individual or several together (collectively) give the legally binding signature. In the case of a joint-stock company, a limited partnership and a limited liability company, the articles of association must contain such provisions in any case.

2) The articles of association may in particular stipulate that a member of the multi-member management is only authorized to sign with binding effect in conjunction with an authorized signatory; however, this must be notified for entry in the commercial register, recorded there and published.

3) Unless the law or the Articles of Association provide otherwise and the administration is made up of several members, the participation and the signature of at least two members of the administration shall be required for the representation of the legal entity and for binding signatures on its behalf; however, even in the case of joint management and representation, declarations of intent, such as summonses and other notifications, shall be validly made to the legal entity if they are made to only one of the members authorized to represent it or to a representative.

Art. 189

g) Legitimation and signature

1) For the legitimation of the administration vis-à-vis authorities, if an entry has been made in the Commercial Register, a certificate from the registering authority that the persons designated therein are entered in the Commercial Register as members of the administration is sufficient; in the case of unregistered persons of the association, on the other hand, proof of appointment by the competent body, such as minutes of the meeting or a certified copy or extract.

2) The subscription shall be made in such a way that the subscribers add their handwritten signatures to the name of the company or the name of the person of the association written or otherwise attached by whomsoever, unless the law allows exceptions.

3) If, in the case of a legal entity or company, another legal entity or company is authorized to sign, it shall be sufficient for the signature to be signed in such a way that the representative of the latter adds his personal signature to the name or company name of the legal entity or company represented.

4. Appointment of a counsel

Art. 190

a) In general

1) If an existing legal entity temporarily lacks the necessary executive or representative bodies or a representative in accordance with this title, or if the persons forming the administration are not known, or if the representatives are excluded from representation in individual cases, the court shall, if the management and representation is not ensured in any other way, appoint a counsel at the request of the parties involved and at the expense of the legal entity in extrajudicial proceedings, if the interest of the legal entity, its members or creditors or the public so requires.

2) The adviser shall immediately convene the competent body for the appointment, and he shall have all the powers by law as the absent body or representative.

3) The provisions on the formation and dissolution of associations remain reserved.

Art. 191

b) Deprivation of management and representation

1) The management and representation of the association may be temporarily withdrawn from the body of an association person by appointing an advisor at the request of members and after the judge has made a decision, if it is credibly shown that the interests of the association person are endangered and that there is imminent danger.

2) The withdrawal of representation and management, as well as the appointment of an advisor, with the exception of the case where it is only a matter of an advisor for individual transactions, such as in the case of legal representation, must be entered in the Commercial Register and published in the case of the association persons entered in the Commercial Register, stating the advisor and his power of representation.

III. Auditors Art.
191a

1. Exercise of the audit function

1) Unless otherwise provided by law, are qualified to perform the function of auditors:

1. Auditor;

2. Auditing firms;

3. Trustee;

4. Association persons and trust companies with a trustee permit.

2) Where the law refers to recognized auditors or experts, this shall be understood to mean persons pursuant to the Auditors Act, provided that companies within the meaning of Art. 1063 and Art. 182e para. 3 are affected by the transaction.

Art. 192

2. Order

1) The supreme body may elect as auditors one or more auditors who are neither members of the management nor subordinate to the latter.

may be employees of the Association and exercise their powers and duties in accordance with the law, the Articles of Association and, if applicable, the resolutions of the supreme body, whether or not in return for payment.

2) The Statutory Auditors may not hold any shares in the company to be audited, including through third parties, through which they could in any way exert an influence on the administration or management of the company.

3) An auditor may not be elected in which the company to be audited holds shares, including through third parties, through which it could in any way exert an influence on the administration or management of the auditing company.

3a) Any contractual clause limiting the choice of the supreme body in appointing the auditor to carry out the audit within the meaning of Art. 1058, para. 1, at this company to certain categories or lists of auditors or auditing companies shall be null and void.

4) The articles of incorporation may also provide for a special auditing body with its own responsibility for individual business branches, business departments or business subsidiaries.

5) Apart from the participation of the community, the articles of association may also grant other third parties, such as loan and bond creditors, non-profit enterprises, the right to appoint individual members of the audit board or its chairman (bound audit board).

6) For companies that are obliged to disclose pursuant to Art. 1057, an auditor must be mandatorily provided. An auditor or an auditing company within the meaning of the Auditors Act must be appointed as auditors.

7) If, in accordance with the law or the Articles of Association, the Auditors have not been appointed or are not complete, the court shall, upon application of a party to the proceedings, set a three-month time limit for the Association to appoint or complete the Auditors and, if the time limit has expired without result, appoint the necessary members of the Auditors itself for the period until the appointment is made.

8) An association that operates a commercial business or whose statutory purpose permits the operation of such a business must appoint an auditor in accordance with paragraph 1.

This does not apply to association members who, pursuant to Art. 1058a, are exempt from the auditing requirements.

(Review) have waived.

9) The resolutions or other documents concerning the appointment, the resignation of the auditors as well as the personal data of the auditors shall be filed with the Commercial Register and deposited.

10) If the audited public interest entity has a nomination committee in which the members or shareholders have significant influence and whose task is to make recommendations for the selection of auditors, the nomination committee may perform the functions of the audit committee set out in this Article. In this case, it is obliged to submit to the supreme body the recommendation pursuant to Article 16 (2) of Regulation (EU) No. 537/2014.

11) By way of derogation from Art. 17 (1) of Regulation (EU) No. 537/2014, the maximum terms of the audit mandate may be extended for public interest entities:

a) to 20 years, if a public tender procedure for the audit is conducted in accordance with Article 16 (2) to (5) of Regulation (EU) No. 537/2014 and takes effect after the expiry of the maximum term referred to in the second subparagraph of Article 17 (1) of Regulation (EU) No. 537/2014; or

b) to 24 years if, after the expiry of the maximum term referred to in the second subparagraph of Article 17(1) of Regulation (EU) No 537/2014, where the relevant maximum term has been reached, more than one auditor or audit firm has been engaged at the same time, provided that the audit results in the submission of the joint report referred to in Article 196.

12) Networks within Switzerland shall also be deemed to be networks within the meaning of Article 17 (3) of Regulation (EU) No. 537/2014.

Art. 193

3. Position

1) The auditors may not be appointed for more than one year for the first time and for more than three years thereafter in the case of companies with personalities and their equivalent.

2) This latter duration shall apply in case of doubt to the auditors for all association persons.

3) The members of the Board of Statutory Auditors may not delegate the exercise of their duties, except in the case of representation before judicial or administrative authorities or unless the Articles of Association provide otherwise.

4) The provisions laid down for the members of the Auditors shall apply mutatis mutandis to their deputies if they act or are to act as such.

5) Unless exceptions are provided for, the auditors act externally as a single body and are represented by their chairman.

Art. 194

Retrieved

4. Tasks

Art. 195

a) In general

1) The annual financial statements and, if applicable, the annual report and, if applicable, the consolidated financial statements and the consolidated annual report of a joint stock company, a limited liability company and a limited partnership as well as of companies without personality, insofar as their partners with unlimited liability are associates within the meaning of Art. 1063, shall be examined by the appointed auditors as to whether they comply with the law and the articles of association.

2) Other members of the association who carry on a commercial business shall be subject to the provisions of paragraph 1, unless otherwise provided by law.

3) For the purpose of the audit, the Auditors or individual members thereof may demand that the books of account and vouchers be submitted to them, that they be consulted on the audit as far as possible and that they be provided with information by the management on individual specific items.

4) The auditors may request that certain audit items be dealt with by the management or that such items be included in the agenda of the supreme body for the purpose of discussion and resolution.

Art. 196

b) Reporting for financial statement audits

1) In the case of an audit of financial statements, the auditor or auditing company shall report in writing to the supreme body on the results of the audit of the annual report (annual financial statements and, if applicable, annual report) submitted to him or her by the administration. The written report shall:

a) The auditor must begin by stating which company's financial statements were the subject of the audit, the date or period of the financial statements, and the accounting principles in accordance with which they were prepared. The persons who conducted the audit must then be named and it must be confirmed that the requirements for competence and independence have been met. Furthermore, the nature and scope of the audit must be described, and this description must at least include information on the auditing principles according to which the audit was conducted;

b) express an opinion as to whether the financial statements submitted to the Board of Governors comply with the law and the company's articles of incorporation and, if so, whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework; the report must contain an opinion on this that is either unqualified, qualified or otherwise expressed.

or negative; if the auditor or audit firm is unable to express an opinion, this must be stated in the report;

c) to point out other circumstances to which the auditor or the auditing company has drawn attention in a special way, without qualifying the audit opinion;

d) include a statement of material uncertainties related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern;

e) include an additional opinion as to whether the annual report submitted to the supreme body pursuant to Art. 1096, if such a report has to be prepared, is consistent with the financial statements of the relevant fiscal year and whether the annual report has been prepared in accordance with the applicable legal requirements. Furthermore, it shall be stated whether, in the light of the knowledge and understanding obtained in the course of the audit, the annual financial statements are

The Audit Committee is responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU;

f) to state whether the information to be provided in the corporate governance report pursuant to Art. 1096a para. 1 items 3 and 4, if such a report has to be prepared, is consistent with the financial statements; with regard to the other information pursuant to Art. 1096a para. 1, the report shall state whether the corporate governance report has been prepared;

g) include a recommendation to the supreme body to approve the financial statements with or without qualification or to reject them to the management if it was unable to express an audit opinion;

h) to provide information on whether the administration's proposal regarding the appropriation of profits complies with the law and the Articles of Association.

2) If the audit was conducted by more than one auditor or audit firm, they shall agree on the results of the audit and issue a joint report and opinion. In the event of disagreement, each auditor or audit firm shall issue its own opinion in a separate paragraph of the report and shall state the reasons for the disagreement.

3) The report shall be signed by the auditor, stating the date and place of establishment. If an audit is carried out by an auditing company, the report shall be signed at least by the auditor in charge.

4) If more than one auditor or auditing firm are equal-

If the audit firm has been engaged at the same time, the report shall be signed by all the auditors or at least by the auditors who performed the audit for the respective audit firm.

5) If a consolidated annual report is to be prepared, paragraphs 1 to 3 and paragraphs 6 to 8 shall apply mutatis mutandis. In assessing whether the annual report is consistent with the financial statements, the auditor or auditing firm shall take into account the consolidated financial statements and the consolidated annual report. If the annual financial statements of the parent company are reconciled with the consolidated annual financial statements of the parent company, the auditor or auditing firm shall take account of the consolidated annual financial statements.

If the financial statements are attached to the consolidated financial statements, the reports of the auditors and audit firms required by this Article may be combined.

6) If the auditor or auditing company discovers violations of the law and the articles of incorporation during the performance of the audit, he or she must report this in writing to the administrative or supervisory body, and in important cases also to the general meeting of shareholders.

7) The annual financial statements may not be approved by the supreme body without prior presentation of a report in accordance with paragraph 1. In addition, the auditor must be present at the meeting of the supreme body in the case of medium-sized and large companies within the meaning of Art. 1064 paras. 2 and 3. If the auditor is not present, the resolution of the supreme body is contestable. The supreme body may waive the presence of the auditor by unanimous resolution.

8) The same minority, which may request the convocation of the supreme body, shall have the right to draw the attention of the auditor or the auditing company to certain matters to be audited, with the proviso that the auditor or the auditing company shall report to the next meeting of the supreme body for the purpose of adopting a resolution.

9) In the case of the audit of the financial statements of public interest entities, the reporting with regard to the non-financial statements pursuant to Art. 1096b paras. 1 to 5 and the consolidated non-financial statement pursuant to Art. 1121 para. 1 in connection with Art. 1096b paras. 1 to 5 is limited to the submission of the statement or the separate report.

Art. 196a

c) Reporting at the review

1) In the event of a review pursuant to Art. 1058 Para. 2, the auditors shall report to the supreme body in writing on the result of the audit of the business report (annual financial statements and, if applicable, annual report) submitted to them by the management.

2) The report shall begin by stating which financial statements were the subject of the review and the accounting principles in accordance with which they were prepared, then

identify the persons who led the review and confirm that the requirements of competence and independence have been met, as well as the nature and scope of the review

described in the report. Furthermore, the report must be signed by the responsible auditor(s), stating the date.

3) The report must also provide information on this:

a) that, based on the review, nothing has come to the attention of the auditors that causes them to believe that the financial statements presented to the highest governance body do not comply with the law and the company's articles of incorporation (negative assurance);

b) whether the annual report, if any, is in accordance with the financial statements as required by law;

c) whether the auditors recommend that the supreme body approve or reject the annual financial statements.

Art. 197

d) Secrecy

Outside the meeting of the supreme body, communications by the auditors concerning the observations made to persons other than members of the management and auditors are inadmissible, subject to other responsibilities, in particular in accordance with the regulations on the protection of personality.

Art. 198

5. Further provisions of the Articles of Association

1) The Articles of Incorporation reserve the right to make further provisions regarding the organization of the Auditors, to extend their powers and duties and, in particular, to provide for the performance of interim audits.

2) In addition to the ordinary auditors (auditors), the supreme body may at any time appoint special commissioners or experts to audit the management or individual parts thereof.

Art. 199

6. Supervisory Board

1) In addition to the management, the articles of association may provide for a supervisory board, which is appointed in accordance with the provisions governing the management and to which the function of permanent supervision of the management and participation in the management may be assigned.

2) He may also bring an action for liability against the members of the administration.

3) The members of the Supervisory Board must be entered in the Commercial Register.

Art. 200

IV. Other bodies and applicable law

1) The Articles of Incorporation may also provide for other direct or indirect bodies, such as the Board of Directors, committees, and other representatives, unless otherwise provided by law.

2) Unless otherwise provided, the relationship between the governing bodies and the person of the association, insofar as it does not concern the supreme governing body or the position of minorities or special categories of members in the governing bodies, shall be governed by the provisions on the tacit fiduciary relationship and, in addition, by those on the mandate or, insofar as remuneration has been agreed or can be assumed under the circumstances, by the provisions on the service contract.

Art. 201

V. Recruitment, dismissal and resignation

1) Unless otherwise provided by law or the Articles of Incorporation entrust another body with this task, the supreme body is authorized at any time to dismiss the members of the administration, the auditors or other bodies, as well as other authorized representatives or agents appointed by it.

2) The right to appoint a body, a member of such a body or an authorized representative shall include the right to dismiss or terminate such body or member of such a body by operation of law in the case of appointments by public authorities, and in other cases only to the extent that nothing to the contrary is provided for.

3) Contrary to a provision of the Articles of Association to the contrary, this right of dismissal exists by law if it is justified by important reasons, such as gross breach of duty or inability to manage the business properly.

3a) An auditor appointed to perform an audit of financial statements within the meaning of Art. 1058, para. 1, may only be dismissed for cause. Differences of opinion on accounting methods or audit procedures are not sufficient grounds for

a dismissal. In the event of the dismissal or resignation of an auditor, the association person and the auditor are obliged to inform the Financial Market Authority (FMA) thereof, stating the reasons.

4) The Board of Directors may also at any time remove the committees, delegates, directors and other agents appointed by it and suspend in their functions the agents appointed by the supreme body upon notice to the latter.

5) This is without prejudice to any claims for compensation on the part of the dismissed person arising from contracts, such as a contract of service or an order, or from tort, and to the temporary deprivation of management and representation by the judge.

6) If the judge recalls members or organs, he shall at the same time order a new appointment by the competent organs and take appropriate measures in accordance with the provisions on the appointment of counsel in the meantime.

7) In the case of an audit of the financial statements of a public-interest entity, shareholders holding at least 5% of the voting rights or share capital or the FMA may apply for the judicial dismissal of the auditor or auditing company if there are important reasons; the provisions of paragraph 3a remain reserved.

F. Accounting

Art. 202

I. Generally

Suspended

II. Annual balance sheet regulations

Art. 203 to 209Discontinued

III. Official audit

Art. 210

1. Prerequisite and order

1) If by resolution of the competent body of any member of the Association a motion for the appointment of expert auditors has been rejected, or if the motion duly made has not been put to the vote, the District Court may by law, within two months of the rejection or meeting, at the request of members representing at least one-tenth of the share capital or equity or votes, appoint one or more auditors, representing at least one tenth of the share capital or of the equity capital or of the votes, the District Court may appoint one or more auditors by way of extra-judicial proceedings, if the members at the same time make a prima facie case that dishonesty or gross violations of the law or of the Articles of Association have taken place.

2) Before appointing the auditors, the court shall hear the management and the auditors, may require the applicants to provide a security to be determined at its own discretion in accordance with the provisions of the Code of Civil Procedure on the provision of security for legal costs, and may appoint one or more auditors depending on the circumstances.

3) The members concerned, if their application is otherwise void and they are liable for costs and damages for the duration of the audit, may transfer their membership only with the consent of the association person, or, if securities, such as shares, have been issued, they shall deposit them with the court or at a place designated by the court.

4) If an association person carries on banking, insurance, savings bank or actual fiduciary business on a professional basis, the Government may, on its own initiative, by administrative action

order an official audit at the expense of the legal entity, without being liable for damages.

Art. 211

2. Position of the auditors

1) Before commencing their activities, the auditors shall swear to the judge that they will faithfully perform the duties incumbent upon them and, in particular, that they will maintain secrecy with respect to any business and operational relationships that may have come to their knowledge during the audit, and they shall be responsible in the same way as the members of an auditing body.

2) The Auditors shall have the right to examine the books, vouchers and inventories, to demand information and explanations from the members of the Administration and Control and from any employee of the Association entrusted with the keeping of accounts in order to ascertain the correctness of the last annual balance sheet and to examine the stock of the treasury as well as the stocks of other assets.

3) The requested clarifications and information must be provided by the requested parties without delay, otherwise they will be held responsible for any damage, accurately and truthfully.

4) The members of any control shall be present at the review; in addition, the court may, at its discretion, permit one or more of the petitioners to be present.

5) The remuneration of the auditors shall be determined by the court in extrajudicial proceedings, but they may not otherwise receive any other remuneration.

Art. 212

3. Treatment of the audit report

1) The written report on the result of the audit, in which it shall be stated whether all the wishes of the auditors in relation to the performance of the audit have been fulfilled and whether the last annual balance sheet gives a true and correct picture of the financial situation of the entity, shall be immediately communicated by the auditors to the administration and the control.

2) The applicants shall have the right to inspect the auditors' report at the business premises and, in the absence of such premises, at a place to be determined by the judge in the extrajudicial proceedings.

3) The management and the auditors are obliged to submit the auditors' report for adoption at the next meeting of the supreme body, to have it read out in full at the meeting, and to declare the results of the audit and the steps taken to remedy any illegalities or irregularities discovered.

4) It is the duty of the control to report to the meeting on the claims for compensation to which the person in the association is entitled.

5) If the auditors' report shows that a gross violation of the law or the Articles of Association has taken place, the meeting of the supreme body must be convened immediately.

Art. 213

4. Costs and compensation

1) The court shall decide, applying mutatis mutandis the provisions on legal costs in the absence of an agreement in the out-of-court proceedings, whether the costs of the investigation are to be borne in whole or in part by the association person, depending on the outcome of the appeal after assessing all the circumstances.

2) If the application for revision proves to be unfounded after the result of the revision, the applicants shall be liable without limitation and jointly and severally for the damage caused to the legal entity by the application, together with any satisfaction, provided that they are guilty of bad faith or gross negligence.

G. Socio-political share and profit rights Art.

214

I. Work shares

1) Associations with members' shares may, by means of the Articles of Association, provide for the issue of labor shares to employees and workers, to which the provisions applicable to labor shares shall apply mutatis mutandis.

2) In accordance with the provisions of the articles of incorporation, inalienable shares in the name of an individual or of a cooperative may be provided for on the basis of work performance in such a way that there is no share in the share capital or own assets, but there is an entitlement to the personal rights arising from membership, to profits, subscription rights and a share in the event of termination of employment or in the liquidation result, with or without preferential rights, of the other capital or asset shares.

II. Welfare Fund

Art. 215

1. Requirements

1) The bylaws of an association may provide for funds for the establishment and support of welfare institutions for members, workers and employees, or similar purposes.

2) Such funds as welfare institutions for members, workers and employees have the character of foundations without further formalities, and their assets are legally segregated from the assets of the association person and are liable for the debts of the association person.

of the association person no longer.

3) Retrieved

4) Contributions from the net profits generated may be made by the supreme body for the establishment and support of welfare institutions for members, employees and workers or for other welfare purposes even if not provided for in the Articles of Association.

5) The special provisions on trusteeships and segmented association persons remain reserved.

Art. 216

2. Design and resolution

1) Such foundations shall not be subject to the supervision of the supervisory authority, but shall remain, unless otherwise provided by the Statutes, under the administration of the Person of the Union, and their balance sheet shall not be included in that of the Person of the Union.

2) If the purpose of such a foundation has ceased to exist, the fund shall revert to the legal entity in the absence of a provision in the articles of association.

3) The articles of association may establish other regulations concerning the foundation.

Art. 217

III. Other profit participation

1) The articles of association of a legal entity may also provide that its employees and workers shall share in the net profit, which shall be paid to them in cash or otherwise.

2) By resolution of the supreme body of an association, its employees and workers may be awarded voluntary benefits in cash or otherwise, even if this is not provided for in the Articles of Association.

H. Responsibility

I. In the case of companies with personality and association persons equal to them

Art. 218

1. Type of fault, etc.

1) The organs of a company with personality and of the association persons equal to them shall be liable for the damage caused by them to the association person if they have caused it intentionally or negligently.

2) They shall be liable to the members for intent and negligence only to the extent that the association person is not entitled to compensation.

3) If, on the other hand, the association person possesses one, the members have an independent claim only in the case of intentionally inflicted damage.

4) Third parties who have participated in the issue of shares, unit certificates or bonds are liable to all only in the event of intentional damage.

2. Liability cases

Art. 219

a) In general

1) Whoever acts in the establishment of a company with personality or an association person equal to it shall be liable for damages:

1. if he has made or disseminated untrue statements in brochures or circulars;

2. if he or she has been involved in the incorrect or incomplete disclosure, concealment or disguise of a contribution or the acquisition of assets or of a benefit to individual members or other persons in the articles of incorporation or a founder's report

is, or if he has otherwise acted contrary to law in approving such a measure;

3. if he was aware of the subscribers' inability to pay or otherwise perform on the share capital or own assets;

4. if he has contributed to the fact that the registration of the company in the Commercial Register has been obtained on the basis of a certificate or deed which actually contains untrue information.

2) This provision shall apply mutatis mutandis if the same acts or omissions have resulted in damage after incorporation.

3) If such a company with personality or association has issued shares, share certificates or bonds, either itself or through a third party, anyone who has been involved in this shall be liable for the damage caused or disseminated by untrue statements in prospectuses or circulars.

4) Any person who has received payments from the person of the association contrary to the provisions of the law, such as profits, interest on construction, shall be obliged to return them if it can be proved that he was in bad faith at the time of receipt.

5) If, on the other hand, a liquidation share has been received by members or, in the case of gratuitous legal transactions, by third parties contrary to the provisions of the law, they shall be liable, even if in good faith, to the extent of the enrichment.

Art. 220

b) In the management and control

1) The persons entrusted with the management and control of a company are responsible for the damage caused by their failure to fulfill their duties.

2) If the breach of duty is caused by the adoption or omission of a resolution of a

If a decision of a multi-member body (collegiate body) is committed, all members of the collegiate body who were obliged to participate in the decision in question shall be liable.

3) Members who voted against the adoption of the resolution on which the liability is based or who, in the case of an omission of a member on which the breach of duty is based, voted against the adoption of the resolution on which the liability is based, shall remain exempt from liability.

resolution, have voted in favor of the resolution rejected by the majority.

4) Members of a collegial body who have also participated in its negotiations shall be liable if the failure to exercise their votes due to their fault could have prevented the breach of duty on the part of the collegial body, or if, with their proven consent, other members have caused the liability of the collegial body giving rise to the breach of duty.

5) If a decision has been neglected in breach of duty without having been discussed by the collegiate body, the liability shall be incurred by each member from the time when he/she became aware of the matter and did not take the steps within his/her power to have the matter discussed by the collegiate bodies.

6) If the administration or one of its members receives an order from a superior body, such as the supreme body or the auditors, the execution of which would violate the duties incumbent upon them in accordance with the first paragraph, the execution may be refused without the person of the association being able to claim responsibility for this.

7) The provisions on the responsibility of the liquidators remain reserved.

8) Any person who, in the case of audits within the meaning of Art. 1058 par. 1 or 2, is only liable for slight negligence shall be liable at most up to the amount of

1.5 million Swiss francs. In the audit of public limited companies whose securities are admitted to trading on a regulated market in an EEA member state within the meaning of Art. 4 (1) No. 21 of Directive 2014/65/EU, liability for slight negligence is limited to 6 million Swiss francs.

Art. 221

c) Liability of major shareholders

1) If, in the case of banking enterprises or trust companies, a major shareholder who is not a member of the administration directly or indirectly causes members of the administration of such an enterprise to violate the due care and diligence of a prudent businessman in their management, he shall be jointly and severally liable with such members of the administration for the resulting damage suffered by the member of the association,

subject to the right of recourse of the members held responsible by the association person against the major shareholder.

2) A major shareholder within the meaning of this Act is a person who, on the basis of his own shareholding or on the basis of another legal title, has the right to vote for at least one tenth or such a large part of the share capital or equity of the legal entity that the votes to which he is entitled carry decisive weight with regard to the amount of the share capital or equity which, according to experience, is represented at meetings of the supreme body of the company concerned.

3) Shares transferred to another person for the purpose of circumventing this provision shall be attributed to the ownership of the major shareholder; an intention to circumvent the law shall be presumed if the transfer is made to the spouse, the registered partner or to a relative up to the second degree.

4) The Government may, by ordinance, extend this liability to undertakings other than those mentioned in the first paragraph, where circumstances justify it for important reasons.

3. Liability claim

Art. 222

a) Claim of the company and individual members

1) The claim for damages is primarily due to the injured company and, in the event of the opening of insolvency proceedings, to its assets.

2) If the company does not have a claim, as well as in the case of malicious damage, each individual member may demand that the damage caused to him be compensated directly.

3) To the extent that the Company waives or fails to assert a claim within three months after demand by a member, any individual member may, subject to a binding discharge resolution, sue for compensation for the damage intentionally inflicted on the Company for the benefit of the Company.

4) If the company does not assert its claim, however, the individual member shall have the right of action for intentional injury only if he or she is able to prove that, when the decision was made, he or she

had not participated or had voted against the resolution, or that it had become a member only after the resolution and without having been aware of it.

5) If such an action has been brought by a member, further actions may be brought within the time allowed on that subject matter only to the extent that the

If the damage has not been fully asserted in the first action, the other aggrieved members shall be entitled to join the first action as intervening parties.

6) This claim of the individual member shall become statute-barred upon the expiry of six months after the member has become aware of the resolution.

Art. 223

b) Creditors' claim

1) If the company's creditors are injured, they may, if the company has no claim, demand that the damage caused to them be paid to them directly.

2) In the event of intentional damage to the Company, the individual creditors may claim compensation for the damage caused to the Company for the benefit of the Company if insolvency proceedings have been opened against the assets of the Company and the insolvency estate waives the right to assert the claim or does not assert the claim within a period of one month despite being requested to do so.

3) The creditors are also entitled to injunctive relief against the violation of the rules established for the protection of creditors.

c) Discharge

Art. 224

aa) Relationship to the right of action

1) In the absence of malicious damage, the supreme body may discharge the persons liable for damages by waiving the claim, entering into a settlement with the responsible persons or in any other way, as long as insolvency proceedings have not been instituted with respect to the assets of the company, although the right to challenge the discharge resolution itself shall remain reserved.

2) In the event of damage to the company, a discharge resolution of the company may be held against the member or creditor entitled to bring an action under any circumstances, unless the aggrieved party proves that the persons discharged were not subject to any compensation obligation at all or that they were subject to an obviously insufficient compensation obligation in accordance with their fault and capacity, or that there was malicious damage.

3) If at least three quarters of all countable votes have approved the discharge resolution, the claim can only be asserted if both the insufficient compensation and the malice are proven.

4) Retrieved

5) The discharge granted by the competent body of the administration on the basis of an audit report covers only the transactions recognizable to the auditors.

Art. 225

bb) Entitlement to relief

1) If the management and representation or the control has been conducted in accordance with the law and the Articles of Association and other permissible instructions, the members of the management or the auditors shall be entitled to discharge vis-à-vis the company by the competent body and with effect vis-à-vis the company, its members and creditors.

2) The discharge may be pronounced in the judicial verdict.

Art. 226

4. Type of liability

1) The liability of the persons responsible under the above provisions shall be subject to the provisions on liability under the contract and shall become time-barred three years from the time when the damage and the person of the damaging party or the party liable to pay compensation became known to the damaged party. In the case of knowingly false statements or intentional infliction of damage, the liability shall be limited to ten years from the time when the damage and the person of the damaging party or the party liable for compensation became known.

2) If several persons are liable to pay compensation for damage, each of them shall be jointly and severally liable with the others to the extent that the damage is personally attributable to him on the basis of his own fault and the circumstances.

3) Liability arising from the unlawful receipt of payments from the legal entity shall expire in ten years for the recipient in bad faith if it is a liquidation share, in five years in other cases, and in two years for the bona fide recipient of a liquidation share, calculated from the date of receipt.

Art. 227

5. Procedure

1) For the duration of the litigation, the plaintiff members may not relinquish their membership rights or the plaintiff creditors may not relinquish their other creditor claims, otherwise the litigation shall lapse and they shall be liable for all damages incurred by the company or the members of the company's organs.

2) The relevant provisions on actions for annulment of resolutions of the supreme body shall apply mutatis mutandis to the provision of security for damage suffered by the company or other defendants, to the joinder of several disputes and to liability for damage.

Art. 228

II. For other association members

1) Insofar as companies with personality or equivalent association persons do not come into consideration, the liability principles corresponding to the underlying contractual relationship between the organs and the association person shall apply with regard to the responsibility of the organs, in case of doubt those concerning the assignment.

2) The foregoing provisions shall apply mutatis mutandis with respect to the entitlement of the association person and the individual members, the discharge and the nature of the liability.

J.Participation of public-law entities Art. 229

I. In general

In its articles of association, a legal entity may, by special agreement with the community, grant the community a special legal status, with or without its inclusion in the membership, such as with regard to the obligation to contribute, the right to vote, participation in the administration and auditing body or their appointment, liability vis-à-vis creditors, termination of the relationship and participation in the liquidation result.

Art. 230

II. Responsibility

1) In the case of such associations, as well as in the case of mixed-economy undertakings in which a public-law association participates as a member, the liability of the members of the administration and auditing body shall be governed:

1. vis-à-vis the association person, the members and the creditors, unless the government determines otherwise in the individual case, according to the rules as they apply to the members elected by the supreme body;

2. towards the public-law association person in accordance with the contractual relationship existing between the latter and the member, such as a contract of service, an order and the like.

2) However, the public-law association may assume liability by statute for the fact that its representatives in the organs of the association will perform their functions diligently, subject to recourse against the persons at fault.

3) For intentional violation or neglect of their duties, the representatives of the public-law association shall remain liable under all circumstances.

4) Furthermore, the special provisions on public undertakings shall remain reserved.

Art. 231

K. Announcement

1) If there is no indication in the articles of association regarding the form of announcement to members of the association or third parties as required by law, the announcement shall, in case of doubt, be made by the administration and in the Liechtenstein national newspapers; however, in the case of associations limited to a local sphere of activity, small cooperatives and small insurance associations, the announcement shall be made in the manner customary in the locality.

2) In the case of legal entities that do not operate a commercial business, publication in the Official Gazette shall be carried out by means of a non-contentious procedure.

3) If a means of notice provided for by law or statute is omitted, the Office of the Judiciary shall, at the request of the Administration, designate a means of notice for so long as law or statute does not do so itself.

4) The public announcement shall be made in the national language, except in the case of legal entities that do not carry on a business conducted in a commercial manner, or unless the Office of Justice otherwise permits an exception.

L. International law Art.
232

I. Foreign or domestic association persons and applicable law

1) Depending on whether a legal entity is organized under foreign or domestic law, i.e. whether its articles of association declare foreign or domestic law applicable, or whether it complies with foreign or domestic disclosure or registration requirements, or, in the absence of such requirements, whether it has organized itself under foreign or domestic law, it is to be regarded as a foreign or domestic legal entity with regard to private law and the corresponding foreign or domestic law applies to it. In international relations, it shall also have its registered office there.

2) If a federated entity does not meet these requirements, it shall be governed by the law of the state in which it is actually administered.

3) The regulations on diplomatic protection and the protection of personality are reserved.

II. Relocation of an association

person Art. 233

1. Relocation of the dressing person from abroad to the home country

1) A foreign association may, with the approval of the Office of Justice, by registration in the Commercial Register and appointment of a representative, if both are required, subject itself to domestic law without dissolving abroad and re-establishing itself domestically or without transferring its business activities or administration, and thus transfer its registered office domestically.

2) Such authorization may be granted only if the person making the association proves that it has conformed to domestic law and that the foreign law provides a

Transfer of the dressing person allowed.

3) Prior to registration, an association person shall prove that the share capital declared in the Articles of Association to be fully paid up is covered at the time of the transfer of the association per- son.

4) A legal entity that is not subject to registration under domestic law is subject to domestic law as soon as the intention to be subject to domestic law is clearly recognizable, there is a sufficient relationship to the domestic country and the adaptation to domestic law has taken place.

Art. 234

2. Relocation of the dressing person from the country to abroad

1) The subordination of a domestic association to foreign law and thus the transfer of its registered office abroad is permissible without dissolution only with the approval of the Office of Justice.

2) Approval of the transfer of the registered office of a domestic association person abroad shall be granted only if:

1. the association person continues to exist under the foreign law;

2. the competent body of the entity has adopted a resolution on the transfer of the registered office abroad;

3. the association has publicly called upon its creditors to register existing claims with reference to the forthcoming amendment of the company's articles of association;

4. it is shown to the satisfaction of the court that the claims of all creditors who have a right to security for their claims and who assert such right have been adequately secured to the extent that the creditors cannot demand satisfaction. The creditors shall have the right to security only if:

a) the claims have arisen before or one working day after the request according to item 3;

b) they credibly demonstrate that the fulfillment of their claims will be jeopardized by the transfer of the registered office abroad; and

c) they submit their claim in writing, stating the reason and the amount, within two months of the date of the request.

The creditors shall be informed of this right on the occasion of the request pursuant to item 3;

5. in the case of association members subject to the obligation to render accounts, the annual financial statements and the annual report for the last financial year, including the audit report, issued by the Office of Justice in the

The members and creditors have the right to inspect these documents and to request that copies be provided free of charge;

6. the association person submits a certificate from the tax administration stating that all taxes due in Liechtenstein have been paid.

3) Association members can only be deleted due to the transfer of their registered office abroad if it can be credibly shown that:

1. the creditors have been satisfied or their claims have been adequately secured in accordance with para. 2 item 4; or

2. the creditors agree to the cancellation.

III. Legal capacity and capacity to act

Art. 235

1. General

1) The legal capacity and capacity to act, including the capacity to commit a tort, shall be governed by the law applicable to the legal entity (Art. 232).

2) This right decides in particular on the creation, modification and dissolution of an association, on the organization, rights and obligations of individual or- gans, the legal status of a member, acquisition and loss of membership.

3) However, it cannot acquire rights and claim legal protection in Germany to a greater extent than is possible for domestic legal entities, and a foreign legal entity is liable for tort at least to the same extent as the latter.

4) Persons belonging to associations may not assert privileges acquired abroad in their own country.

5) If, according to the law applicable to the legal entity, after the dissolution of a legal entity the assets fall to a community, the assets located in Switzerland do not fall to the foreign community, but are to be treated in accordance with domestic law.

6) If a foreign association person does not have legal capacity, capacity to act or capacity in tort under the law applicable to it, but does have legal capacity under domestic law, the latter shall apply to its domestic sphere of activity.

Art. 236

2. Branch office

1) Liechtenstein law shall apply to the establishment, modification and dissolution of the branch office of a foreign legal entity in Liechtenstein.

2) However, the relationship of the branch office to the head office is governed by the rights of the head office.

3) The power of representation of a branch office is governed by Liechtenstein law. At least one person authorized to represent the branch office must be an EEA national resident in an EEA Contracting State or a person authorized to represent the branch office on the basis of an international treaty.

The company must be a person with equal status to an agreement and be entered in the commercial register.

4) If a branch of a foreign legal entity is registered in the domestic register, the legal entity shall be deemed to have legal capacity for the obligations entered into or to be performed in the domestic country, even if it does not have such capacity under the law applicable to the principal branch.

5) Branches may also be established in Liechtenstein by foreign associates who do not comply with Liechtenstein law.

6) If a foreign legal entity is dissolved by a measure taken in the state of the principal place of business which is contrary to public order and morality, the effects of the dissolution shall not be recognized in Switzerland; if, however, a branch exists in Switzerland, it shall be formed as an independent legal entity within a period of time to be determined by the Office of Justice, unless its dissolution is ordered.

Art. 237

3. Personality protection

1) A foreign legal entity may only claim protection of personality in Liechtenstein according to the law applicable to it, but at most to the extent of Liechtenstein law.

2) Liechtenstein law applies to the domestic branch office of a foreign legal entity with regard to the protection of personality.

Art. 237a

4. Name and company protection

1) If the name or the company name of a person registered in the domestic commercial register is infringed in Germany, the protection of such person shall be governed by domestic law.

2) If an association person is not registered in the domestic commercial register, the protection of his name or company name shall be governed by the law applicable to unfair competition or the law applicable to infringement of personality.

Art. 237b

5. Limitation of the power of representation

A party to an association may not invoke a limitation on the power of representation of an organ or representative that is unknown to the law of the other party's country of habitual residence or establishment, unless the

other party knew or should have known of this restriction. This provision shall not apply to transactions involving the disposition of real property situated in another country or of a right equivalent thereto.

Art. 237c

6. Liability for foreign association persons

If an association formed under foreign law gives the appearance that it is subject to domestic law and its business is conducted in or from the domestic territory, the liability of the persons acting on its behalf for such business shall be governed by domestic law.

Art. 237d

7. Claims from public issue of equity securities and bonds

Claims arising from public issuance of equity securities and bonds based on prospectuses, circulars and similar announcements may be brought under the law applicable to the association person or under the law of the state in which the issuance occurred.

Art. 238

Retrieved

IV. Representative and delivery address

Art. 239

1. Duty to order

1) Domestic legal entities and registered trust enterprises as well as branches of foreign legal entities must appoint a national of an EEA member state permanently resident in the country to represent the legal entity vis-à-vis the authorities.

2) Instead, a representative may also be a domestic association person who appoints a natural person as representative within the meaning of paragraph 1.

3) Notwithstanding the provision on the appointment of an adviser, compliance with the provisions of this Article may be supervised by the Government in the administrative procedure.

4) The obligation to appoint a representative may be waived with the consent of the Government if the other representation of the person of the association offers sufficient guarantee as a substitute for the representative or if a domestic address for service has been designated. The Government may, by decree, delegate this task to an official body, reserving the right of appeal to the collegiate government for independent execution.

Art. 240

2. Entry in the Commercial Register

1) The organs of the legal entity entitled to represent the legal entity shall, if the legal entity is not registered in the domestic commercial register, enclose an excerpt from the registers kept abroad concerning the legal entity or, if applicable, other credible proof of its existence, the representatives or the domestic address for service (Art.

239 Para. 2) for entry in the Commercial Register, stating:

1. the company name or the name of the person to be served or, in the case of a domestic address for service, the exact address, consisting of the street name and house number, as well as other information necessary to ensure proper service;

2. the name, place of residence and nationality of the representative or, in the case of a domestic address for service, the exact address, consisting of street name and house number, as well as other information necessary to ensure proper service.

2) Retrieved

3) If the application is not accompanied by the name or company signature of the representative in a certified form, the representative shall submit it to the Head of the Office of Justice for the record.

4) Retrieved

Art. 241

3. Legal power of attorney or presumption

1) The representative shall be authorized by law vis-à-vis all domestic judicial and administrative authorities in all matters, without prejudice to any duty to compensate the representative for damages, to receive declarations and notices of any kind, including notifications and the like, and to keep records and books if and to the extent required by the domestic business.

2) Apart from representation vis-à-vis the authorities, the representative may bind the association person only insofar as he has been authorized to do so by the latter.

3) Notices and documents from authorities and private persons which must be received and which are addressed to an association person or a trust enterprise shall be deemed to have been validly served if they are sent to the address specified in Art.

240 address for service. Service by the authorities shall be effected in accordance with the provisions of the Service of Documents Act.

4) Several representatives appointed by an association person have collective power of attorney in case of doubt.

5) Representatives shall execute the signature of the association person in such a manner that it shall be

wordings or of the texts written or

Otherwise, the company name or the name of the company must be accompanied by their own signature with an addition indicating the representative office.

6) In all other respects, the provisions on company signatures in the case of association persons shall apply mutatis mutandis to signatures by the representative.

Art. 242

4. Responsibility

1) The representative shall be liable to the person of the association for any damage caused by his/her activity in the same way as an agent.

2) Several representatives are jointly and severally liable for all damage caused by their activities.

L. Segmented Cell Companies (PCC) Art. 243

Establishment

1) Protected cell companies (PCCs) may be established if they are subject to mandatory registration in the Commercial Register or if they have voluntarily registered as such, provided that they exclusively pursue one or more of the following purposes:

1. non-profit or charitable purposes within the meaning of Art. 107 par. 4a;

2. Acquisition, management and exploitation of shareholdings in other companies (subsidiaries);

3. Exploitation of copyrights, patents, trademarks, designs or models;

4. Deposit insurance and investor protection schemes in accordance with applicable EEA legislation.

2) A segmented entity may have one or more segments (cells), where each segment must have certain assets explicitly and exclusively assigned to it.

3) Each segment is subject to a specific scope of activity, which is to be described in more detail in the Articles of Association or in a set of regulations. The individual segments have no legal personality of their own.

4) A segmented association must have an auditor pursuant to Art. 191a and is subject to proper accounting pursuant to Art. 1045 et seq.

Art. 243a

Conversion

1) An existing association person who fulfills the requirements of Art. 243 Para. 1 may, on the basis of a statutory provision, be transformed into a segmented association person

be converted.

2) The conversion into a segmented corporate body shall be effected on the basis of a resolution of the supreme body, unless another body is determined in the Articles of Association. The resolution shall be published in accordance with Art. 958 No. 1.

3) A resolution pursuant to para. 2 may only be passed if it has been established by a special re vision report or, in the absence of an auditing body, by an expert report, that the claims of the creditors are fully covered despite the conversion into a seg- mentated association. The audit report must be prepared by a recognized auditor or an expert.

4) Creditors whose claims were established before the resolution was published must be provided with security if they come forward for this purpose within two months of the publication, insofar as they cannot demand satisfaction. The creditors shall be informed of this right in the announcement. Creditors shall have the right to demand security only if they have shown credibly that the fulfillment of their claims is jeopardized by the change to a segmented association.

5) The entry of the conversion in the Commercial Register may only be made after the expiry of the deadline set for the creditors and after the creditors notified have been satisfied or secured. Together with the application for entry of the conversion in the Commercial Register, the conversion resolution pursuant to para. 2 and the special audit or expert report pursuant to para. 3 must be submitted to the Office of Justice in addition to the other documents required for the entry.

6) In the event of conversion of a segmented association per- son into a non-segmented association per- son, paras. 2 to 5 shall apply mutatis mutandis.

Art. 243b

Company or name

The company or name of a segmented association person must contain either the suffix "Segmented Association Person" or the abbreviation "SV" or the suffix "Protected Cell Company" or the abbreviation "PCC". The suffix must be included on all letters and order forms, whether paper or otherwise, and websites used by the segmented association person.

Art. 243c

Legally required content of the articles of association and regulations

1) The articles of association of a segmented entity must contain the following information in addition to the provisions required for the respective legal form:

1. The determination that it is a segmented association person;

2. Provisions on the organization and representation of the segmented per- son of the Association;

3. the name of the individual segments;

4. the areas of activity of the individual segments.

2) The information pursuant to para. 1 items 3 and 4 may also be included in the regulations issued on the basis of the Articles of Association, provided that the Articles of Association contain a corresponding reference.

3) If the information pursuant to para. 1 items 3 and 4 is included in the regulations pursuant to para. 2, these must be submitted to the Office of Justice with the application for registration. However, the filing of the regulations is not mandatory.

4) If the information pursuant to par. 1 fig. 3 and 4 is changed in the regulations, the Office of Justice shall be notified of such changes, otherwise they shall not be legally effective.

Art. 243d

Management and representation

1) The management and representation of the segmented entity shall be carried out by the bodies authorized by law or the Articles of Association.

2) The provisions on trusteeship pursuant to Art. 897 et seq. shall apply mutatis mutandis to the relationship between the segmented entity and the individual segment assets, unless otherwise provided by law or the articles of association.

Art. 243e

Assets and capital

1) The assets of the segmented entity comprise the core assets of the entity and the assets of the individual segments (segment assets). Core assets are assets that are not allocated to the individual segments.

2) The provisions on minimum capital apply to the segmented entity in respect of its core assets. In addition, each segment must have a legal reserve equal to the minimum capital of the segmented entity.

3) This legal reserve may only be used to cover losses or for measures which are suitable to keep the company afloat in times of poor business performance. As soon as half of the legal reserve pursuant to para. 2 is no longer covered, the management shall inform all known creditors whose claims are limited to the respective segment of this fact, unless such creditors rank behind all other creditors in terms of the extent of the shortfall at going-concern values and defer their claims or there is a concrete prospect that the shortfall will be remedied within two months of the determination.

is fixed.

4) The assets of the individual segments must be clearly identifiable and kept separate from each other and from the core assets. Asset transfers between the segments may be requested by the administration from the judge in the external dispute procedure, provided that there are objectively justified reasons.

5) If the segmented entity is a stock corporation, the entity may have its own segments or all segments.

shares are issued, which are shares of the segmented association per- son. However, the shareholders are only entitled to the assets of that segment in which they hold an interest. For the issue of treasury shares relating to individual segments, the provisions on preference shares shall apply mutatis mutandis. The Articles of Association must contain corresponding provisions on the issue of treasury shares relating to individual segments and the rights associated therewith.

Art. 243f

Relationship with third parties and liability

1) A segmented legal entity shall inform third parties with whom it enters into legal contact in writing of its status as a segmented legal entity when entering into contractual negotiations. In this context, in the event of other personal but subordinate liability of the culpable body vis-à-vis the contractual partner, the segment with whose assets the segmented association person is liable for the legal relationship in question must be designated. If the core assets are liable, this must also be indicated accordingly.

2) Contractual claims by third parties against the segmented entity shall be limited to the assets of the segment on whose area of activity the claim is based. If the assets are not sufficient to satisfy the claim, the core assets are subordinate in liability.

3) Non-contractual claims by third parties are limited to the core assets. If the core assets are not sufficient to satisfy the claim, the assets of the segment in whose sphere of activity the segmented member caused the claim shall be subordinated. The administration shall provide any claimants with the information required to assert the claim. If the administration does not comply with this obligation, it may, upon request, be ordered by the court to provide, in addition to the required information, all documents necessary for the assertion of the claim.

4) Bankruptcy proceedings may be instituted against any of the individual segment assets in accordance with the provisions of the German Insolvency Code.

5) In the event of bankruptcy of the segmented entity, Art. 915 shall apply mutatis mutandis in the relationship between the segmented entity and the individual segment assets. The articles of association provide for regulations

about the further use of the individual

Segment assets. The judge shall decide on the segregation to another segmented association person or the possible beneficiary, taking into account all circumstances.

Art. 243g

Transfer of shares

Unless otherwise provided by the Articles of Association or by law, all or part of the segment assets may be transferred to third parties. However, the legal reserves of the segments may only be disposed of within the framework of Art. 243e para. 3.

Art. 243h

Resolution

If an individual segment is dissolved, its assets revert to the core assets, unless otherwise specified in the Articles of Association.

M. Reservation and scope

Art. 244

I. Reservation

1) The public law is reserved for the public law, ecclesiastical and for the association persons regulated in this law.

2) In the case of corporations or institutions (banks, insurance associations, etc.) established by special laws and administered with the participation of public authorities, provided that the State assumes subsidiary liability for their obligations, the provisions of this Title, with the exception of the provision on capacity to act and tort, shall not apply even if the required capital is wholly or partially divided into shares or other interests and is raised through the participation of private individuals, unless the laws provide otherwise.

3) However, public-law and ecclesiastical entities shall be deemed to have legal capacity as soon as they would have had such capacity under the provisions of this Act, unless otherwise provided by public or ecclesiastical law, with the exception of ecclesiastical foundations.

4) However, the provisions on the tortious capacity of legal entities shall also apply to public-law and ecclesiastical legal entities in the field of their private-law activities if the administration or a member thereof or another representative appointed on the basis of the law commits an unlawful act or omission within the scope of his powers.

5) The special provisions on the liability of such associations for compensation under public law for the unlawful or lawful exercise of the public authority entrusted to their organs, officials and employees shall remain reserved.

Art. 245

II. Scope

1) The general provisions of this title shall also apply to all corporations and institutions, including foundations, governed by the following titles, except as otherwise provided in the special provisions made for them or in the individual provisions of this title.

2) Private law association persons other than those provided for by the law cannot exist.

4. title

The entities

1. Section

The clubs

A. Foundatio
n Art. 246

I. Corporate personal connection

1) Associations dedicated to a political, religious, scientific, artistic, charitable, social or other non-economic task acquire personality as soon as the will to exist as a corporation is evident from the articles of association.

2) The articles of association must be in written form and provide information about the purpose of the association, its means and its organization.

3) Insofar as the Articles of Association do not lay down any provisions concerning the organization and the relationship of the Association to its members, the following provisions shall apply.

4) Statutory mandatory provisions may not be amended by the Articles of Association.

Art. 247

II. Entry in the Commercial Register

1) Once the statutes of the association have been adopted and the board of directors (the administration) has been appointed, the association is authorized to be registered in the commercial register upon the decision of the competent body.

2) The association is obliged to register if it:

1. operates a business conducted in a commercial manner for its purpose;

2. is subject to audit.

3) The application must be accompanied by the Articles of Association and the list of members of the Board of Directors.

Art. 248

III. Clubs without personality

Associations which do not have personality or which have not yet acquired it shall be treated in the same way as simple partnerships.

B. Organization

I. Association meeting

Art. 249

1. Meaning and convocation

1) The Assembly of Members is the supreme body of the Association.

2) It shall be convened by the Board of Directors.

3) The meeting shall be convened in accordance with the provisions of the Articles of Association and, moreover, by law if one fifth of the members request such a meeting.

Art. 249a

2. Responsibility

1) The General Meeting decides on the admission and exclusion of members, elects the Board of Directors and decides on all matters that are not assigned to other bodies of the Association.

2) It shall supervise the activities of the bodies and may dismiss them at any time, without prejudice to the claims to which the dismissed persons are entitled under existing contracts.

3) The right of dismissal exists by law if an important reason justifies it.

3. Association

resolution Art.

249b

a) Resolution

1) The resolutions of the Association are adopted by the Assembly of the Association.

2) If all members have given their written consent to a motion, this shall be deemed equivalent to a resolution of the General Meeting of the Association.

Art. 250

b) Voting rights and majority

1) All members have equal voting rights in the Association Assembly.

2) Resolutions of the Association shall be adopted by a majority of the votes of the members present.

3) A resolution may only be passed on items that have not been duly announced if the Articles of Association expressly permit this.

Art. 250a

c) Exclusion from the right to vote

Every member is excluded by law from voting on resolutions concerning a legal transaction or a legal dispute between a member, his spouse, his registered partner or a person related to him in a direct line on the one hand and the association on the other hand.

II. Board of Directors

Art. 251

1. In general

1) In case of doubt, the board of directors shall be the body which, according to the content of the articles of association, is entrusted with the regular management and representation and is authorized to sign.

2) The Board of Directors may consist of one or more members or non-members and has the right and the duty to take care of the affairs of the Association, such as accounting, treasury and the like, and to represent the Association in accordance with the powers granted to it by the Articles of Association.

3) In the absence of any other provision in the Articles of Association, he may entrust other persons under his responsibility with the management and representation of the Company in detail.

4) Unless the entry in the Commercial Register indicates otherwise or if the third party has assumed in good faith that the Executive Board has the power of representation, the Association shall be bound by its actions, without prejudice to any claims for compensation by the Association arising from contract or tort.

5) Appeals may be lodged at any time with the Board of Directors against rulings and resolutions of its subordinate bodies, and with the supreme body against rulings and resolutions of the Board of Directors or other bodies.

Art. 251a

2. Accounting

The board of directors shall keep records of the income and expenditure as well as the financial situation of the association in accordance with Art. 1045 Para. 3.

Art. 251b

III. Auditors

1) The accounts shall be audited at the expense of the Association by an auditing body to be elected by the General Meeting of the Association if:

1. two of the following figures are exceeded in two consecutive financial years:

a) Balance sheet total of 6 million Swiss francs,

b) Sales revenue of 12 million Swiss francs,

c) 50 full-time positions on an annual average; or

2. a member of the association who is subject to personal liability or an obligation to make additional contributions so requests.

2) In all other respects the association is free to order the audit.

C. Membership

Art. 252

I. Entry and exit

1) Members may join at any time.

1a) Associations whose purpose, according to their articles of association, is to represent the interests of employees shall specify in their articles of association the requirements for membership. If an applicant who meets these requirements is not admitted, he shall be entitled to the rights under Art. 255 paras. 4 and 5 mutatis mutandis.

2) Withdrawal shall be permitted if it is announced with observation of a quarterly notice to the end of a calendar quarter, or if an administrative period is provided for, to the end thereof, and may be limited only in accordance with the rules applicable to registered cooperatives.

3) In the absence of any provision to the contrary in the Articles of Association, membership is neither alienable nor heritable.

4) The sale of voting rights without transfer of membership is not permitted.

5) The provisions on membership shall apply to honorary, passive and similar members only to the extent provided for in the Articles of Association.

Art. 253

II. Liability of the association and the members

1) Only the association's assets are liable for the association's liabilities.

2) However, the articles of association may introduce limited liability or limited liability for supplementary capital for all members or certain groups in accordance with the rules applicable to registered cooperatives.

3) In this case, the Executive Board shall keep an accurate record of the entry and exit of members.

4) In this case, each member must sign a declaration of liability or obligation to make additional contributions upon joining the association or upon their introduction if it is to be valid vis-à-vis him, otherwise he shall be deemed to have left the association, subject to his existing obligation, in the absence of any other provision in the articles of association.

Art. 254

III. Obligation to contribute

Contributions can only be demanded from the members if the statutes provide for this.

Art. 255

IV. Exclusion

1) The articles of association may determine the grounds on which a member may be expelled

The members of the Board of Directors are entitled to exclude the members of the Board of Directors without stating the reasons.

2) In the latter cases, the exclusion may not be challenged on the grounds of its justification.

3) If the Articles of Association do not contain any provision in this regard, exclusion may only be effected by resolution of the supreme body for important reasons and with notification to the member.

4) The excluded member may, however, appeal against this decision by legal means within one month of being notified of the exclusion.

5) The right to appeal to the supreme body and the right to claim damages in tort or for breach of personal relationships against the association, the bodies acting personally or any other persons shall also be reserved.

Art. 256

V. Position of retired members

1) Members who resign or are expelled shall have no claim to the assets of the Association, unless otherwise provided for in the Articles of Association.

2) If the assets of a dissolved association are distributed among the members, the members who left during the previous year shall be taken into account accordingly.

3) They shall be liable for dues or other benefits in proportion to the time of their membership.

Art. 257

VI. Protection of the purpose of the association and membership

1) A change of the purpose of the association can only be decided by law with three quarters of all votes.

2) Members who have demonstrably not agreed to such a resolution are entitled by law to resign without further ado within one month of the resolution being passed or of any challenge thereto being lodged.

3) Resolutions of the supreme body which violate the law or the Articles of Association, even if they were passed in accordance with the rules, may be challenged by any member who did not vote in favor of them before a judge within one month of becoming aware of them, and may be set aside.

The provisions of the Articles of Incorporation are to be applied mutatis mutandis under the general provisions.

4) Likewise, a member may challenge a decision by legal process through judicial

The Board of Directors may have its decision replaced if the Association fails to pass a resolution in violation of the law or the Articles of Association.

5) Any claims for damages based on contract or tort are reserved.

Art. 258

D. Resolution

1) The dissolution of the association may also be effected ex officio by the judge in a non-contentious procedure if, contrary to the law, the association exclusively carries on a business conducted in a commercial manner.

2) If the association is registered in the commercial register, the board of directors and the judge shall notify the Office of Justice of the dissolution for the purpose of deletion of the entry.

Art. 259

E. Special clubs

1) With the approval of the government, associations may also be established with the main purpose of operating a trade conducted in a commercial manner by registration in the commercial register, whereby the articles of association may provide for transferable securities similar to those of registered cooperatives.

2) Retrieved

3) Mutual associations, unless they are mutual insurance associations subject to licensing, are subject to the regulations on associations.

4) The special regulations on small cooperatives and insurance associations, including auxiliary funds, are reserved.

Art. 260

F. Subsidiary scope

The provisions governing associations shall apply unless the special statutory provisions or the Articles of Association provide otherwise.

or if the nature of the matter does not indicate otherwise, shall apply in addition to all persons subject to private law.

2. Section

The joint stock company

A. General provisions

I. Term

Art. 261

1. For aggregate shares

1) A joint-stock company is a company with its own name whose predetermined capital (share capital) is divided into partial sums (shares) and for whose liabilities only the company's assets are liable.

2) Shareholders are only obligated to make the payments stipulated in the Articles of Association and are not personally liable for the company's liabilities.

3) The deviating provisions on special associates under foreign law, investment companies with variable share capital, ancillary performance shares and the like shall remain reserved.

Art. 262

2. For quota shares

1) The share capital of a joint-stock company determined in advance can be divided into fractions (quotas), which can be the same or different, instead of partial sums (shares without par value).

2) The quota share is denominated in a fraction of the share capital without having to contain a specific partial amount next to it.

3) Sum shares and quota shares may also be combined, and the provisions governing sum shares shall apply to the quota share to the extent that their inapplicability does not result from the relevant provisions.

4) In the case of securities issued as quota shares, the total of the share capital and any reserves must be stated in addition to the quota in words.

Art. 262a

3. For listed shares

1) Stock corporations whose shares are admitted to trading on a regulated market situated or operating in an EEA Member State within the meaning of Art. 4 (1) No. 21 of Directive 2014/65/EU shall be deemed to be stock corporations listed in the EEA.

2) Stock corporations whose shares are admitted to trading on a stock exchange located outside the European Economic Area may apply the provisions of Art. 332 par. 2a, 5 and 6, Art. 332a, 334 par. 5, Art. 339a to 339e and 340a.

II. Share

Art. 263

1. Type of shares

1) The shares are issued in registered or bearer form and may also consist of both classes at the same time in the proportions provided for by the Articles of Association.

2) The Articles of Association may stipulate that registered shares shall or may be converted into bearer shares, or bearer shares into registered shares.

3) The provisions on special classes of shares, such as common and preferred shares, remain reserved.

Art. 264

2. Division, combination and change of shares or shareholdings

1) A division or combination of shares or shareholdings by a shareholder is not permitted, subject to sub-participation between a shareholder and a third party and trust certificates.

2) On the other hand, the General Meeting of Shareholders is authorized to amend the Articles of Association to split the shares into shares with a lower par value or into shares with a higher par value if the share capital remains unchanged, or to combine the shares into shares with a higher par value with the consent of the shareholders.

Art. 265

3. Reduction of the nominal value

1) A reduction in the par value of individual shares is permissible if the previous amount of share capital is kept unchanged by simultaneously issuing new shares in the amount or proportion of the reduction made to the previous shares.

2) On the other hand, a reduction in the nominal value of individual shares without such a simultaneous new issue of shares may only be carried out in compliance with the provisions governing the repayment and reduction of share capital.

3) A reduction of the quota shall be subject to the provision of the preceding article. Art.

266

4. Amount of the share

1) The issue for less than the par value or the notional value in the case of quota shares is only permissible in the case of registered shares that are transferable with the consent of the company and only to persons who professionally deal with the placement of shares. This transaction must be approved by the Office of Justice.

2) The conversion of such registered shares into others may be effected by reducing

of the statutory share capital to that which has actually been paid in or still exists or if the statutory share capital is actually available as a result of further contributions from profits and the like.

3) If shares have been issued at less than par value or the notional value in the case of quota shares, the balance sheet must include the par value or the notional value of all shares issued under liabilities.

4) The issue of shares for a higher amount is permitted if it is provided for in the Articles of Association or if it is resolved by the General Meeting or by another body authorized by the General Meeting.

5) The surplus value generated over the nominal value may not be distributed as profit, but must be used to cover expenditure items or for depreciation or reserve formation.

5. Share certificate

Art. 267

a) In general

1) The Company is only obliged to issue a share certificate (share letter, share certificate, share certificate) if the Articles of Association do not stipulate otherwise.

2) The Articles of Incorporation may determine the form and content of the share certificates in detail.

3) The share certificates must bear the signature of at least one member of the administration or the replica of a handwritten signature of this member by mechanical means.

4) The share certificate shall consist of a share certificate and may also be accompanied by a renewal coupon and a coupon sheet (dividend coupon).

Art. 268

b) Stock jacket

1) The share certificate (the common or principal document) contains the deed of membership in a joint stock company, in particular the right to capital participation, dividends and voting rights.

2) In the case of registered shares, the detailed statutory provisions for the transfer and, likewise, in the case of ancillary benefits shares, the ancillary benefits should be included in the share shell.

3) Where the deposit of shares is required for the exercise of voting rights and the like, the deposit of the share certificate shall suffice in case of doubt, unless the Articles of Association expressly provide otherwise, such as the presentation of the certificate with the coupon or the participation in the General Meeting of Shareholders.

The Annual General Meeting may only permit the holders of coupons to attend the Annu
Meeting in respect of the past financial year.

4) Unless otherwise stipulated in the Articles of Association, the provisions applicable to bearer, order or registered securities shall apply with regard to cancellation, depending on the type of shares; in the absence of a provision to the contrary in the Articles of Association, the person who has obtained the cancellation may request the issuance of a new certificate at his own expense.

Art. 269

c) Talon

1) The talon (coupon sheet subscription slip or renewal slip) is an authorization to purchase new coupon sheets when the old coupons have been used up, lost or misplaced.

2) The renewal coupon may only be transferred together with the share certificate.

3) The cancellation procedure is governed by the existing regulations for bearer securities.

4) In the absence of a special authorization, only the holder of the shares is entitled to subscribe for a renewal coupon.

d) Coupon

Art. 270

aa) In general

1) The issued coupons certify the membership right to dividends and, after the dividend has been determined by the competent body, an independent claim right that cannot be withdrawn by the company.

2) As long as they are attached to the share certificate, the coupons form part of it and share its legal fate; however, after separation or if they are issued independently, they are independent securities and, in case of doubt, are subject to the provisions on bearer securities, in particular with regard to cancellation.

3) With the demise of the share, e.g. by drawing lots, redemption, withdrawal and the like, the right from the

coupon, even if it is independent, provided that the distribution of a dividend has not yet been resolved at the time of the demise.

4) The independent coupon can be declared invalid independently of the share, and the one linked to it only.

Art. 271

bb) Legal status of the coupon

1) The coupon of the individual share shall have the same status with regard to the right to receive dividends as the share itself, so that the coupon of the preference share shall take precedence over the coupon of the ordinary share, and the coupon of the ordinary share shall again take precedence over the coupon of the profit participation certificate or the profit participation share, unless the Articles of Association provide otherwise.

2) In the absence of provisions to the contrary in the Articles of Incorporation, such as the existence of dividend-right certificates, the right to advance or subsequent subscription and the final dividend payment shall be governed by the legal status of the share and, subject to other provisions in the Articles of Incorporation, only the shareholder shall have the right to contest a dividend declaration resolution of the competent body.

3) In the event of pledging of the share, coupons shall, unless otherwise agreed, be deemed to be pledged to the extent that the lien on them has been created in the correct form.

4) In case of doubt, the profitability or dividend guaranteed to a company benefits the coupon holder.

6. Work shares

Art. 272

a) In general

1) Work shares may be issued to employees and workers of a company in accordance with the more detailed provisions laid down in the Articles of Association, even without a determination of the subscription and capital contribution of at least 25% and an entry in the Commercial Register being required at the time of issue.

2) The shares have the same nominal value or the same quota as other capital shares of the company, but are only to be listed in the balance sheet with the respective amount paid in.

Art. 273

b) Registered shares, transfer and deposit

1) The working shares are registered shares and cannot be transferred at all as long as the shareholder is an employee or worker of the company, later only with the approval of the management.

2) This transfer authorization may not be denied if the acquirer of the shares pays the unpaid amount upon transfer.

3) Furthermore, an obligation to pay up these shares exists only to the extent that the owner must have credited to him the share in the net profit of the company to which he is entitled in accordance with the Articles of Association, as well as the dividends attributable to the paid-up share amounts themselves, until the par value (the quota) of the working share has been paid up in full.

Art. 274

c) Registration, voting rights and conversion

1) As soon as 25% of the working shares have been paid in, the increase in capital brought about by them must be entered in the Commercial Register.

2) From this point in time, the shareholder's voting rights commence.

3) A new entry in the commercial register must be made each time a further 25% is paid in.

4) After full payment of the working share, it shall be exchanged for an ordinary share of the same nominal value (quota) and with the characteristics of the type of shares issued by the Company with the best rights at that time or in the future.

Art. 275

d) Dividend entitlement

1) During the existence of the working share, it is entitled to dividends at the same rate as the best-value type of capital shares issued by the company, in proportion to the amount paid in on it.

2) Payment of the dividend shall be made by crediting the outstanding capital contribution with a value date of the past balance sheet date.

Art. 276

e) Labor shares in connection with a workers' cooperative

1) The Articles of Incorporation may provide that a certain portion of the annual profit may be used to create a fund for the purpose of issuing shares to workers and employees, which in this case may form a workers' cooperative in accordance with the regulations on small cooperatives.

2) In case of doubt, the issued shares are the joint property of this cooperative.

3) In particular, the Articles of Association shall also contain provisions on the representation of the employee shares in the governing bodies of the Company.

Art. 277

Repealed

Art. 278

Retrieved

III Articles of Association

Art. 279

1. Content required by law

1) The articles of association of the joint stock company must contain information or provisions on the following:

1. the company;

2. the registered office of the Company;

3. the purpose of the company;

4. the founders;

5. the amount of the share capital and the amount of contributions made thereon;

6. if the Company has authorized and/or conditional capital, the amount of the authorized and/or conditional capital;

7. the number, par value or quota and type of shares and the rights attached thereto;

8. the convening of the General Meeting of Shareholders, the voting rights of shareholders and the passing of resolutions;

9. the number and manner of appointment of the members of the administration, representation, supervision or control, as well as the distribution of responsibility between these bodies (unless it results from the law);

10. the manner of exercising the representation;

11. the manner in which announcements emanating from the Company are made to shareholders and third parties;

12. at least approximately the total amount of all costs to be borne by or charged to the company on the occasion of its incorporation, including, where applicable, those incurred prior to the date on which the company commences operations;

13. the balance sheet date.

2) The provisions of para. 1 items 1, 3 and 5 shall be deemed to be material for the purposes of the destruction procedure (Art. 125 et seq.).

Art. 280

2. Provisions to be included, if applicable

1) Provisions or indications which, according to the law, are valid only if they are provided for in the Articles of Association (By-laws) are, in particular, the following:

1. Information concerning non-cash contributions, stating the name of the contributors, acquisitions in kind, stating the acquisition price, acceptance of shares or other benefits in lieu of payment, stating the number of shares, as well as precise information concerning any kind of founder's benefits;

2. provisions on the revision of the Articles of Association, business expansion or business contraction that deviate from the statutory provisions;

3. provisions on the authorized and conditional capital increase;

4. if a company has employees participating in the capital of the company, deviations from the statutory provisions regarding the minimum contribution requirement, the

capital increase (Art. 173, Art. 295 para. 1 and 7, Art. 295a and 295b), the acquisition of treasury shares (Art. 306a para. 1 no. 1) and shareholders' subscription rights;

5. If, in addition to capital shares, a company issues working shares for the benefit of all employees represented at the General Meeting by proxies with voting rights, deviations from the legal provisions on capital reduction (Art. 173, Art. 355 para. 1 and para. 2, Art. 358 and Art. 359) and the acquisition of own shares (Art. 306a para. 1 item 1) ;

6. Admissibility and regulations regarding the conversion of shares;

7. the number of shares, if any, to be deposited by the members of the Board of Directors;

8. Construction interest rate promise;

9. Limitation of the duration of the company;

10. Penalties for failure to make timely payments on the shares;

11. Relief from the obligation to pay in more than half or a higher proportion of the share capital;

12. Prohibition on the transfer of registered shares or their restriction;

13. Issuance of founder's share certificates, profit participation certificates and participation shares as well as the issuance of preferred and common shares below par value or shares with multiple voting rights, ancillary performance shares or bonds or similar debt instruments with conversion or option rights attached, specifying the number of shares of each class;

14. Restriction of shareholders' voting and representation rights;

15. the cases not provided for by law, in which the General Meeting of Shareholders may only adopt resolutions by qualified majority;

16. authorization to delegate individual powers of management to individual members or third parties and appointment of a management board;

17. provisions that go beyond the statutory provisions concerning the organization of the auditors and the extension of their powers and duties;

18. Regulations supplementing the statutory provisions on accounting and auditing and the calculation and payment of profit.

2) The provisions and information referred to in par. 1 fig. 1 to 6, 9, 12 and 13 must be provided for in the articles of association themselves or in by-laws which must be publicly certified and published in accordance with Art. 958 fig. 2.

B. Foundation

I. Successive foundation

Art. 281

1. Requirements of the construction in general

1) The establishment of a joint-stock company requires simultaneous formation, subject to reservation:

1. the adoption of the Articles of Association by the founders in a public document, the draft of the Articles of Association being signed by the founders;

2. the subscription of the shares constituting the share capital;

3. the resolution of the general meeting of subscribers on the approval of subscriptions and payments made, as well as on the appointment of the necessary corporate bodies.

2) Upon incorporation, the joint stock company must have at least two founders.

2. Share subscription

Art. 282

a) Invitation to public subscription

Cancelled

Art. 283

b) Subscription and deposit

1) Share subscriptions, including contributions in kind, require a written declaration referring to the draft Articles of Association and, in the case of public subscription, to the prospectus in order to be valid.

2) They must be unconditional, except for the tacit condition of the formation of the joint stock company, and must contain the issue price and the date until which the subscription remains binding.

3) Of the subscribed share capital, an amount of at least 25% on each share shall be paid up at the time of subscription or at the latest at the constituent General Meeting at an office to be indicated in the invitation for the exclusive disposal of the future administration of the Company, to the extent that the amount owed by the subscribers for the minimum payment is covered by the non-monetary assets to be taken over by the Company.

Art. 284

3. Constituent resolution

1) After the closing of the share subscription, a General Meeting of the subscribers to be convened in accordance with the law and the Articles of Association shall pass a resolution on the basis of the certificates to be submitted to it that the share capital has been fully subscribed and that the minimum amount stipulated in the Articles of Association, but not less than 25% of the share capital, has been paid up.

on each share is paid up in cash or covered by the contributions in kind described in more detail in the Articles of Association.

2) Furthermore, the necessary bodies shall be appointed at the same meeting and the draft Articles of Association on which the share subscription is based shall be discussed and finalized, whereby material amendments may only be made with the consent of all subscribers represented at the General Meeting.

3) The draft shall be put to the vote and the decision and the final version of the Articles of Association shall be recorded in a public document.

4. Procedure for contributions in kind and acquisitions in kind Art. 285

a) Expert Report

1) In the case of a contribution of property or rights against a part of the share capital, or if special benefits are to be granted to individual shareholders, an expert shall report in writing to the General Meeting prior to the adoption of the resolution.

2) The expert report to the General Assembly shall contain:

1. the description of the subject of each deposit;

2. the valuation methods applied in determining the value of the deposits;

3. an indication of whether the values determined correspond at least to the number and nominal amount or the calculated value and, where applicable, the additional amount of the shares to be issued in exchange;

4. information on the advantages granted to the founders, as well as their reason and appropriateness.

3) The original or a certified copy of this report must be available for inspection at each subscription agent from the beginning of the subscription period. It must be published in accordance with Art. 958 para. 2.

Art. 285a

b) Acquisitions in kind

1) The acquisition of assets (acquisitions in kind) from the founders which correspond to an equivalent value of more than one tenth of the subscribed capital is treated as a contribution in kind.

2) If such acquisitions in kind are made within two years of the company's incorporation, they shall require the approval of the General Meeting of Shareholders.

3) Paragraphs 1 and 2 are not applicable to the acquisition of assets under the run-

the company's business, to the acquisition of assets on the stock exchange and to acquisitions made by order or under the supervision of an administrative authority or a court.

Art. 286

c) Exceptions

An expert report within the meaning of Art. 285 para. 1 may be dispensed with if nine tenths of the par value or the notional value (in the case of quota shares) of all shares are issued to one or more companies with personality in exchange for contributions in kind and if:

1. the founders waive the preparation of the expert report and this waiver is made known within the meaning of Art. 958 item 2;

2. the contributing companies have non-distributable re-serves in accordance with the law or the Articles of Association which correspond at least to the nominal value or the arithmetical value (in the case of quota shares) of the shares issued in return for the contributions in kind;

3. the contributing companies undertake to guarantee the debts of the Company up to the amount stated in item 2 above from the date of issue of the shares against contributions in kind until one year after the publication of the annual financial statements relating to the financial year in which the contributions were made,

arise, any transfer of these shares within this period being inadmissible, and this obligation shall be announced within the meaning of Art. 958 No. 2;

4. the contributing companies establish a reserve in the amount referred to in item 2 above. The distribution of this reserve may be made at the earliest after the expiry of a period of three years following the publication of the annual financial statements of the company relating to the financial year in which the contributions were made or, if applicable, after a later date when all claims asserted within the period in respect of the obligations referred to in item 3 above have been met.

Art. 286a

d) Simplified report

1) An expert report within the meaning of Art. 285 may be dispensed with if the Board of Directors determines by resolution that:

1. transferable securities or money market instruments within the meaning of Directive 2014/65/EU are contributed as contributions in kind and their valuation corresponds to the weighted average price on a regulated market within the meaning of the aforementioned Directive or on other stock exchanges of the last 30 days prior to the actual contribution. If the average price has been influenced by exceptional circumstances that have caused a significant change in the value of the contribution at the time of its actual contribution, the contribution must be valued at the weighted average price of the last 30 days before the actual contribution.

the Board of Directors shall arrange for a revaluation; Art. 285 shall apply mutatis mutandis to this revaluation;

2. assets other than those referred to in item 1 are contributed as a contribution in kind and have already been valued by a recognized expert. The valuation shall be made in accordance with generally accepted valuation principles and may not have been made more than six months prior to the date of the actual contribution. If new significant circumstances have arisen which result in a material change in the fair value of the asset at the time of its actual contribution, the Board of Directors shall arrange for a revaluation; Art. 285 shall apply mutatis mutandis to this revaluation;

3. assets other than those referred to in items 1 and 2 are contributed as a contribution in kind, the valuation of which can be derived from the statement of assets and liabilities of the

The fair value of the contribution shall be determined by reference to the statutory accounts for the preceding financial year, provided that such accounts have been audited in accordance with the provisions of Title 20 (Accounting). If the fair value has been affected by exceptional circumstances causing a significant change in the value of the contribution at the time of its actual contribution, the Board of Directors shall arrange for a revaluation; Art. 285 shall apply mutatis mutandis to this revaluation.

2) If no revaluation has been carried out in accordance with para. 1, one or more shareholders who together hold at least more than 5% of the subscribed capital of the company on the day of the resolution on a capital increase may request a valuation by an expert in accordance with Art. 285. This request may be submitted by the entitled persons up to the day of the actual contribution in kind, provided that the entitled persons together hold at least 5% of the subscribed capital of the Company at the time of the submission of the request, as previously on the day of the resolution on a capital increase.

3) If a contribution in kind has been made in accordance with subsection 1(1) or (2), a report must be filed with the Office of Justice within one month of the date of the actual contribution of the assets, which report must be published in accordance with Art. 958(2) and must contain the following:

1. a description of the contribution in kind concerned;

2. Value, basis as well as method of valuation, if applicable;

3. Information as to whether the determined value corresponds at least to the number and nominal amount or, in the absence of a nominal amount, to the calculated value and, if applicable, to the additional amount of the shares to be issued for such contribution in kind;

4. a statement that no new material circumstances have arisen with respect to the original assessment.

Art. 286b

e) Contribution period for contributions in kind

Contributions in kind must be made in full within five years of the Company's entry in the Commercial Register.

Art. 287

f) Resolution of the General Assembly

1) The provisions of the Articles of Association concerning contributions in kind, takeovers and founder's shares require special approval at the General Meeting to be held after the closing of the share subscription, for which the following provisions apply by law:

1. during voting, each person present has only one vote;

2. each item must be voted on separately, and the shareholder who makes the relevant contribution or who appears to the company as a vendor of an investment or who obtains special advantages may not cast his vote either for himself or as a representative;

3. the approval of the contribution or acquisition or benefit must be approved by a majority of at least three quarters of the votes present or represented;

4. The decision shall be recorded in a public deed or in a deed signed by all the consenting parties, and the original of the expert's report shall be attached thereto.

2) This Article shall not apply if a public subscription of shares has not taken place.

3) The judge may grant exceptions to the provisions of the first paragraph at the request of founders in non-contentious proceedings, such as when all founders make contributions in kind, or when the required majority of founders entitled to vote and not involved in the contributions, acquisitions or benefits could not otherwise be obtained.

II. Simultaneous

formation Art.

288

1. Foundation of the company

1) A joint-stock company may be established in such a way that all the founders, at least two in number, declare in a public deed signed by them that they are establishing a joint-stock company, and at the same time the articles of association of the same are stipulated therein, the acquisition of all the shares and the deposit of at least 25

% or, if applicable, even more on each share, whether in cash or by transferring

of contributions in kind according to the expert report due to

of bank cards and the like, approve a grant of founder's benefits and appoint the necessary bodies of the company.

2) The establishment of such a deed shall take the place of the Constituent General Assembly.

3) If the contribution is of property or rights against set-off against part of the share capital, an expert shall report in writing to the founders' meeting before the resolution is adopted. The report shall describe the object of each contribution, indicate which valuation methods have been applied in determining the value and state whether the values arrived at by such methods correspond at least to the number and nominal amount or the notional value (in the case of quota shares) and, if applicable, to the additional amount of the shares to be issued in exchange. The report shall be published in accordance with Art. 958 No. 2.

4) Art. 285 to 286b are applicable.

Art. 289

Retrieved

III. Registration of the company

Art. 290

1. The application for registration

1) The application by the members of the administration authorized to sign must be accompanied by a copy or a certified copy of the articles of association and the minutes of the general meeting or the deed or a statement, enclosing the complete act of incorporation, containing:

1. the determination that the entire amount of the share capital, subject to the issue below par value and the authorization of the management to issue further share capital without a resolution of the General Meeting, is covered by signatures;

2. the determination that at least twenty-five percent or a higher minimum amount stipulated in the Articles of Association has actually been paid up on each share or has been covered by contributions in kind;

3. proof of the composition of the Board of Directors and the Board of Statutory Auditors, indicating their surname, first name and place of residence, and, in the case of members of the Board of Directors, their nationality, or their company name and registered office;

4. if applicable, the resolutions of the General Meeting of Shareholders concerning contributions, transfers and founder's benefits and the expert reports relating thereto.

2) If representatives are appointed by the administration, they must also be registered, attaching the minutes of the administration, if any.

3) The articles of association and the minutes of the general meeting of shareholders or the deed or declaration shall be made public after registration in accordance with Art. 958 item 2.

Art. 291

2. Registration and publication

1) The company shall be entered in the Commercial Register and an extract shall be published in the official gazettes:

1. the date of adoption of the Articles of Association;
2. the company name and legal form and the registered office of the company;
3. the object and, if applicable, the duration of the undertaking;
4. the amount of the share capital and the amount of contributions made thereon;
5. the number, par value or quota as well as the type of shares, the restrictions on transferability as well as the preferential rights and conversion rights of individual categories;
6. the object of the contribution in kind and the shares issued in return, the object of the acquisition in kind and the consideration paid by the Company as well as the content and value of the special benefits;
7. the number of profit participation certificates with an indication of the content of the rights attached to them;
8. the members of the administration, the supervisor and the representatives with their surnames, first names, place of residence and nationality or the company name and registered office;
9. the way of exercising the representation;
10. the name or the company name of the auditors, stating their domicile, registered office or a branch office entered in the Commercial Register;
11. the form in which announcements emanating from the Company are made to shareholders and third parties;
12. the balance sheet date.

2) In the case of joint-stock companies that do not carry on a commercial business, it is sufficient to publish the registration in accordance with Art. 957, para. 1, item 1.

IV. Branches

Art. 291a

1. Domicile in the European Economic Area

1) Branches of joint stock companies whose registered office is in the European Economic Area shall be entered in the Commercial Register with reference to the registration of the company.

2) The registration is made by a member of the administration, who has individual signature.

or by two members who are authorized to sign collectively, enclosing an extract from the company's register or equivalent.

3) The company shall be entered in the Commercial Register and an extract shall be published in the official gazettes:

1. the address of the branch;

2. the object of the branch;

3. the register and the register number of the registration of the head office;

4. the name of the main branch office and the name of the branch office if different from the main branch office;

5. the members of the management and the persons appointed to represent the head office, with their surnames, first names, place of residence and nationality, or the company name and registered office;

6. the persons appointed as permanent representatives of the branch office, stating their surnames, first names, place of residence and nationality, with details of their powers;

7. if necessary, the dissolution of the head office, the names, first names and place of residence of the liquidators and the completion of the liquidation or the cancellation of the company;

8. insolvency proceedings or similar proceedings affecting the head office;

9. the cancellation of the branch.

4) Retrieved

5) The accounting documents of the head office shall be disclosed in accordance with Art. 1128.

6) If there are several branches of the same principal branch, the publication of the documents pursuant to Art. 958 No. 2 is sufficient for one of the branches. For the other branches, the publication is limited to the indication of the registration number of the branch publishing the aforementioned documents.

7) If the disclosure at the branch office differs from the disclosure at the foreign head office, the disclosure at the branch office shall be decisive for business transactions with the branch office.

Art. 291b

2. Domicile outside the European Economic Area

1) If a joint stock company or a company whose legal form is comparable to that of a joint stock company, in addition to its head office (registered office), which is located outside the

European Economic Area, the following provisions must be observed in addition to the provisions of Art. 291a.

2) The act of establishment and, if they are the subject of a separate act, the statutes of the head office, as well as any amendment to these documents, shall be filed with the Commercial Register and published in accordance with Art. 958 item 2.

3) In addition, the following must be entered in the commercial register and published:[510][511]

1. the law of the state to which the principal place of business is subject;

2. the legal form, the registered office and the object of the principal place of business, as well as annually the amount of the share capital, unless this information is provided in the documents referred to in para. 2 above;

3. the scope of the power of representation of the management and the representatives of the head office, as well as the manner of exercising the representation at the head office;

4. the method of exercising representation at the branch.

Art. 291c

V. Conversion into a joint stock company

For the conversion of an association into a joint-stock company, the provisions on the form and content of the articles of association, on the object of the company, on founder's liability, on the minimum capital, on contributions in cash or in kind and on the obligation to make contributions are to be observed in particular as in the case of the formation of a joint-stock company.

C. Protection of share capital and shareholders

I. Protection of vested rights

Art. 292

1. Protection of the individual

1) Acquired rights of one or more shareholders are those statutory or legal rights which, according to the law or the Articles of Association, are independent of the resolutions of the General Meeting of Shareholders and the Board of Directors, or which are a prerequisite for participation in the General Meeting of Shareholders.

2) These include membership, voting rights, the right to contest, the right to interest on construction, to dividends, to a share in the liquidation result, provided that the statutes do not limit or exclude individual claims within the scope of this law.

3) Shareholders are to be treated equally under the same conditions.

Art. 293

2. Requirement of qualified majority of the General Meeting

In the absence of provisions to the contrary in the Articles of Incorporation, the approval of three quarters of the shares represented at a General Meeting, but at least of the representatives of two thirds of all shares, is required.

necessary for the validity of a General Meeting resolution in the following cases:

1. Conversion of the company's purpose;

2. Conversion of the joint stock company into another form of association;

3. Elimination of requirements provided for in the Articles of Incorporation that impede the resolutions of the General Meeting.

Art. 294

II. Business expansion and contraction

1) Unless the Articles of Incorporation or the law provide otherwise, a resolution to expand the scope of business of the Company by adding related items or to narrow it, to change the name or the registered office of the Company, or to dissolve the Company prior to the date stipulated in the Articles of Incorporation may only be passed at a General Meeting at which at least two-thirds of all shares are represented.

2) If not two thirds of all shares are represented at a first General Meeting, a second meeting must be convened at a date at least eight days later, at which the resolutions mentioned in the preceding or in this article may be passed, even if only one third of all shares are represented.

III. Issue of new shares

Art. 295

1. General requirements

1) An existing joint-stock company may issue new shares, unless special regulations have been laid down hereunder, only in compliance with the regulations laid down for the formation of the joint-stock company, without the share capital specified in the articles of association having to be fully paid up.

2) If shares have been issued below par value, new shares of this type may only be reissued after the shortfall resulting from the sub-par issue has been covered from reserves or profit.

3) However, the application to the Commercial Register is sufficient if it is made by a person authorized to represent or sign the company.

4) Share subscriptions shall be made with reference to the resolution to increase the capital.

5) If a capital increase is not fully subscribed, the capital shall only be increased by

increased the amount of subscriptions received if the terms of issue expressly provide for this.

6) The capital increase may be effected alone or in conjunction with a reduction of the share capital, such as in the case of reorganizations.

7) The resolution to increase the capital as well as the execution of the increase shall be published in accordance with Art. 958 para. 2.

2. Authorized capital

Art. 295a

a) General requirements

1) The General Meeting of Shareholders may, provided that the authorization is not already contained in the act of incorporation or in the Articles of Association, authorize the Board of Directors to increase the share capital up to a certain amount by amending the Articles of Association. The Articles of Association specify the nominal amount or the notional value (in the case of quota shares) by which the Board of Directors may increase the share capital. The authorized capital may not exceed half of the existing share capital.

2) The authorization is granted for a maximum period of five years. It may be renewed by the General Meeting of Shareholders in each case for a maximum period of five years. It shall be published in accordance with Art. 958 No. 2.

Art. 295b

b) Adaptation of the Articles of Association

1) After each capital increase, the Board of Directors shall reduce the nominal amount or the nominal value (in the case of quota shares) of the authorized capital in the Articles of Association accordingly.

2) After the expiry of the period set for the implementation of the capital increase, the provision on the authorized capital increase shall be deleted from the Articles of Association by resolution of the Board of Directors.

3. As consideration of contributions in kind and

rights Art. 296

a) In general

1) If the issue of new shares as consideration for the contribution of property or rights is involved, the capital increase resolution and the approval of the contributions in kind and rights may only be passed at a General Meeting at which at least two-thirds of the share capital, after deduction of the portion held by contributions in kind, is represented, and the majority must be at least two-thirds of the votes represented.

2) Shareholders involved in the contribution of property or rights shall not be counted and shall have no voting rights.

3) The information on the contributed objects and rights shall be included in the articles of association and, as in the case of the incorporation of the company, a written report shall be submitted to the general meeting by an independent expert prior to the adoption of the resolution. The report shall describe the object of each contribution and indicate which valuation methods have been applied in determining the value and whether the values thus determined correspond at least to the number and nominal amount or the calculated value (in the case of quota shares) and, if applicable, to the additional amount of the shares to be issued in exchange.

4) If, in the context of an authorized capital increase, the objects of the contributions in kind are known at the time of the authorization, the expert report shall be submitted to the General Meeting prior to the adoption of the resolution, otherwise to the Board of Directors.

5) The original or a certified copy of this report must be available for inspection at each subscription agent from the beginning of the subscription period. It must be published in accordance with Art. 958 para. 2.

6) Paragraphs 3 to 5 shall not apply if the capital increase for the purpose of implementing a merger, for which a report of an independent expert on the merger plans is prepared in accordance with Art. 351c, is subject to a

The Company is not a party to a public takeover or exchange offer with the purpose of paying the consideration to the shareholders of one of the companies involved.

Art. 296a

b) Exceptions to the expert report

An expert report within the meaning of Art. 296 Para. 3 may be dispensed with if all shares are issued to one or more companies with personality against contributions in kind and if:

1. all shareholders of the receiving company waive the preparation of the expert report and this waiver is disclosed within the meaning of Art. 958 para. 2;

2. the contributing companies have non-distributable re-serves in accordance with the law or the Articles of Association which correspond at least to the nominal value or the arithmetical value (in the case of quota shares) of the shares issued in return for the contributions in kind;

3. the contributing companies undertake to guarantee the debts of the Company up to the amount referred to in item 2 above, arising from the date of issue of the shares against contributions in kind until one year after the publication of the annual financial statements relating to the financial year in which the contributions were made, any transfer of these shares within this period being inadmissible, and this undertaking is published within the meaning of Art. 958 item 2;

4. the contributing companies shall maintain a reserve in the amount of the amount set out in No. 2 above.

amount referred to above. The distribution of this reserve may be made at the earliest after the expiry of a period of three years following the publication of the annual financial statements of the Company relating to the financial year in which the contributions were made or, if applicable, after a later date on which all claims asserted within the period in respect of the obligations referred to in item 3 above have been satisfied.

Art. 296b

c) Simplified report

1) An expert report within the meaning of Art. 296 para. 3 may be dispensed with if the Board of Directors determines by resolution that:

1. transferable securities or money market instruments within the meaning of Directive 2014/65/EU are contributed as contributions in kind and their valuation corresponds to the weighted average price on a regulated market within the meaning of the aforementioned Directive or on other stock exchanges of the last 30 days prior to the actual contribution. If the average price has been influenced by extraordinary circumstances which cause a significant change in the value of the contribution at the time of its actual contribution, the Board of Directors shall arrange for a revaluation; Art. 296 para. 3 shall apply mutatis mutandis to this revaluation;

2. assets other than those referred to in item 1 are contributed as a contribution in kind and have already been valued by a recognized expert. The valuation shall be made in accordance with generally accepted valuation principles and may not have been made more than six months prior to the date of the actual contribution. If new significant circumstances have arisen which result in a material change in the fair value of the asset at the date of its actual contribution, the Board of Directors shall arrange for a revaluation; Art. 296 para. 3 shall apply mutatis mutandis to this revaluation;

3. assets other than those referred to in items 1 and 2 are contributed as a contribution in kind, the valuation of which is shown in the statement of assets and liabilities of the statutory accounts of the preceding financial year, provided that such accounts have been audited in accordance with the provisions of Title 20 (Accounting). If the fair value has been affected by exceptional circumstances that cause a significant change in the value of the contribution at the time of its actual contribution, the Board of Directors shall arrange for a revaluation; Art. 296, para. 3 shall apply accordingly to this revaluation.

2) If no revaluation has been carried out in accordance with para. 1, one or more shareholders who together hold at least more than 5% of the subscribed capital of the company on the day of the resolution on a capital increase may request a valuation by an expert in accordance with Art. 296 para. 3. This request may be made by the entitled persons up to the day of the

actual contribution of the non-cash contribution, provided that the beneficiaries

hold a total of at least 5% of the Company's subscribed capital at the time of the proposal, as previously on the day of the resolution on a capital increase.

3) If a contribution in kind has been made in accordance with subsection 1, a report must be filed with the Office of Justice within one month of the date of the actual contribution of the assets, which report must be published in accordance with Art. 958 item 2 and must contain the following:

1. a description of the contribution in kind concerned;

2. Value, basis as well as method of valuation, if applicable;

3. Information as to whether the determined value corresponds at least to the number and nominal amount or, in the absence of a nominal amount, to the calculated value and, if applicable, to the additional amount of the shares to be issued for such contribution in kind;

4. a statement that no new material circumstances have arisen with respect to the original assessment.

Art. 296c

d) Performance period for contributions in kind

Contributions in kind must be made in full within five years of the resolution to increase capital.

Art. 297

4. Issuance without cash or non-cash contribution

The issue of new shares, whether in addition to the old shares or in replacement of the old shares in the same or a different number or proportion or in the same or a different amount, may be effected without the payment of cash capital and without the contribution of property:

1. if shares are issued to the consenting creditors with or without preference in place of company debts (debt settlement through shares);

1a. if conversion rights are exercised as part of a conditional capital increase;

2. by using the reserve fund, other reserves and retained earnings, unless a minimum reserve is required by law (top-ups or increases);

3. by adjusting the nominal value to the real value of the assets, as na- mally in the case of monetary devaluation and conversion of the hidden reserves therein into shares (revaluation or enumeration);

4. in case of reduction of share capital and share amount (cancellation or devaluation);

5. when changing the share capital or part of it into another currency and also the nominal share value or share quota (restamping);

6. Conversion of preference shares into ordinary shares with full rights and the like.

5. Conditional capital increase

Art. 297a

a) Principle

1) The General Meeting of Shareholders may resolve a conditional capital increase by granting in the Articles of Association rights to the creditors of new bonds or similar obligations vis-à-vis the Company or its Group companies and to the employees to subscribe for new shares (conversion or option rights).

2) The share capital increases automatically at the time and to the extent that these conversion or option rights are exercised and the contribution obligations are fulfilled by offsetting or payment.

Art. 297b

b) Barriers

1) The nominal amount or the notional value (in the case of quota shares) by which the share capital may be conditionally increased may not exceed half of the existing share capital.

2) The contribution made must be at least equal to the par value or the notional value (in the case of quota shares).

Art. 297c

c) Statutory basis

1) The statutes must state:

1. the nominal amount or the imputed value of the conditional capital increase;

2. the number, par value or quota and type of shares;

3. the group of persons entitled to conversion or option rights;

4. the cancellation of the subscription rights of existing shareholders;

5. the privileges of individual categories of shares;

6. the restriction on the transferability of new registered shares.

2) If the bonds or similar debt instruments to which conversion or option rights are attached are not offered to the shareholders for subscription in advance, the articles of association must also state that the bonds or similar debt instruments to which conversion or option rights are attached are not offered to the shareholders for subscription in advance:

1. the conditions for exercising the conversion or option rights;

2. the bases on which the issue amount is to be calculated.

3) Conversion or option rights granted prior to the registration of the provisions of the Articles of Incorporation on

the conditional capital increase in the commercial register are null and void.

Art. 297d

d) Protection of shareholders

1) If, in the event of a conditional capital increase, bonds or similar debt instruments to which conversion or option rights are attached are to be issued, such bonds must first be offered for subscription to the shareholders in accordance with their existing participation pursuant to Art. 303 and Art. 303a.

2) This preferential subscription right may be limited or cancelled in accordance with Art. 303b.

3) No one may be unfairly favored or disadvantaged by the cancellation of subscription rights required for a conditional capital increase or by the restriction or cancellation of shareholders' advance subscription rights for bonds or similar debt instruments to which conversion or option rights are attached.

Art. 297e

e) Protection of beneficiaries of conversion or option rights

1) The creditor or the employee who is entitled to a conversion or option right to acquire registered shares may not be denied the exercise of this right due to a restriction on the transferability of registered shares, unless this is reserved in the Articles of Association and the issue prospectus.

2) Conversion or option rights may only be impaired by an increase in the share capital, by the issuance of new conversion or option rights or in any other way if the conversion price is reduced or the beneficiaries are granted appropriate compensation in some other way, or if the same impairment also affects the shareholders.

f) Implementation of the capital

increase Art. 297f

aa) Exercise of rights; contribution

1) Conversion or option rights shall be exercised by means of a written declaration referring to the provision of the Articles of Association regarding the conditional capital increase; if the law requires an issue prospectus, the declaration shall also refer to it.

2) The payment of the deposit by means of money or clearing must be made at a banking institution that is subject to the Banking Act.

3) Shareholders' rights arise upon fulfillment of the obligation to make a contribution.

Art. 297g

bb) Examination confirmation

1) An expert shall examine after the close of each financial year, or at the request of the Board of Directors beforehand, whether the issue of new shares has complied with the law, the statutes and, if such is required, the issue prospectus.

2) The expert confirms this in writing.

Art. 297h

cc) Adaptation of the Articles of Association

1) Upon receipt of the confirmation of the audit, the Board of Directors shall determine in a public document the number, par value or quota and type of the newly issued shares as well as the privileges of individual categories and the status of the share capital at the end of the financial year or at the time of the audit. It shall make the necessary amendments to the Articles of Association.

2) In the public deed, the notary states that the audit certificate contains the required information.

Art. 297i

dd) Entry in the Commercial Register

The Board of Directors shall notify the Commercial Register of the amendment to the Articles of Association no later than three months after the end of the financial year and shall submit the public deed and the audit certificate.

Art. 297k

ee) Delete

1) If the conversion or option rights have expired and this is confirmed by an expert in a written report, the Board of Directors shall cancel the provisions of the Articles of Association concerning the conditional capital increase.

2) The notary shall record in the public document that the report of the expert contains the required information.

Art. 298

Retrieved

IV. Issue of preferred shares

Art. 299

1. Issuance authority

1) The General Meeting of Shareholders may, in accordance with the Articles of Incorporation or by way of an amendment to the Articles of Incorporation, approve the raising of new share capital or a change in the existing share capital through the issue of advance shares.

shares (priority shares), observing the provisions on subscription rights. The resolution shall be published in accordance with Art. 958 para. 2.

2) When preference shares are issued, their conversion into other shares (in particular into ordinary shares) or into bonds with or without voting rights or profit participation may be reserved. The provisions of the Law on Certain Undertakings for Collective Investment in Securities, the Investment Undertakings Act and the Alternative Investment Fund Managers Act apply to stock corporations with variable share capital.

3) Unless otherwise provided for in the Articles of Incorporation, after the issue of preference shares, those shares which are to take precedence over them may only be issued with the consent of both the General Meeting of all shareholders and a special General Meeting of the preference shareholders.

4) The same rule shall also be observed in cases where special rights granted by the Articles of Association to preference shares are subsequently to be amended.

5) The Articles of Incorporation may provide that, for the purpose of raising new funds without carrying out a capital increase, shareholders shall be invited to make voluntary contributions of a certain amount in excess of the par value of the share (additional payments) and that those shares for which an additional payment has been made shall be converted into preference shares.

Art. 300

2. Resolution

1) The passing of resolutions on the issue of preferred shares or on the amendment or cancellation of the preferential rights granted to the preferred shares shall be subject to the same provisions as those laid down for resolutions on the extension of the scope of business of the Company.

2) Retrieved

Art. 301

3. Position of preferred shares

1) The preference shareholders enjoy the preferential treatment over the ordinary shareholders provided for in the original Articles of Incorporation or in the agreement governing the issue of preference shares.

The shareholders of the Company shall be deemed to be the same as the holders of ordinary shares in all other respects.

2) The preferential treatment may extend in particular to voting rights, the exclusive election of certain bodies, such as the management or the passing of resolutions on certain matters specified in the Articles of Association, the dividend, with or without subsequent subscription rights, the liquidation share and subscription rights in the event of the issue of new shares.

3) The preferred shareholders are, insofar as they do not have acquired rights, entitled to a

The shareholders are bound to the resolutions of a special General Meeting of Preferred Shareholders regarding the assertion or waiver of their claims.

4) These latter resolutions must, unless the Articles of Association provide otherwise, be adopted by three-quarters of all votes cast by the preferred shareholders.

5) Unless the articles of association provide otherwise, in insolvency proceedings the insolvency administrator shall first of all claim the arrears on the ordinary shares and then, if these payments are insufficient, the arrears on the preference and other shares in turn, depending on their legal status.

V. Issue of bonus shares

Art. 301a

1. General Assembly

1) The General Meeting of Shareholders may, in accordance with the original Articles of Association or by way of an amendment to the Articles of Association, resolve to increase the share capital in such a way that shareholders or third parties are issued shares, the amounts of which are covered by the Company itself from funds, retained earnings and the like available in addition to the share capital, without consideration or only against reimbursement of expenses (bonus shares). The resolution shall be published in accordance with Art. 958 No. 2.

2) The amount of the increase shall be covered by the annual financial statements as approved by the shareholders or, if the balance sheet is not approved by the shareholders, by the annual financial statements.

The Group's financial statements are prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU.

Art. 302

2. Output

1) Shares issued to shareholders or third parties without consideration or only against reimbursement of expenses and the amounts of which are covered by funds, retained earnings and the like of the Company itself in addition to the share capital (bonus shares) may be issued in accordance with the original or amended Articles of Association.

2) They may also be issued with partial re-stamping, revaluation or similar procedures, or in lieu of dividend subscription rights (dividend shares) or profit participation certificates.

3) With the exception of the obligation to make a payment, participation shareholders have all the same obligations and rights as any other shareholder, such as voting rights, the right to dividends, and the subscription of new shares, unless the Articles of Association provide otherwise.

4) It is also permissible to formally distribute statutory re-serves accumulated for this purpose to the shareholders (bonus) and to immediately repay or offset the amount against the transfer of shares by the company (non-genuine bonus shares).

VI. Subscription right and subscription obligation

Art. 303

1. Subscription right

1) Each shareholder shall be entitled to the portion of the newly issued shares corresponding to his previous shareholding.

2) The offer to exercise the subscription right as well as a period, which may not be shorter than fourteen days, within which the subscription right may be exercised, shall be published in the Liechtenstein national newspapers. If all shares of the company are registered shares, a written notification of all shareholders is sufficient.

3) Special transferable securities may be issued via the shareholders' subscription rights.

Art. 303a

2. Exceptions

Art. 303 is not applicable to shares for which the right to dividends and/or the right to participate in the distribution of the company's assets in the event of liquidation is restricted.

Art. 303b

3. Exclusion from subscription rights

1) The resolution of the General Meeting of Shareholders on the increase of the share capital may, with a majority of two thirds of the votes represented, exclude the subscription right in whole or in part. The resolution shall be published in accordance with Art. 958 No. 2.

2) Prior to the adoption of the resolution, the Board of Directors shall submit to the General Meeting of Shareholders a written report on the reasons for the partial or complete exclusion of the subscription right. The report shall state the reasons for the proposed issue price.

3) The resolution of the General Meeting of Shareholders on the introduction of authorized capital or on a conditional capital increase may, subject to the conditions set out in paras. 1 and 2, authorize the Board of Directors to exclude subscription rights in whole or in part within the framework of authorized capital. The authorization shall be granted for a maximum period of five years. It may be extended in each case for a maximum period of five years.

4) Pre-emptive rights shall not be excluded if, after the resolution to increase the capital, the shares are taken over by a bank or another financial institution with the obligation to offer them to the shareholders for subscription in accordance with Art. 303.

Art. 303c

4. Applicability

Art. 303 to 303b shall apply mutatis mutandis to the issuance of all securities convertible into shares or carrying subscription rights to shares, but not to the conversion of such securities or the exercise of subscription rights.

Art. 303d

5. Obligation to purchase

Registered shareholders may be required to subscribe for new shares to the extent stipulated in the Articles of Association in accordance with the provisions governing ancillary performance shares.

Art. 304

VII. Profit participation certificates

1) The Articles of Incorporation may provide for the creation of non-voting equity securities (Genussscheine) for the benefit of persons who are connected with the Company through previous equity interests or as shareholders, creditors, employees or in a similar manner. They shall specify the number of non-voting equity securities issued and the content of the rights attached thereto.

2) The profit participation certificates can only entitle the beneficiaries to a share in the balance sheet profit or in the liquidation result or to subscribe for new shares.

3) The profit participation certificate may not have a par value; it may neither be called a participation certificate nor be issued in exchange for a contribution that is recognized under assets in the balance sheet.

4) By law, the beneficiaries form a community to which the provisions governing the community of creditors in the case of bonds apply mutatis mutandis. However, only the holders of a majority of all outstanding non-voting equity securities may take a binding decision to waive some or all of their rights under the non-voting equity securities.

5) Profit participation certificates may only be created in favor of the company's founders on the basis of the original Articles of Association.

VIII. Participation certificates Art. 304a

1. Term; applicable regulations

1) The articles of association may provide for participation capital divided into partial sums (participation certificates). These participation certificates are issued against a contribution, have a nominal value and do not grant voting rights.

2) The provisions on share capital, the share and the shareholder shall apply insofar as

the law does not provide otherwise, also for the participation capital, the participation certificate and the participant.

3) The participation certificates shall be designated as such.

Art. 304b

2. Participation and share capital

1) The participation capital may not exceed twice the share capital.

2) The provisions regarding the minimum capital and the minimum total contribution do not apply.

3) In the provisions on the restrictions on the acquisition of own shares, the general reserve, the initiation of an official audit against the will of the General Meeting of Shareholders and on the reporting obligation in the event of a loss of capital, the participation capital is to be included in the share capital.

4) An authorized or a conditional increase in the share and participation capital may not exceed in total half of the sum of the previous share and participation capital.

5) Participation capital can be created by means of an authorized or conditional capital increase.

3. Legal Status of the Participant

Art. 304c

a) In general

1) The Participant has no voting rights and, unless the Articles of Association provide otherwise, none of the related rights.

2) The rights associated with the right to vote are the right to convene a General Meeting, the right to participate, the right to information, the right to inspection and the right to make a motion.

3) If the Articles of Incorporation do not grant him the right to information or inspection or the right to request an official audit, the participant may submit a request for information or inspection or for the initiation of an official audit in writing to the General Meeting.

Art. 304d

b) Announcement of convocation and resolutions of the General Meeting of Shareholders

1) The participants must be notified of the convening of the General Meeting together with the items on the agenda and the motions.

2) Every resolution of the General Meeting shall be made available without delay at the registered office of the company and at the registered branches for inspection by the participants. The Participants shall be informed thereof in the announcement.

Art. 304e

c) Representation on the Board of Directors

The articles of association may grant the participants the right to a representative on the board of directors.

d) Property rights

Art. 304f

aa) In general

1) The articles of association may not place the participants in a worse position than the shareholders with regard to the distribution of the balance sheet profit and the liquidation result as well as with regard to the subscription of new shares.

2) If there are several categories of shares, the participation certificates must at least be equivalent to the category that is least preferred.

3) Amendments to the Articles of Association and other resolutions of the General Meeting of Shareholders which adversely affect the position of the participants are only permissible if they also adversely affect the position of the shareholders to whom the participants are equivalent.

4) Unless the Articles of Association provide otherwise, the privileges and statutory participation rights of participants may only be restricted or revoked with the consent of a special meeting of the participants concerned and of the General Meeting of Shareholders.

Art. 304g

bb) Subscription rights

1) If participation capital is created, the shareholders shall have subscription rights in the same way as for the issue of new shares.

2) The Articles of Association may provide that shareholders may only subscribe for shares and that participants may only subscribe for participation certificates if the share capital and the participation capital are increased simultaneously and in the same proportion.

3) If the participation capital or the share capital alone or proportionately more than the other is increased, the subscription rights shall be allocated in such a way that shareholders and participants can continue to participate in the total capital in the same way as before.

Art. 305

IX. Notarization and registration of amendments to the Articles of Association

1) Any resolution of the General Meeting of Shareholders or of the Board of Directors which has the object of amending the provisions of the Articles of Association shall be the subject of a public document.

2) The resolution must be filed with the Commercial Register either by the entire administration or by a member authorized to represent and sign for the company.

be entered and published in the Commercial Register on the basis of the same evidence as the original Articles of Association and shall have legal effect only after it has been entered in the Commercial Register.

3) In case of an increase of the share capital, subject to the provisions on the issuance of new shares as consideration for contributions in kind and rights, apart from the resolution of this amendment of the Articles of Association, the determination of the subscription and the necessary and actual payments shall be registered on the basis of a declaration of a person authorized to represent and sign.

4) After each amendment, the current version of the Articles of Association must be published in accordance with Art. 958 para. 2.

Art. 306

X. Subscription of treasury shares

1) The corporation or third parties acting in their own name but for the account of the corporation may not subscribe for shares of the corporation.

2) If a stock corporation, a partnership limited by shares or a limited liability company or a company which is not subject to the law of an EEA Member State but whose legal form is similar to the aforementioned legal forms subscribes for shares of a stock corporation and if this stock corporation directly or indirectly holds the majority of the voting rights of the first-mentioned company or if it can directly or indirectly exercise a controlling influence over the latter, this shall be deemed equivalent to the subscription of own shares pursuant to para. 1. General partnerships and limited partnerships shall be treated in the same way as the companies referred to in sentence 1, provided that all their partners with unlimited liability are companies within the meaning of sentence 1 or companies which are not subject to the laws of an EEA member state but whose legal form is comparable to the legal forms referred to in sentence 1. Subscription is only permitted in accordance with Art. 306d para. 3 (suspension of voting rights in the case of indirect majority of votes or indirect controlling influence).

3) Art. 306b para. 1 item 10 is applicable.

4) If the shares of the Company are subscribed by a person acting in his own name but for the account of this Company, the subscription shall be deemed to have been made for the subscriber's own account.

5) If shares are subscribed in breach of these provisions in accordance with para. 2, the founders or, in the case of a capital increase, the members of the Board of Directors shall be liable for the full amount of the contribution. This shall not apply to those founders or members of the Board of Directors who prove that they are not at fault.

XI. Acquisition of treasury shares

Art. 306a

1. Principle

1) Without prejudice to the principle of equal treatment of all shareholders who are in the same circumstances, and without prejudice to the guideline

Directive 2003/6/EC, the stock corporation or third parties acting in their own name but on behalf of the Company may acquire shares in the Company only if the following conditions are cumulatively met:

1. if the General Meeting grants approval; the approval must contain the details of the acquisition, in particular the maximum number of shares to be acquired, the period of validity of the approval, which may not exceed five years, and, in the case of acquisition for consideration, must specify the lowest and highest consideration;

2. the acquisition of shares, including shares previously acquired and still held by the joint stock company and shares previously acquired and still held by the third party in its own name but for the account of the company, may not result in the net assets, as shown in the financial statements, falling below the amount of the subscribed capital plus reserves, the distribution of which is not permitted by law or the Articles of Association, as a result of the acquisition;

3. if the purchase involves fully paid-up shares.

2) The Board of Directors shall satisfy itself that compliance with the requirements set forth in para. 1 items 2 and 3 is met at the time of each approved acquisition.

3) If the acquisition is necessary to avert serious, imminent damage to the company, it is sufficient for the Board of Directors to inform the next General Meeting of the reasons for and purpose of the acquisition, the number and par value or the calculated value (in the case of quota shares) of the shares acquired, their proportion of the share capital and the equivalent value of the shares.

4) If a company referred to in Art. 306 para. 2 acquires shares in a joint-stock company and if this joint-stock company directly or indirectly holds a majority of the voting rights in the other company or if it can directly or indirectly exercise a controlling influence over the other company, this shall be deemed to be an acquisition of treasury shares. The acquisition is only permitted in accordance with Art. 306d para. 3 (suspension of voting rights in the case of an indirect majority of votes or an indirect controlling influence).

Art. 306b

2. Exceptions

1) The acquisition of treasury shares is permissible without taking Art. 306a into account if it:

1. is made at an amortization provided for by law or the Articles of Association;

2. made in accordance with the provisions of the law and the Articles of Association for the purpose of partial repayment of the share capital;

3. is effected by way of a transfer of assets by way of universal succession;

4. in the case of fully paid-up shares, either free of charge or by banks on the basis of a purchase commission;

5. due to a legal obligation or a court decision to protect minority shareholders, in particular in the event of a merger, a change of purpose or legal form, the transfer of the registered office abroad or the introduction of restrictions on the transferability of shares;

6. serves to acquire the shares from the hand of a shareholder who does not make his contribution;

7. serves to compensate minority shareholders of affiliated companies;

8. serves to acquire fully paid-up shares at a judicial auction for the purpose of settling a claim of the Company against the owner of these shares;

9. serves to acquire fully paid-up shares in an investment undertaking with fixed capital within the meaning of the Law on Investment Undertakings at the request of the investors, directly or through an affiliated company. This acquisition may not cause the net assets to fall below the amount of the share capital plus reserves, the distribution of which is not permitted by law;

10. is for the account of a person other than the acquirer and the person concerned is neither the stock corporation nor any other company in which that stock corporation directly or indirectly holds a majority of the voting rights or over which it can directly or indirectly exercise a controlling influence; or

if the other company acquires shares in its capacity or in the course of its activities as a professional securities dealer, provided that it is a member of a securities exchange established or operating in a Contracting State of the European Economic Area or is licensed or supervised by an authority of a Contracting State of the European Economic Area responsible for the supervision of professional securities dealers;

11. is made before the restrictive provisions in Art. 306a have entered into force.

2) In the cases of para. 1 items 1 and 2, the repurchased shares shall immediately be rendered unusable for any further disposal.

Art. 306c

3. Sale and cancellation of treasury shares

1) If the company has acquired its own shares in violation of Art. 306a and 306b, they must be sold within one year of their acquisition.

2) If the nominal value or the calculated value of the shares which the company has permissibly acquired in accordance with Art. 306b para. 1 items 3 to 8 and which it still holds exceeds 10% of the share capital, the portion of the shares which exceeds this rate must be sold within three years of the acquisition of the shares.

3) If treasury shares have not been sold within the periods provided for in paras. 1 and 2, they shall be cancelled within the framework of a reduction procedure.

Art. 306d

4. Consequences of acquisition and possession

1) The Company is not entitled to any rights from treasury shares.

2) The Company shall place an amount equal to the book value of its treasury shares in an unavailable reserve, unless the international accounting standards according to Art. 1139 are applied.

3) If a stock corporation indirectly holds a majority of the voting rights of a company or can indirectly exercise a controlling influence over such company, the shares held in conjunction with the shares of the

The Company shall not be exposed to any voting rights attached to the other company (Art. 306 para. 2 and Art. 306a para. 4).

Art. 306e

5. Acquisition by third parties

1) A legal transaction involving the granting of an advance or a loan or the provision of security by the Company to a third party for the purpose of acquiring shares in this Company is permissible provided that the following conditions are cumulatively met:

1. The Board of Directors is responsible for the execution of the legal transaction. It must be conducted on fair market terms, in particular with regard to the interest paid to the Company and collateral for the loans or advances made. The creditworthiness of the third party or parties involved must be checked in an appropriate manner.

2. The acquisition or subscription of shares on the occasion of an increase by the third party must be made at a reasonable price.

3. The Board of Directors shall submit a report to the General Meeting of Shareholders stating the reasons for the transaction, the Company's interest in the transaction, the terms of the transaction, the risks associated with the transaction for the liquidity and solvency of the Company and the price at which the third party shall acquire the shares.

4. The resolution of the General Meeting of Shareholders on the approval of the legal transaction must be passed by a majority of two thirds of the votes represented. After approval, this report must be submitted to the Office of Justice and published in accordance with Art. 958 item 2.

5. The total financial support granted to third parties may at no time cause the net assets to exceed the amount of the subscribed capital plus any reserves which the law or the Articles of Association do not permit to be distributed. Any reduction in net assets that may have occurred as a result of the acquisition of its own shares by the Company or for the account of the Company shall also be taken into account. The Company shall enter on the liabilities side of the balance sheet a non-distributable reserve equal to the amount of the total financial assistance granted.

2) Legal transactions carried out in the ordinary course of banking business and transactions for the purpose of acquiring shares by or for employees of the Company or of a company affiliated with it are also permitted; such legal transactions are, however, void if they result in net assets falling below the amount of subscribed capital plus reserves which the law or the Articles of Association do not permit to be distributed.

3) If an individual member of the Board of Directors is a party to a legal transaction within the meaning of para. 1, or if members of the Board of Directors of an enterprise referred to in Art. 1097 para. 1 or such an enterprise itself or a person acting in his own name but on behalf of these members or this enterprise are a party to such a legal transaction, the legal transaction may not be contrary to the best interests of the company, provided that it is otherwise void.

4) Paragraph 2 shall not apply to transactions carried out within the scope of Art. 306b par. 1 fig. 9.

Art. 306f

6. Pledging of treasury shares

1) The pledging of treasury shares is treated in the same way as the acquisition of treasury shares.

2) This does not apply to the pledging of treasury shares as part of banks' ongoing business.

D. Shareholders' rights and obligations

I. Profit and liquidation share

Art. 307

1. In general

1) As long as the Company exists, each shareholder shall be entitled to a proportionate share of the net profit determined on the basis of the annual balance sheet, to the extent that such profit is intended for distribution among the shareholders in accordance with the law and the Articles of Association.

2) In the event of dissolution of the Company, he shall be entitled to a proportionate share

in the result of the liquidation, unless the Articles of Incorporation provide otherwise, subject to the protection of acquired rights.

3) The preferential rights provided for in the Articles of Association for individual classes of shares shall remain reserved.

Art. 308

2. Calculation type

1) The shares in the profit and in the liquidation result shall be calculated in proportion to the amounts paid in, unless the Articles of Association provide otherwise.

2) The shareholder has no right to reclaim the amount paid in or the contributions in kind, neither before nor upon the dissolution of the Company.

3) In the case of public announcements of dividends by the company, except in the case of joint-stock companies which do not carry on a commercial business, if the amount is stated as a percentage, it shall be stated on the one hand per hundredth of the nominal value of the shares, if they are not quota shares, and on the other hand per hundredth of the share capital plus all reserves.

II. Reserves

Art. 309

1. Legal reserve

1) From the net profit, an amount of one-twentieth of the law shall be allocated annually to the legal reserve until it reaches the amount of one-tenth of the share capital.

2) If shares are issued below par value, an amount of one twentieth of the net profit must be allocated annually by law to the legal reserve until the par value of the shares is reached.

3) Any surplus proceeds from the issue of shares in excess of the par value thereof, insofar as they are not used to cover the costs of issue or for depreciation or for welfare purposes or for employee profit-sharing, shall be allocated to the capital reserves. The same applies to the amount remaining from the payments made on shares that have been declared null and void after any shortfall in proceeds has been covered by the shares issued for this purpose.

4) The legal reserve and the capital reserves may, to the extent that they together do not exceed half of the share capital, only be used to cover losses or for measures that are suitable to sustain the company in times of poor business performance, to counteract unemployment or to mitigate its consequences.

Art. 310

2. Statutory reserve fund

1) The Articles of Association may prescribe higher contributions to the reserve fund.

2) They may provide for the investment of further funds, such as welfare, renewal and amortization funds, and determine their purpose and use.

Art. 311

3. Ratio of profit share to reserve assets

1) The dividend may only be declared after the contributions to the legal reserve and to the statutory reserve and other funds in accordance with the law and the Articles of Association have been deducted from the net profit.

2) Before fixing the dividend, the General Meeting of Shareholders shall also be authorized to resolve on such re-serves as are not provided for by law or the Articles of Incorporation, provided that the safeguarding of the company or the consideration of a dividend as uniform as possible appears to make this advisable.

3) The provisions on socio-political share and profit rights shall remain reserved. Art.

311a

4. Offsetting losses

1) Losses from the reporting or prior periods may be carried forward.

2) Losses from previous periods are to be offset against profit for the reporting period.

3) If losses are offset against reserves, the following sequence must be observed:

1. Statutory and other reserves with corresponding earmarking;
2. Legal Reserve;
3. Capital reserve.

III. Dividends, construction interest, royalties, etc.

1. Dividends

Art. 312

a) Principle

1) Interest may neither be paid nor promised on the share capital.

2) Dividend payments are made only from the net profit resulting from the annual financial statements, plus profit carried forward and withdrawals from reserves formed for this purpose, taking into account losses of previous financial years and allocations to statutory or statutory reserves.

3) Except in the case of a capital reduction, dividends may not be paid to the shareholders if this would cause the net assets as per the annual financial statements to fall below the amount of the share capital plus the reserves which the law or the Articles of Association do not permit to be distributed.

4) The Articles of Incorporation may provide that the Board of Directors may, on the basis of an interim balance sheet, distribute dividends during the year to a specified extent from the profit carried forward from the previous financial year and withdrawals from reserves formed for this purpose plus the interim result achieved since the last financial year, taking into account losses from previous financial years and allocations to legal or statutory reserves.

5) The special provisions on the increase of the share capital from company funds remain reserved.

6) In the absence of any other provision in the Articles of Association, dividends shall be paid in cash.

7) The Articles of Incorporation may provide for the payment of dividends by means of coupons or by other means such as checks and the like.

8) The dividend resolved to be paid before the opening of insolvency proceedings against the Company in accordance with the law and the Articles of Association may be asserted as an insolvency claim.

Art. 312a

b) Exceptions

1) Art. 312 par. 3 shall not apply to investment companies with fixed capital within the meaning of the Act on Certain Undertakings for Collective Investment in Transferable Securities, the Investment Undertakings Act and the Act on Managers of Alternative Investment Funds.

2) If the net assets for investment companies fall below the amount specified in Art. 312 para. 3, a dividend payment may only be made to the shareholders if, as a result, the total assets according to the annual financial statements do not fall below one and a half times the total liabilities of the company according to the annual financial statements.

3) If the amount falls short of the amount referred to in the preceding paragraph, a note to that effect shall be included in the financial statements.

Art. 313

2. Building interest

1) For the time required for the construction and preparation of the company until the start of full operations, the shareholders may be charged an interest of a certain amount from the investment account.

2) The Articles of Incorporation must determine the date on which the payment of interest ceases at the latest.

3) If the company is expanded by issuing new shares, the resolution on the capital increase may stipulate that the new shares are to be charged a certain interest rate.

of the investment account for the period until the opening of the new plant. Art. 312 para. 2 shall be observed.

4) For payments for construction interest, an item should be included under assets to be repaid as soon as possible from the profit generated.

5) Construction interest accrued prior to the opening of the Company's insolvency proceedings may be asserted as an insolvency claim.

Art. 314

3. Royalties

The payment of profit shares to members of the management, auditors or other statutory bodies is only permissible after the contribution to the statutory reserve fund has been made and a dividend of five percent or a higher amount determined by the Articles of Association has been paid to the shareholders.

Art. 315

4. Other claims

In addition to or instead of the right to dividends, shareholders may be granted rights of use or enjoyment of the company's assets, which may not, however, reduce the company's capital stock and shall lapse upon the opening of insolvency proceedings against the company's assets.

Art. 316

IV. Limitation

1) The claim to dividends, construction interest and royalties, and in the case of rights of use and enjoyment, the claim to individual benefits, shall become statute-barred three years after their due date.

2) Rights of use and enjoyment as such are governed by membership law.

V. Obligation of the shareholder to perform

Art. 317

1. Subject

1) With the exception of ancillary performance shares, the shareholder shall not be obliged to contribute to the purposes of the Company and to the fulfillment of its obligations more than the amount fixed by the Company for the subscription of a share at the time of its issue.

2) Except in the event of a reduction of the share capital, this amount may neither be waived nor deferred, subject to the provisions on the liability of the shareholder.

2. Fringe benefit shares

Art. 318

a) In general

1) In addition to the fixed amount of shares, the Articles of Incorporation may impose on a shareholder the obligation to make a one-time or recurring cash payment or other payments, including forbearance, or to make a limited additional payment or limited liability, whereby the Articles of Incorporation may prescribe joint and several liability, up to twice the nominal value of the shares in accordance with the relevant provisions of the Cooperative, and whereby the liability or obligation to make an additional payment shall be enforced by means of apportionment.

2) In such companies, as far as the shares encumbered with ancillary benefits are concerned, only registered shares may be issued which are transferable with the consent of the company.

3) The obligation and the scope of the performance must be evident from the shares or share certificates, and an amendment to the Articles of Incorporation by which such obligations are newly established or existing ones are extended is only permissible with the consent of all shareholders affected thereby.

4) The Articles of Incorporation must stipulate penalties in the event that this obligation to make payments other than in cash is not fulfilled or is not fulfilled properly or if a shareholder wishes to renounce his share even after full payment; furthermore, each shareholder has the right to repossess his shares in the same way as a shareholder in the joint-stock company after full payment, unless there is a limited liability.

5) The Company may only refuse consent to the transfer of shares for important reasons. Under these conditions, the transfer may be approved by the judge in extrajudicial proceedings if consent is refused.

6) The obligation to make individual payments of this kind shall become statute-barred after the expiry of three years from the date on which they became due.

Art. 319

b) Remuneration

1) For recurring non-monetary benefits to which the shareholders are obliged in addition to the capital contributions, a remuneration not exceeding the value of the benefit, which constitutes a creditor's claim, may be paid without regard to whether the annual balance sheet shows a net profit.

2) For recurring cash benefits, only dividends may be paid.

3) The claim for remuneration or return of individual services shall become statute-barred after the expiry of three years from their due date.

3. Consequences of delay

Art. 320

a) According to law and statutes

1) A shareholder who fails to pay the amount of his share in due time shall be liable by law to pay default interest.

2) Furthermore, in all cases, the management has the right to declare the defaulting shareholder to have lost his rights arising from the subscription of shares and the partial payments made and to issue new shares in lieu of the defaulted shares.

3) The Articles of Association may also oblige a shareholder to pay a penalty in the event of default.

4) In addition, the provisions on ancillary performance shares remain reserved, for which, in the absence of any other provision in the Articles of Association, the declaration of loss may also be made due to default of the ancillary performance.

Art. 321

b) Performance request

1) A shareholder can only be hit by a penalty and be declared to have lost his rights arising from the share and the subscription.

if the request for payment has been published at least twice in the newspapers designated for this purpose, the last time at least two weeks before the deadline for payment, or if it has been communicated to him by registered letter within the same period.

2) If the shares are registered, the public invitation shall in all cases be replaced by a special one-time notification by registered letter to the individual shareholders entered in the share register at least four weeks before the closing date for payments.

3) The defaulting shareholder shall be liable to the Company, insofar as he is personally liable, for the amount not covered by the issue of the new share.

VI. Legal Relationship of Shareholders Art. 322

1. In general

1) If share certificates or interim certificates (promissory bills) are issued, they shall be subject to the provisions on securities, unless special orders are established in the preceding provisions on share certificates or in the following provisions.

2) Until such securities are issued, the legal relationship between the subscriber and his successors, if any, and the Company shall be governed by the general provisions of the Articles of Association.

The Company is subject to the provisions of the Swiss Code of Obligations, in particular the provisions on the assignment of receivables and the assumption of debt.

3) The extent to which a transfer of the legal relationship can take place by means of transfer of depositary receipts for deposited registered shares, blocked shares and interim certificates must be assessed on a case-by-case basis.

4) Prior to the stock exchange listing and after the expiry of one year since the termination of the stock exchange listing of a company, the provisions on registered shares shall apply mutatis mutandis to bearer shares.

2. For bearer shares

Art. 323

a) Issuance of bearer securities

1) Bearer shares may only be issued after payment of an amount specified in the original Articles of Association, which must be at least half of the par value.

2) In the absence of such indication in the Articles of Association, the issuance of shares to the holder is only permissible after payment of the full par value.

3) Previously issued bearer securities shall be null and void, and subscribers and shareholders shall remain subject to the provisions governing shareholders in general until said payment is made.

4) Bearer shares are transferable to the bearer as securities.

Art. 324

b) Liability of the subscriber

1) Even if the subscriber has transferred his right to another person and the latter has assumed the obligation to pay up, with or without the approval of the management, the subscriber shall remain liable for the payment up to the amount provided for by law or the Articles of Association with all his assets and may be held liable by the company, even if the share has been transferred to a third party, as soon as the latter fails to meet his obligation to pay up despite being duly requested to do so by the management and the share is consequently declared to have lapsed.

2) If no provision is made for the subscriber to be discharged from further payments in excess of the amount specified in the Articles of Association or by law, or if insolvency proceedings are instituted against the company's assets within one year of its entry in the Commercial Register, the subscriber may be required to make further payments even if he no longer holds the share.

Art. 325

c) Liability of the owner

1) After the bearer share has been issued, the respective holder who is not a subscriber is not personally liable for further payments in the absence of any other agreement, but only to the extent that, in the event of non-payment, he or she is liable for the amount of the payment.

of a payment due may be declared to have lost his right under the share in accordance with the provisions on the consequences of default in the event of late payment.

2) However, this limitation of liability shall not be effective if insolvency proceedings have been instituted against the assets of the Company within one year of its entry in the Commercial Register and the holder has failed to make the payment and has therefore been declared to have lost his right to the share.

3) If interim certificates, which can only be issued in registered form, are issued for bearer shares, they are subject to the provisions governing registered shares.

Art. 326

d) Recourse of the drawer

1) The subscriber who is required by the Company to make payments on a sold share has recourse by law against the current shareholder or subsequent holder of the share.

2) However, in the absence of any other agreement, the latter is liable to the subscriber only with the share itself.

Art. 326a

e) Deposit

1) Bearer shares shall be deposited with the depositary (Art. 326b).

2) Par. 1 does not apply to:

1. Bearer shares of listed companies;

2. Bearer shares of undertakings for collective investment in transferable securities and management companies under the UCITSG and of alternative investment funds and alternative investment fund managers under the AIFMG.

3) Paragraph 1 shall also apply to talons or coupons not linked to the bearer share.

Art. 326b

f) Appointment of a custodian

1) The Company shall appoint a depositary. If the Board of Directors is not quorate, the Regional Court shall appoint a custodian in the extrajudicial proceedings.

2) Subject to paragraph 3, only persons who:

1. are subject to the Due Diligence Act or a regulation and supervision abroad equivalent to Directive (EU) 2015/849; or

2. if they are not subject to any regulation pursuant to item 1, have their registered office or place of residence in Germany

and have an account in Liechtenstein or another EEA member state in the name of the shareholder.

3) In the case of association persons pursuant to Art. 180a para. 3, the custodian need not be subject to the Due Diligence Act or to a regulation and supervision equivalent to Directive (EU) 2015/849 abroad, nor need it have its registered office or place of residence in Liechtenstein; in such cases, an account in the name of the shareholder in Liechtenstein or another EEA member state shall suffice.

4) The depositary shall be entered in the Commercial Register, stating its function.

Art. 326c

g) Registration

1) The Depositary shall keep a register in which entries shall be made for each bearer share:

1. the surname and first name, date of birth, citizenship and residence or the company name and registered office of the shareholder;

2. the date of deposit;

3. in the cases pursuant to Art. 326b para. 2 item 2 and para. 3, an account in the name of the shareholder in Liechtenstein or another EEA member state.

2) In relation to the Company, a shareholder is considered to be anyone who is entered in the register.

3) All payments by the Company to the shareholder must be made to the registered account in the cases pursuant to Art. 326b para. 2 item 2 and para. 3.

4) The register may also be kept electronically, provided that it can be made readable at any time.

5) The register shall be kept at the registered office of the company. Art. 1059 shall apply mutatis mutandis.

6) Upon written request, the depositary shall immediately issue to the shareholder a confirmation of the number, par value and class of the deposited bearer shares (deposit receipt). The depository receipt shall be deemed to be a documentary evidence.

Art. 326d

h) Inspection of the register

1) The shareholder is entitled to inspect the data kept about him in the register.

2) Domestic authorities and courts may inspect the register and make copies within the scope of their jurisdiction.

Art. 326e

i) Issuance

The Depositary may only issue bearer shares:

1. to his successor as custodian upon termination of his function;

2. upon conversion of the bearer shares into registered shares in accordance with the Articles of Association;

3. upon redemption, withdrawal or amortization of bearer shares to the Company.

Art. 326f

k) Assertion of shareholder rights

Shareholders' rights arising from the bearer share can only be asserted if the share is deposited with the depositary and all information about the bearer shareholder is registered.

Art. 326g

l) Representation

1) If the shareholder does not exercise his voting rights at the General Meeting himself, the depositary may exercise the voting rights for the bearer shares deposited with him. For this purpose, he shall request instructions for voting from the bearer shareholder prior to each General Meeting.

2) If instructions are not available in time, the custodian shall exercise the voting right in accordance with a general instruction of the bearer shareholder; in the absence of such an instruction, the custodian shall follow the proposals of the Board of Directors.

3) The depositary shall prove its authorization to exercise the voting rights by means of a written statement; such statement shall contain:

1. the reference to its function as a custodian;

2. the number, par value and category of bearer shares represented;

3. an indication of whether the representation is based on a specific, general or no instruction.

4) If a public document is to be drawn up concerning the resolution of the shareholders, the declaration pursuant to para. 3 shall be attached to the document.

Art. 326h

m) Transfer of bearer shares

1) If a shareholder intends to transfer bearer shares, he must notify the depositary accordingly.

2) The notification pursuant to paragraph 1 shall contain the surname and first name, date of birth, citizenship and place of residence or the company name and registered office of the acquirer of the bearer share.

3) The transfer of bearer shares shall become effective upon entry of the acquirer in the register pursuant to Art. 326c.

Art. 326i

n) Supervision

1) Compliance with the duties as a custodian is checked as part of the annual audit or review obligation and confirmed by the person who carried out the audit or review.

2) If deficiencies are found, the person who conducted the examination or review shall immediately send a report to the Office of Justice. The latter shall request the custodian to remedy the deficiencies within a specified period of time. If the deficiency is not remedied, the Office of Justice shall file a complaint with the district court.

3) The Office of Judicial Affairs shall also immediately file a report with the district court if it becomes aware of any of the following circumstances:

1. Issuance of an incorrect confirmation of the deposit of bearer shares pursuant to Art. 326c;

2. unlawful surrender of bearer shares (Art. 326e); or

3. issuance of an incorrect confirmation pursuant to Art. 326i par. 1 or failure to submit a report pursuant to Art. 326i par. 2.

3. For registered shares

Art. 327

a) Transmission

1) Unless the Articles of Incorporation provide otherwise, the registered shares are freely transferable, also by blank endorsement, and are deemed to be order papers in case of doubt.

2) To transfer the registered shares, it is sufficient to hand over the endorsed share certificate to the purchaser.

3) The exclusion of the transferability of a share shall not apply in the event of inheritance, foreclosure or the opening of insolvency proceedings; the acquirer shall, however, be obliged and entitled to transfer the share to the Company against payment of the value of the last annual balance sheet.

4) Furthermore, registered shares or interim certificates which are not fully paid up and which are only transferable with the consent of the Company may only be validly transferred during the insolvency proceedings with the consent of the insolvency administrator.

Art. 328

b) Entry in the share register

1) The Company shall keep a register (share ledger) of the owners of the registered shares, in which the following data shall be entered:

1. Surname and first name, date of birth, citizenship and residence or company and

Registered office of the shareholders; and

2. Number and category of shares.

2) In relation to the Company, a shareholder is deemed to be anyone who is entered in the share register as soon as such a register has been created.

3) The registration is made on the basis of a certificate of transfer of the share, in the case of inheritance on notification of the heir or the probate authority and in the case of dissolution of a company or legal entity on notification of the legal successor.

4) The Company shall note the registration on the share certificate.

5) Retrieved

6) Retrieved

Art. 329

c) Refusal of registration

1) The Company may refuse entry in the share register for the reasons stated in the Articles of Association.

2) If the Articles of Incorporation do not contain any provision to this effect, entry in the share register may only be refused for important reasons.

3) In the case of shares that are not fully paid up, a declaration of commitment by the purchaser to make the remaining payments should be submitted before registration, and the administration should check the purchaser's ability to pay and, if necessary, demand security and, if this is not provided, refuse registration.

4) In the event of acquisition by inheritance or by virtue of marital property law, entry in the share register may only be refused if the stock corporation or the shareholders declare their willingness to take over the shares at the current market price.

Art. 329a

d) Maintenance and safekeeping of the share register

1) The share register may also be kept electronically, provided that it can be made legible at any time.

2) The share register shall be kept at the registered office of the company. Art. 1059 shall apply mutatis mutandis.

Art. 329b

e) Inspection of the share register

1) The shareholder is entitled to inspect the data kept about him in the share register.

2) Domestic authorities and courts may, within the scope of their jurisdiction, inspect

take into the share register and prepare transcripts.

Art. 330

f) Liability of registered shareholders

1) The purchaser of a registered share that has not been fully paid up is obliged to pay up to the company as soon as he is entered in the share register.

2) The seller, who is not a subscriber, is thus released from the obligation to pay up, but the subscriber remains liable despite the transfer to the new purchaser if insolvency proceedings are opened against the assets of the Company within one year of its entry in the Commercial Register, and may be claimed by the Company as soon as the legal successor fails to meet its payment obligation despite due demand and its share is consequently declared due by the administration.

Art. 331

VII. Indication of non-payment of the shares

1) As long as shares, whether bearer or registered, are not fully paid up, the amount actually paid up must be clearly indicated on each share.

2) Furthermore, in all public announcements of the Company (advertisements, circulars, reports, letterheads, etc.), where reference is made to the share capital, the Company's share certificate shall be included.

The amount of the capital that has actually been paid in must be clearly indicated in the balance sheet.

3) The amount of further contributions to the share capital shall be notified by the management to the Commercial Register and shall be published in accordance with the provisions of the Articles of Association.

VIII. Personal membership rights

1. Participation in the General Meeting

Art. 332

a) In general

1) The rights to which the shareholders are entitled in the affairs of the Company, in particular in relation to the management of the business, the audit of the balance sheet, the calculation of profits and the distribution of profits, shall be exercised by the General Meeting of Shareholders, unless the law provides for an exception.

2) Every shareholder with voting rights is free to represent his shares at the General Meeting himself or, unless the Articles of Association provide otherwise, to have them represented by a third party who need not be a shareholder. The representative has the same rights to speak and ask questions at the General Meeting as the shareholder whom he represents.

2a) The shareholders' rights of representation at the General Meeting of Shareholders pursuant to para. 2 may not be restricted in the case of stock corporations listed in the EEA.

3) If the shares are registered shares, the representative must have a written power of attorney, unless the Articles of Association provide otherwise.

4) All shares owned by a shareholder may only be represented by one person, subject, however, to the provisions governing trusteeship.

5) In the case of public limited companies listed in the EEA, a person acting as proxy may act as proxy for more than one shareholder.

6) In the case of stock corporations listed in the EEA, the granting of proxy pursuant to para. 3 may be made either in writing or electronically.

way. The same applies to the revocation of the proxy as well as the proof of the proxy vis-à-vis the Company; the Company shall at least offer an electronic way for the transmission of the proof.

Art. 332a

b) Special forms of participation and voting

1) The articles of association in the EEA of listed stock corporations may provide that the general meeting of shareholders may be recorded in audio and video and thus made accessible to shareholders who are not present (transmission of the general meeting).

2) The articles of association in the EEA of listed stock corporations may provide that shareholders may participate in the general meeting of shareholders without being present at its place and without a representative and may exercise all or some of their rights by means of electronic communication. The articles of incorporation may authorize the management to make provisions regarding the procedure.

3) If stock corporations listed in the EEA use electronic means pursuant to paras. 1 and 2 to enable their shareholders to participate in the General Meeting, their use may only be subject to such restrictions as are necessary and appropriate to establish the identity of the shareholders and to ensure the security of the electronic communication.

4) The Articles of Association of listed companies in the EEA may provide that shareholders may cast their votes in writing without attending the General Meeting (postal vote). The articles of incorporation may authorize the management to make provisions regarding the procedure. However, the articles of association may only provide for such requirements for the postal vote as are necessary and appropriate to establish the identity of the shareholders.

Art. 333

c) Unauthorized participation

1) The borrowing or lending of shares for the purpose of exercising voting rights at the General Meeting of Shareholders is not permitted, nor is any other exercise of voting rights by persons other than the owner if it leads to the circumvention of a restriction on voting rights.

2) Any shareholder is entitled to object to the participation of a non-voting shareholder in the General Meeting of Shareholders with the management, unless the law or the Articles of Association provide for exceptions.

2. Voting rights at the General Meeting Art.

334

a) In general

1) Voting rights begin by law as soon as at least 25% of the share capital has been paid up.

2) The Articles of Incorporation may provide that, after the expiry of six months from the date of incorporation or from the date of issue of new shares, only those shareholders who can prove that they have held shares for at least six months shall be entitled to vote.

3) The shareholders exercise their voting rights at the General Meeting in proportion to the number of shares they own, and all shares are granted the same voting rights in proportion to their nominal value or quota, unless otherwise stipulated in the Articles of Association.

4) Each shareholder has at least one vote, even if he owns only one share.

5) In the case of stock corporations listed in the EEA, a person representing one or more shareholders pursuant to Art. 332 para. 5 may vote differently for each of the shares he represents.

Art. 335

b) Voting shares and bonds with voting rights

1) However, the company reserves the right to limit the number of votes of the owners of several shares by its articles of association or to determine in the articles of association that shares entitle to several votes (plural shares) or are endowed with different voting rights.

2) In the latter case, a majority decision is only reached if each shareholder group agrees to a motion by a majority of its members.

3) Preference may be given by the Articles of Association to preference shares or a class of such shares so that their voting rights increase in proportion to the other votes with each capital increase or introduction of new shares.

The number of voting shares is also increased in accordance with a certain ratio if other voting shares are issued or the voting rights of such shares are increased (floating voting rights).

4) With the approval of the Office of Justice, creditors of bonds or similar debt instruments to which conversion or option rights are attached may also be granted the same or different voting rights, subject to more detailed provisions in the Articles of Association.

3. Shareholders' control rights

Art. 336

a) Right to disclosure of the annual report

1) At least twenty days before the ordinary General Meeting, the annual report and the auditors' report shall be made available for inspection by the shareholders at the company's registered office and shall be made easily accessible. The same applies to the consolidated annual report and the consolidated audit report.

2) If bearer shares have been issued, the announcement of this requirement must be published in the public gazettes designated for such announcements.

3) This notification shall be made to the registered shareholders listed in the share register by special notice instead of by means of public announcement.

4) Retrieved

Art. 337

b) Right to control the management

1) The shareholders are entitled to draw the attention of the auditors to doubtful approaches and to request the necessary information from the auditors and the management.

2) They shall be permitted to inspect the books and correspondence with the authorization of the General Meeting or with the permission of the Administration or by order of the court in non-contentious proceedings after hearing the Administration, but with due regard for business secrecy.

3) The shareholders' rights of control may not be revoked or limited either by the Articles of Association or by resolutions of the General Meeting of Shareholders, subject, however, to the provisions governing trust certificates.

E. Organization

I. General Assembly

Art. 338

1. Powers

1) The supreme body of the joint stock company is the General Meeting of Shareholders, which expresses the will of the company to shareholders and governing bodies.

2) Their powers include:

1. the election of the management and the appointment of the auditors;

2. the approval of the annual report and the consolidated annual report as well as the determination of the dividend;

3. the discharge of the administration;

4. the passing of resolutions on the adoption and amendment of the Articles of Association and, unless the Articles of Association provide otherwise, the establishment of branches;

5. the passing of resolutions on matters which are reserved for the General Meeting by law or by the Articles of Association or which are submitted to it by other bodies.

3) The Articles of Incorporation may, however, assign the legal and statutory duties of the General Meeting in whole or in part to another body.

Art. 339

2. Convocation

1) An ordinary meeting shall be held annually within six months after the close of the fiscal period; extraordinary meetings shall be called as needed.

2) The General Meeting of Shareholders shall be convened in the manner determined by the Articles of Incorporation, and the purpose of the General

The members of the Supervisory Board are obliged to announce the agenda of the Annual General Meeting at any time when convening the meeting, clearly and completely stating the items to be discussed (agenda).

3) Legal or statutory exceptions remain reserved.

3. Convening in the case of stock corporations listed in the EEA

Art. 339a

a) Time and form

1) The convocation of the General Meeting shall be announced at least 30 days prior to the General Meeting through media which can be assumed to forward the information to the public throughout the European Economic Area.

2) If the shareholders of the Company are known by name, the General Meeting may be convened by registered letter to the last known address of each shareholder, unless the Articles of Association provide otherwise. With the express consent of a shareholder, notice of the convening of the General Meeting may also be given to that shareholder by electronic mail.

3) The convocation of the General Meeting of Shareholders may, if it is not the ordinary General Meeting of Shareholders, be made in a form referred to in paras. 1 and 2 no later than 21 days prior to the General Meeting of Shareholders, provided that the Company provides all shareholders with the following information

equally open up the possibility of voting by electronic means and the ordinary General Meeting so resolves. The resolution requires a majority of two-thirds of the votes represented at the General Meeting or of the subscribed share capital represented and is only valid for the period until the next ordinary General Meeting.

4) The costs of convening and announcing the meeting in accordance with paras. 1 and 2 shall be borne by the Company.

Art. 339b
b) Content

In addition to the information required by Art. 339 par. 2, the convocation shall contain:

1. the exact indication of the place and time of the General Meeting;

2. the description of the procedures for attending the General Meeting and for exercising voting rights and, if applicable, the record date pursuant to Art. 339c para. 1 and the indication that only those persons are entitled to attend the General Meeting and exercise their voting rights who are shareholders of the Company on that record date;

3. the procedure for voting:

a) by proxy, indicating the forms to be used for granting a proxy and the manner in which proof of the appointment of a proxy may be transmitted electronically to the Company; and

b) by postal vote or by electronic communication, insofar as the Articles of Association provide for a corresponding form of exercising voting rights;

4. the rights of shareholders pursuant to Art. 339d and the deadlines by which these rights may be exercised, whereby the information may be limited to the deadlines for exercising the rights if a reference to further explanations is included on the company's website;

5. the total number of shares and voting rights at the time of convening;

6. the company's website through which the information pursuant to Art. 339e par. 1 is accessible;

7. Information on where and how the complete and unabridged text of the documents and draft resolutions pursuant to Art. 339e par. 1 items 2, 4 and 5 and par. 2 can be obtained.

Art. 339c
c) Proof of shareholder status

1) In the case of bearer shares, proof of shareholder status for the purpose of attending the General Meeting and exercising shareholder rights must be submitted in writing or by electri-...

The shareholding must be evidenced by electronic means by the end of the twelfth day prior to the date of the Annual General Meeting (record date). The shareholding must be evidenced on the record date by a safe custody receipt which must be submitted to the Company or an office designated by the Company no later than on the sixth working day prior to the General Meeting.

The notice of the General Meeting must be received at the address specified in the notice of the General Meeting.

2) In the case of registered shares, the proof issued in the name of the person entered in the share register as a shareholder on the day of the General Meeting of Shareholders shall be sufficient.

3) The right of shareholders to sell or otherwise transfer their shares in the period between the record date pursuant to para. 1 and the date of the General Meeting shall not be subject to any restriction to which it is not subject at other times.

4) The right to participate in the General Meeting and exercise voting rights may not be made dependent on the deposit of shares or any other restriction on disposal.

Art. 339d

d) Special rights of shareholders

1) Shareholders who together represent at least 5% of the share capital have the right:

1. to place items on the agenda of the Ordinary General Meeting, provided that each item is accompanied by a justification or a proposal for a resolution to be adopted at the General Meeting;

2. To introduce draft resolutions on items already on the agenda of the General Assembly or to be added to it.

2) Requests pursuant to para. 1 item 1 must be received by the Company no later than 21 days prior to the date of the General Meeting. Requests pursuant to para. 1 item 2 may still be made during the General Meeting.

3) An agenda amended on the basis of para. 1 item 1 shall be published in the same way as the original agenda. The announcement shall be made before the record date specified in Art. 339c.

4) Every shareholder has the right to ask questions on items on the agenda at the General Meeting. The management shall answer the questions put to it, provided that the orderly conduct of the General Meeting and the protection of confidentiality and business interests are ensured.

Art. 339e

e) Publication on the Company's website

1) Public limited companies listed in the EEA have to inform their shareholders during an uninterrupted period, which shall begin no later than 21 days prior to the General Meeting of Shareholders, of the following

The Company shall make at least the following information available to the Company via its website:

1. the content of the convocation;

2. the documents to be made available to the General Meeting;

3. the total number of shares and voting rights at the time the meeting is convened, if necessary broken down by class of shares;

4. proposed resolutions submitted by shareholders;

5. an explanation if no resolution is to be passed on an item on the agenda;

6. if applicable, the forms to be used for granting a proxy for the General Meeting and for a postal vote, unless the forms are sent to all shareholders with the notice of the meeting.

2) Proposals and motions of shareholders received by the Company after the convening of the General Meeting shall be made available in the same manner immediately after their receipt by the Company.

3) If the forms referred to in para. 1 item 6 cannot be made available on the Internet for technical reasons, the Company shall indicate on its website how the forms can be obtained in paper form. In this case, the Company shall send the forms free of charge to all shareholders who request them.

Art. 340

4. Resolution

1) A resolution of the General Meeting of Shareholders on the dissolution of the Company shall be valid, if the share capital has been reduced by half and the Articles of Association so provide, as soon as the affirmative majority of the shareholders who have approved the dissolution represent one quarter of the share capital.

2) This is without prejudice to other cases for which the law or the Articles of Association require a special majority or unanimity of the votes represented at the General Meeting.

Art. 340a

5. Determination and Publication of Voting Results for Stock Corporations Listed in the EEA

1) Companies must determine for each resolution at least:

1. the number of shares for which valid votes were cast;

2. the proportion of the share capital represented by the valid votes;

3. the total number of valid votes cast;

4. the number of votes cast for and against a resolution and, if applicable, the number of abstentions.

2) However, if no shareholder requires a comprehensive presentation of the voting result pursuant to subsection 1, it is sufficient to state for each resolution that the majority required for the resolution was achieved.

3) Companies must publish the voting results determined in accordance with paras. 1 or 2 on their website within seven days of the General Meeting.

II. Management

Art. 341

1. Order

1) The members of the Board of Directors shall be elected by the General Assembly, initially for a maximum term of three years and subsequently for a maximum term of six years.

2) For the first three years, the members of the administration can be designated by the statutes.

3) The Articles of Incorporation may establish provisions regarding the method of election in order to protect the minorities of the shareholders and provide for election by the shareholders by ballot box or by delegates instead of election by the General Meeting of Shareholders.

4) If persons who, under the Articles of Association, are required to deposit shares in order to perform their duties are elected, and if, under the Articles of Association, only shareholders may be members, they may not take up office until they have become shareholders by acquiring shares.

5) The provisions on tied management are reserved.

2. Deposit of shares Art.

342

a) Making the deposit

1) The members of the Board of Directors shall, if the Articles of Association so require, deposit for the duration of their duties the number of shares of the Company determined by the Articles of Association.

2) With the consent of the administration, this deposit may also be made by a third party.

3) The articles of association may stipulate that the deposited shares shall in any case be issued or transferred in the name of the individual members.

Art. 343

b) Effect of the same

1) The deposited shares are inalienable for the duration of the deposit.

2) They serve the Company, the shareholders and the creditors as a pledge to secure their claims arising from the responsibility of the members of the management.

3) They may not be withdrawn until the discharge has been pronounced.

3. Board of Directors

Art. 344

a) Order and order in general

1) If the management is entrusted to several persons or companies, these form the Board of Directors, whose powers may be defined in more detail in the Articles of Association or in a special regulation.

2) Stock corporations with a share capital of at least one million Swiss francs must have a board of at least three members.

The taxpayer must be a resident of a foreign country, unless the company is merely domiciled in the country with or without business premises or manages assets, but does not conduct any other business in the country.

Art. 345

b) Order of negotiations

1) The Board of Directors shall appoint a Chairman and the other members of its bureau to the extent provided for by the Articles of Incorporation or any regulations authorized thereby or deemed necessary by it.

2) Minutes shall be kept of its resolutions and shall be signed by the chairman.

Art. 346

c) Substitution

1) The Articles of Association may provide that absent members of the Board of Directors may be represented at a meeting by another member or by substitutes entered in the Commercial Register.

2) The relevant proxies must be issued for a specific meeting and must be attached to the minutes.

3) No member may represent more than two other members.

Art. 347

d) Committees of the Board of Directors

The Board of Directors may appoint one or more committees from among its members to specifically supervise the course of business, prepare the business to be submitted to the Board of Directors, report to the Board of Directors on all important matters, in particular also on

the preparation of the annual report and the consolidated annual report, and to supervise the implementation of the resolutions of the Board of Directors.

Art. 347a

d) Audit committee for public interest entities

1) Every public interest entity is required to appoint an audit committee. The audit committee is either an independent committee or a committee of the administrative or supervisory body of the audited entity. The audit committee shall be composed of non-executive members of the administrative body, members of the supervisory body of the audited entity or members appointed by the shareholders or general meeting of the audited entity or, in the case of entities without shareholders or partners, by an equivalent body. At least one member of the audit committee must have expertise in accounting or auditing. Each member of the committee must be familiar with the industry in which the audited company operates. The majority of the members of the audit committee must be independent of the audited company. The chairman of the audit committee shall be appointed by the committee members or the administrative or supervisory body of the audited entity and shall be independent of the audited entity.

2) Notwithstanding paragraph 1, the tasks assigned to the audit committee may be performed by the administrative or supervisory body as a whole if:

a) the public interest entity meets the criteria set forth in Art. 1064 par. 1 to 2; and

b) the chairman of the administrative or supervisory body, if he is an executive member, does not act as chairman as long as this body performs the duties of the audit committee.

3) The following public interest entities are not required to establish an audit committee:

a) Public interest entities which are directly or indirectly subsidiaries within the meaning of Art. 1097 par. 1, which meet the requirements of par. 1 and 4 as well as Art. 16 par. 5 of Regulation (EU) No. 537/2014 at the group level and which are required to submit the additional report to the audit committee at the group level pursuant to Art. 11 of Regulation (EU) No. 537/2014, as well as where the proposal for the appointment of the auditor or audit firm is submitted at the group level;

b) Public interest entities that are undertakings for collective investment in transferable securities under the Law on Certain Undertakings for Collective Investment in

securities or alternative investment funds under the Act on Managers of Alternative Investment Funds or investment undertakings under the Investment Undertakings Act;

c) Public interest entities whose activity consists exclusively in acting as issuer of securities backed by debt claims within the meaning of Art. 2 No. 5 of Regulation (EU) No. 809/2004;

d) Banks and investment firms within the meaning of Art. 3 of the Banking Act whose shares are not admitted to trading on a regulated market within the meaning of Art. 4 par. 1 fig. 21 of Directive 2014/ 65/EU in any EEA member state and which have continuously or repeatedly issued exclusively debt securities admitted to trading on a regulated market, provided that the total nominal value of all such debt securities is less than 122,000,000 Swiss francs and they have not published a prospectus pursuant to Art. 4 of the Securities Prospectus Act.

4) The public interest entities referred to in paragraph 3(c) shall publicly state the reasons why they do not consider it appropriate to establish an audit committee or to entrust their administrative or supervisory body with the tasks of an audit committee.

5) If all members of the audit committee are members of the administrative or supervisory body of the audited entity, the independence requirements under paragraph 1 shall not apply to the audit committee.

6) Without prejudice to the responsibility of the members of the board of directors or supervisory board or other members appointed by the shareholders' or general meeting of the audited entity, the task of the audit committee shall be, inter alia:

a) inform the administrative or supervisory body of the audited entity about the result of the audit and explain how the audit contributed to the integrity of the financial statements and what role he played in this process;

b) monitor the accounting process and make recommendations or suggestions to ensure its integrity;

c) The effectiveness of the internal control system and the risk management system as well as, if applicable, the internal audit of the Company.

ments affecting the audited entity's financial statements without infringing its independence;

d) monitor the audit, in particular its performance, taking into account the FMA's findings and conclusions from quality assurance reviews;

e) the independence of the auditors or audit firms

in accordance with Articles 31 to 36, 41 (2) to (14), Articles 42 and 45 of the Auditors Act and, in particular, to review and observe the adequacy of the non-audit services provided to the audited entity in accordance with Article 46 of the Auditors Act;

f) to carry out the procedure for the selection of auditors or audit firms and recommend that they be appointed in accordance with Article 16 of Regulation (EU) No. 537/2014.

Art. 348

e) Transfer of management and representation to special bodies

1) The articles of incorporation may provide that the management and the representation may be delegated by the shareholders' meeting or the board of directors to one or more persons, members of the board of directors (delegates) or third parties who need not be members of the company, who shall then also be subject to the rules on liability.

2) If they are entrusted with the overall management of the company, they form the management.

3) The persons (companies) entrusted with the management and representation of the company in this manner are the organs of the company.

Art. 349

f) Duties of the Board of Directors

1) The Board of Directors is required to:

1. prepare the business of the General Meeting and execute its resolutions;

2. to establish the regulations necessary for orderly business operations and to issue the necessary instructions to the management for this purpose;

3. to supervise the persons entrusted with the management and representation of the company with regard to their proper performance in accordance with the provisions of the law, the Articles of Association and the regulations; and

4. to keep itself regularly informed about the course of business and the management for this purpose.

2) He is responsible for ensuring that the minutes of the General Meeting of Shareholders and of the Board of Directors, as well as the necessary books of account, are properly kept and that the annual report and the consolidated annual report are prepared, audited and, where required, published in accordance with the provisions of the law.

Art. 350

III. Auditors

1) The supreme body shall in all cases elect an auditor.

2) An auditor or an auditing company within the meaning of the Auditors Act must be appointed as auditor of medium-sized and large companies within the meaning of Art. 1064. The same applies to small companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4 (1) No. 21 of Directive 2014/65/EU in an EEA member state. The audit of the consolidated annual report is reserved for auditors and auditing companies within the meaning of the German Auditors Act.

3) Retrieved

4) Retrieved

5) Retrieved

6) Retrieved

F. Merge
r Art.
351

I. The essence and nature of the merger

1) Joint stock companies may be merged by dissolution without liquidation. The merger may take place:

1. by transferring the assets of one or more companies (transferring companies) as a whole to another company (acquiring company) in return for the granting of shares in this company to the shareholders of the transferring company or companies and, if applicable, an additional cash payment not exceeding 10% of the nominal amount or the notional value (in the case of quota shares) of the shares granted (merger by acquisition);

2. by the formation of a new joint-stock company to which the assets of each of the merging companies are transferred in their entirety in exchange for shares in the new company and, if applicable, an additional cash payment equal to 10% of the nominal amount or the accounting par value of the shares.

(in the case of quota shares) of the shares granted does not exceed (merger by association).

2) The merger is also permitted if the transferring or merging companies are in liquidation and the distribution of their assets to the shareholders has not yet commenced.

II. Merger by acquisition Art.
351a

1. Preparation of the merger

1) The Boards of Directors of the companies involved in the merger shall draw up a merger plan.

2) The plan must contain at least the following information:

1. the legal form, name and registered office of the companies involved in the merger;

2. the agreement on the transfer of the assets of each transferring company as a whole to the acquiring company in exchange for the granting of shares in the acquiring company to the shareholders of the transferring company;

3. the share exchange ratio and, if applicable, the amount of the additional cash payment;

4. the details for the transfer of the shares in the acquiring company;

5. the date from which these shares confer the right to a share in the unappropriated profit and any special features relating to this entitlement;

6. the date from which the acts of the transferring companies shall be deemed to have been performed for the account of the acquiring company;

7. the rights granted by the acquiring company to individual shareholders with special rights and to the holders of other securities, as well as the measures provided for such persons;

8. any special benefit granted to a member of an administrative, management or control body of the companies involved in the merger or to an expert within the meaning of Art. 351c.

3) The merger plan requires public certification.

Art. 351b

2. Fusion Report

1) The boards of directors of each of the companies involved in the merger shall submit a detailed written report explaining and substantiating the merger plan and, in particular, the share exchange ratio in legal and economic terms. Any particular difficulties in the valuation shall be pointed out.

2) The boards of directors of the companies involved in the merger shall inform the shareholders of their company, prior to the adoption of the resolution on the merger, of any material change in the assets of the company that has occurred between the preparation of the merger plan and the date of the adoption of the resolution by the general meeting. The boards of directors shall also inform the boards of directors of the other company involved about such changes; the boards of directors shall in turn inform the shareholders of the company they represent prior to the shareholders' meeting.

3) If all shareholders of all companies involved in the merger so request, the report pursuant to para. 1 and the information pursuant to para. 2 may be dispensed with.

Art. 351c

3. Examination of the merger

1) The merger plan shall be reviewed by one or more independent experts for each of the companies involved in the merger.

2) The experts shall be appointed for each of the participating companies by its board of directors. The examination by one or more experts for all participating companies shall be sufficient if these experts are appointed by the Office of Justice at the joint request of the boards of directors.

3) Each expert has the right to obtain from the companies involved all information and documents necessary for a careful examination.

4) The experts shall report to the shareholders in writing on the results of the audit. The audit report may also be submitted jointly. It shall be accompanied by a statement on the

conclude whether the proposed share exchange ratio is appropriate. In doing so, it must be stated:

1. the methods used to determine the proposed exchange ratio;

2. for what reasons the use of these methods is appropriate;

3. what exchange ratio would result from the application of different methods, if more than one has been applied; at the same time, it shall be explained what weight has been attached to the different methods in determining the proposed exchange ratio and the values on which it is based and what particular difficulties have arisen in the valuation.

5) If all shareholders and holders of other securities carrying voting rights of all merging companies waive such right, the audit of the joint merger plan by independent experts as well as the preparation of an expert report may be dispensed with.

Art. 351d

4. Preparation of the General Assembly

1) The merger plan shall be submitted by each company to the Commercial Register at least one month prior to the General Meeting which is to decide on the approval and shall be published in accordance with Art. 958 para. 2.

1a) The obligation under para. 1 shall not apply if the merger plan is made available by each company to the public free of charge on its website at least one month before the general meeting of shareholders which is to decide on the approval. At least one month before the general meeting, a reference to this Internet site, which must include the date of publication of the merger plan on the Internet, shall be published on the Internet site of the Office of Justice.

2) At least one month prior to the General Meeting of Shareholders which is to decide on the merger plan, such documents shall be made available for inspection by the shareholders at the registered office of the Company:

1. the merger plan;

2. the annual accounts and the annual reports of the companies involved in the merger for the last three financial years;

3. if the most recent annual financial statements relate to a financial year which ended more than six months prior to the date of completion of the merger plan, a balance sheet, if any, as at a date not earlier than the first day of the third month preceding the date of completion or preparation (interim balance sheet);

4. if applicable, the reports of the boards of directors pursuant to Art. 351b;

5. if applicable, the audit reports pursuant to Art. 351c.

3) The interim balance sheet shall be prepared in accordance with the rules applied to the Company's last annual balance sheet. However, an inventory is not required. The valuations of the last annual balance sheet may be adopted. However, depreciation, value adjustments and provisions as well as significant changes in the real values of assets not apparent from the books up to the date of the interim balance sheet shall be taken into account.

3a) The preparation of an interim financial statement pursuant to para. 2 item 3 may be dispensed with if:

1. the company has published a half-yearly financial report in accordance with Art. 5 of the Disclosure Act since the last annual financial statements and has made this available to shareholders in accordance with para. 2; or

2. all shareholders of all companies involved in the merger have so resolved.

4) Upon request, a copy of the documents referred to in para. 2 shall be provided to each shareholder without undue delay and free of charge or, with the shareholder's consent, transmitted by electronic means, unless the documents referred to in para. 2 are published on the Company's website in accordance with para. 5.

5) A company shall be exempt from the obligation to make the documents referred to in para. 2 available for inspection by shareholders at its registered office if the documents are published on its website during a continuous period beginning at least one month before the general meeting of shareholders which is to decide on the merger plans and ending not before the conclusion of the general meeting.

Art. 351e

5. Resolutions of the General Meetings

1) The merger plan (and any amendments to the Articles of Association required for its implementation) shall only become effective if the General Meeting of each merging company approves it.

2) The resolution requires a majority of at least two-thirds of the share capital represented. If at least half of the share capital is represented, it shall suffice

a simple majority of votes, unless the Articles of Incorporation provide for a higher approval requirement.

3) The consent of the general meeting of the acquiring company is not required if:

1. the announcement of the merger plan by the acquiring company is made at least one month before the general meeting of the transferring companies which is to decide on the merger plan;

2. any shareholder of the acquiring company may inspect the documents pursuant to Art. 351d para. 2 at the registered office of the company at that time.

4) In cases under para. 3, one or more shareholders who together hold at least 5 % of the share capital of the acquiring company, request that a General Meeting be convened to decide on the approval of the merger plan.

5) For the purposes of para. 3 item 2, Art. 351d paras. 3 to 5 shall apply.

Art. 351f

6. Capital increase

If the acquiring company increases the share capital in order to implement the merger, no share subscription shall be required and existing subscription rights and subscription obligations shall not apply to these new shares.

Art. 351g

7. Registration of the merger

1) The dissolution of the transferring company and the takeover of its assets by the other company shall be exempt from any related

administration for entry in the Commercial Register. The administration of the acquiring company is entitled to apply for entry in the Commercial Register of the transferring companies.

2) The original or a certified copy of the merger plan and the merger resolutions shall be attached to the notification.

3) Each transferring company shall attach a balance sheet of this company to the notification (closing balance sheet). The provisions on the annual balance sheet and on the audit of the annual balance sheet apply mutatis mutandis to this balance sheet. The Office of Justice may only register the merger if the balance sheet has been drawn up as of a date no more than eight months before the filing.

Art. 351h

8. Registration of the merger

1) The merger may only be entered in the Commercial Register for the acquiring company after it has been entered for the transferring companies. It shall become effective upon registration for the acquiring company.

2) Upon registration of the merger in the Commercial Register, the transfer of assets including liabilities to the acquiring company shall take place. However, the acquiring company may dispose of the assets, for the transfer of which an entry in public registers such as the land register or the like is required, only after the prescribed transfer has been entered in the public registers.

3) Upon registration of the merger, the transferring companies shall cease to exist. The shareholders of the transferring companies shall become shareholders of the acquiring company; this shall not apply, however, to the extent that the acquiring company or a third party acting in its own name but for the account of such company holds shares in the transferring companies or to the extent that a transferring company holds its own shares or a third party acting in its own name but for the account of such company holds shares in such company.

4) After the merger has been registered, the shares of the acquiring company intended for compensation shall be transferred to the shareholders of the dissolved companies in accordance with the merger plan.

5) For each of the companies involved, the merger must be announced in accordance with Art. 958 para. 2.

Art. 351i

9. Creditor protection

1) The creditors of the companies involved in the merger shall, if they come forward for this purpose within six months of the announcement of the registration of the merger by the company of which they are creditors, be provided with security to the extent that they cannot demand satisfaction. However, the creditors shall have this right only if they prove that the merger jeopardizes the fulfillment of their claim. The creditors shall be informed of this right in the notice of registration.

2) The preceding paragraph shall not apply to bondholders provided that the creditors' meeting or each bondholder individually has approved the merger.

3) The right to security shall not apply to creditors who, in the event of insolvency, are entitled to preferential satisfaction from a cover pool established by law for their protection and supervised by the state.

Art. 351k

10. Protection of holders of special rights

1) The acquiring company shall grant the holders of securities carrying special rights but not shares rights equivalent to those in the transferring companies.

2) Such equivalent rights need not be granted if a meeting of the holders of the securities or each holder individually has approved the modification of such rights or if the holders are entitled to have their securities repurchased by the acquiring corporation.

Art. 351l

11. Responsibility

1) The members of the management of a transferring company are unlimited and jointly and severally liable to the shareholders of this company

responsible for the damage caused by their intentional or negligent conduct in the preparation and implementation of the merger.

2) The experts pursuant to Art. 351c shall be liable without limitation and jointly and severally to the shareholders of the transferring companies for any damage caused by their intentional or negligent conduct in the performance of their duties.

3) Members of the administration as well as experts who have observed their duties of care in the performance of their tasks are exempt from the obligation to pay compensation.

4) The claims under paras. 1 and 2 shall become time-barred in ten years in the case of intentional damage and in two years in the case of negligent damage from the day on which the entry of the merger in the Commercial Register is deemed to have been announced in accordance with Art. 958 item 2.

Art. 351m

12. Invalidity of the merger

1) In the absence of public certification of the merger plan and in the event of nullity or voidability of the merger resolutions, the judge may, upon action of an affected party, declare the merger null and void after hearing the administration of the acquiring company.

2) If the defect can be remedied, the judge shall grant the companies involved a reasonable period of time to do so.

3) The judgment declaring the merger null and void shall be published in accordance with Art. 958 item 2.

4) Legally valid obligations of the acquiring company which arose after the announcement of the merger but before the announcement of the judge's ruling within the meaning of para. 3 shall not be affected by the nullity. The participating companies shall be jointly and severally liable for these obligations.

5) The right of action shall lapse if the action is not filed within six months of the announcement of the merger. In addition, the provisions on actions for annulment shall apply.

13. Admission in special cases Art.

351n

a) Majority of the share capital in the hands of the acquiring company

1) If, at the time of transfer of all assets and liabilities, at least nine tenths of the share capital of a transferring company is in the hands of the acquiring company and/or in the hands of persons who hold these shares in their own name but for the account of the acquiring company, the consent of the general meeting of the acquiring company to the merger (Art. 351e) is not required.

2) However, one or more shareholders who together represent at least 5% of the share capital of the acquiring company have the right to request that a General Meeting be convened to decide on the approval of the merger.

3) The acquiring company shall take the measures provided for in Art. 351d paras. 1 and 2 nos. 1 and 2 and, if applicable, the measures provided for in nos. 3 to 5 at least one month before the general meeting of the transferring company which is to decide on the merger plan. Art. 351d paras. 3 to 5 shall apply.

4) The preparation of the merger report (Art. 351b) and the audit of the merger (Art. 351c) as well as the application of Art. 351d paras. 2 to 4 may be waived if the acquiring company is prepared to take over the shares of the minority shareholders of the transferring company for a consideration corresponding to the value of the shares.

5) If the parties do not agree, the value of these shares shall be determined by the judge in extra-judicial proceedings upon request.

Art. 351o

b) All shares in the hands of the acquiring company

1) If, upon transfer of all assets and liabilities, all shares of a transferring company are in the hands of the acquiring company and/or in the hands of persons who hold these shares in their own name but for the account of the acquiring company, the approval of the General Meetings of Shareholders for the merger pursuant to Art. 351e is not required.

2) However, one or more shareholders who together represent at least 5% of the share capital of the acquiring company shall have the right to request that a General Meeting be convened to decide on the approval of the merger.

3) The acquiring company shall take the measures provided for in Art. 351d paras. 1 and 2 items 1 to 3 at least one month before filing for registration of the merger (Art. 351g). Art. 351d paras. 3 to 5 shall apply.

4) The provisions on the exchange of shares (Art. 351a para. 2 items 3 to 5), the merger report (Art. 351b), the audit of the merger (Art. 351c), as well as Art. 351d para. 2 items 4 and 5, Art. 351h para. 3 sentence 2 and the provisions on the responsibility of the management and the experts (Art. 351l) are not applicable.

Art. 352

III. Merger by association

1) In the case of a merger of stock corporations by the formation of a new stock corporation, the provisions on mergers by acquisition shall apply mutatis mutandis, with the exception of Art. 351e paras. 3 and 4. Each of the merging companies shall be deemed to be the transferring company and the new company shall be deemed to be the acquiring company.

2) The merger plan and, if applicable, the deed of incorporation and the articles of association of the new company shall require the approval of the general meeting of each of the transferring companies.

3) The provisions on the formation of a stock corporation shall apply mutatis mutandis to the formation of the new company. The expert report for the contributions in kind may be waived.

4) In addition, the following provisions apply:

1. The companies shall establish the Articles of Association of the new company in a public deed, confirm the acquisition of all shares and their payment through the contribution of the assets of the previous companies and appoint the necessary bodies of the new company.

2. The articles of association and the deed of incorporation of the new company require the approval of the general meetings of the merging companies.

3. Based on the merger resolutions, the Boards of Directors of the merging companies shall apply for registration of the new company with the Commercial Register.

4. With the registration of the new company, the transfer of assets, including liabilities, to the new company takes place. However, the acquiring company may dispose of the assets, for the transfer of which an entry in public registers such as the land register or the like is required, only after the prescribed transfer has been entered in the public registers.

5. Upon registration of the new company, the merging companies shall cease to exist. The shareholders of the merging companies shall become shareholders of the acquiring company; this shall not apply, however, to the extent that the acquiring company or a third party acting in its own name but on behalf of that company,

shares in the merging companies or to the extent that a transferring company holds its own shares or a third party acting in its own name but for the account of this company holds shares in this company.

6. After the registration of the new company, the shares of the new company will be transferred against delivery of the old shares in accordance with the merger plan.

7. The Board of Directors of the new company shall notify the dissolution of each of the merging companies and the takeover by the new company for entry in the Commercial Register. The entry may only be made once the new company has been registered.

8. For each of the companies involved, the merger must be announced in accordance with Art. 958 para. 2. The publication may be initiated by the new company for all companies.

IV. Cross-border merger

Art. 352a

1. Principle

1) Stock corporations may merge on a cross-border basis with corporations within the meaning of Directive (EU) 2017/1132 that are incorporated under the laws of another EEA Member State and have their registered office, central administration or principal place of business in the European Economic Area.

2) Articles 352b to 352k do not apply to cross-border mergers involving an undertaking for collective investment in transferable securities (Article 3(1)(1) UCITSG), an investment undertaking (Article 3(1)(a) IUA) or an alternative investment fund (Article 4(1)(1) AIFMG).

Art. 352b

2. Applicable law

Unless otherwise provided below, Art. 351 et seq. shall apply to the cross-border merger. shall apply to the cross-border merger, even if, under the law of another state involved, the additional cash payment is, contrary to Art. 351 para. 1, 10% of the nominal value or, in the absence thereof, of the accounting par value of the shares or other interests in the company.

capital of the company resulting from the cross-border merger may exceed.

Art. 352c

3. Merger plan

1) The merger plan pursuant to Art. 351a shall contain the following additional information:

1. the legal form, the company name, the registered office of the merging company and the company resulting from the merger;

2. the likely impact of the cross-border merger on employment;

3. the Articles of Association of the company resulting from the cross-border merger;

4. where applicable, information on the procedure for determining the details of the involvement of employees in the determination of their participation rights in the company resulting from the cross-border merger;

5. Information on the valuation of assets and liabilities transferred to the company resulting from the cross-border merger;

6. the cut-off date of the annual financial statements of the companies involved in the merger, which will be used to determine the terms of the cross-border merger.

2) The announcement of the merger plan pursuant to Art. 351d para. 1 shall contain the following additional information:

1. Legal form, name and registered office of each of the merging companies;

2. Indication of the register where the documents to be disclosed are deposited for each of the merging companies, as well as the number of the entry in the register;

3. for each of the merging companies, an indication of the arrangements for the exercise of the rights of creditors and, where applicable, minority shareholders of the merging companies, and the address at which full information on those arrangements may be obtained free of charge.

3) The obligation to publish the merger plan pursuant to para. 2 shall not apply if the merger plan of each company contains at least one

The merger plan shall be made available to the public free of charge on its website at least one month before the general meeting which is to decide on the approval. At least one month before the general meeting, a reference to this website, which must contain the date of publication of the merger plan on the Internet, shall be published on the website of the Office of Justice.

Art. 352d

4. Fusion Report

1) In the case of a cross-border merger, the board of directors shall explain and justify the legal and economic aspects of the merger, in particular the effects on shareholders, creditors and employees, in a report to the general meeting.

2) The report pursuant to para. 1 shall be submitted to the shareholders and the employees' representatives or, in the absence of such representatives, directly to the employees no later than one month

to be made available before the General Meeting of Shareholders. Any comments by employee representatives shall be appended to the report.

Art. 352e

5. Preliminary certificate

The Office of Justice immediately issues a preliminary certificate to a domestic joint stock company participating in a cross-border merger after the legality check has been carried out, stating that the legal acts and formalities preceding the merger have been duly completed.

Art. 352f

6. Legality control

1) The Office of Justice shall control the legality of the cross-border merger with regard to its implementation and the establishment of a new stock company resulting from the cross-border merger and subject to domestic law. In particular, the Office of Justice shall ensure that:

a) the companies involved in the merger have agreed to a common, identical merger plan; and

b) if applicable, that an agreement on employee co-determination within the meaning of the Act on Employee Involvement in Cross-Border Mergers of Corporations has been concluded.

2) For this purpose, all companies involved in the merger shall, within six months of issuance, submit their preliminary certificates pursuant to Art. 352e, the merger plan approved by each General Meeting and, if applicable, evidence of the conclusion of an agreement pursuant to para. 1 let. b above.

Art. 352g

7. Approval of the General Assembly

The General Meeting may make the approval of a cross-border merger conditional upon the express confirmation by it of the modalities for employee participation in the company resulting from the cross-border merger.

Art. 352h

8. Registration of the cross-border merger

1) The entry of a cross-border merger in the commercial register may only take place after a legality check has been carried out in accordance with Art. 352f.

2) A cross-border merger which has become effective by entry in the commercial register can no longer be declared null and void.

3) The Office of Justice must immediately notify the foreign registration authorities with which the companies involved had to file their documents of the entry of a cross-border merger in the Commercial Register.

Art. 352i

9. Exchange of shares

Shares in the acquiring company are not exchanged for shares in the transferring company if these shares are held:

1. by the acquiring company itself or by a person acting in his own name but on behalf of the acquiring company; or

2. by the transferor company itself or by a person acting in his own name but for the account of the transferor company.

Art. 352k

10. Majority or all of the share capital in the hands of the acquiring company

1) If, at the time of transfer of all assets and liabilities, at least nine tenths of the share capital of a transferring company is held by the acquiring company and/or by persons who hold these shares in their own name but for the account of the acquiring company, Art. 351n shall apply.

2) If the transferring stock corporation is a domestic company, Art. 351n para. 4 shall apply in the event of an intended waiver of the merger report and of an audit of the merger.

3) If all shares are held by the acquiring company or by persons who hold these shares in their own name but for the account of the acquiring company, Art. 351o shall apply.

Art. 353

V. Takeover by a limited partnership

1) If a joint-stock company is dissolved by means of a takeover by a joint-stock company, the members of the latter with unlimited liability shall become debtors of the debts of the dissolved joint-stock company.

2) In all other respects, the provisions relating to takeovers by stock corporations shall apply mutatis mutandis.

Art. 354

G. Transition to the community

1) If the assets of a joint-stock company, subject to the provision on dissolution without liquidation under the general provisions, are taken over by the Land or by a Liechtenstein municipality under guarantee of the Land, with

The General Meeting of Shareholders may agree that liquidation shall not take place.

2) The resolution of the General Meeting shall be adopted in accordance with the provisions on dissolution and shall be filed with the Commercial Register.

3) Upon registration of this resolution, the transfer of the Company's assets, including its debts, shall be completed and the Company's name shall cease to exist.

4) In the case of transfer of real property or other rights recorded in the land register, it shall be based on the entry in the Commercial Register.

H. Repayment and other reduction of share capital Art. 355

I. Repayment and reduction order, etc.

1) A repayment of the share capital to the shareholders or a reduction of the same may, with the exception of an order by a court decision, only be made on the basis of a provision of the Articles of Association with a resolution of the General Meeting of Shareholders which meets the legal and statutory requirements and which is supported by at least two thirds of the votes represented. The resolution shall be published in the official organs of publication within the meaning of Art. 958 No. 1.

2) The invitation to the General Meeting must at least state the purpose of the reduction and the procedure for its implementation.

3) The General Meeting of Shareholders may only resolve to reduce the capital if it has been established by a special audit report that the claims of the creditors are fully covered despite the reduction of the share capital. The audit report must be prepared by a recognized auditor or expert (Art. 191a para. 2).

who must be present at the General Meeting that adopts the resolution.

4) Creditors whose claims were established before the resolution was published must be provided with security if they come forward for this purpose within two months of the publication, insofar as they cannot demand satisfaction. The creditors shall be informed of this right in the announcement. Creditors shall only be entitled to demand the provision of security if they have credibly demonstrated that the fulfillment of their claims is jeopardized by the capital reduction.

5) Payments to shareholders as a result of the reduction of the share capital may only be made after expiry of the time limit set for the creditors and after the registered creditors have been satisfied or secured, or after a court has determined that their application need not be granted. Also an exemption

of the shareholders from the obligation to make contributions shall not take effect prior to the date specified and not prior to the satisfaction or securing of the creditors who have made themselves known in due time.

5a) The creditors may also apply to the court for adequate security if they can credibly demonstrate that the satisfaction of their claims is jeopardized by the capital reduction and they have not received adequate security from the Company.

Art. 355a

II. Simplified capital reduction in the event of losses

1) The invitation to creditors and their satisfaction or security may be omitted if the purpose of the capital reduction is to offset losses or to allocate amounts to a special reserve. The resolution shall state that the reduction is for these purposes. The resolution shall be published in accordance with Art. 958 No. 1.

2) The amount of the reserve may not exceed 10% of the reduced share capital. It may only be used to offset losses or to increase the share capital by converting reserves.

3) The amounts obtained from the simplified capital reduction in the event of losses may not be used to make payments to shareholders and

not be used to release shareholders from the obligation to make contributions.

4) If different classes of shares have been issued and if they are not preferred shares with regard to the liquidation result or if it has not been determined otherwise on the occasion of the issuance, the shares issued earlier shall be affected before those issued later in the capital reduction.

Art. 356

III. Capital repayment subject to redeposit

1) The General Meeting of Shareholders may, in accordance with the original Articles of Incorporation or by way of an amendment to the Articles of Incorporation, resolve by a majority of two-thirds of the votes represented that, without complying with the provisions laid down for repayment to shareholders, a portion of the share capital, but not less than 25% or 50

%, if bearer shares have been issued, may be reduced on each share, is repaid to the shareholders with the express reservation of later repayment at the request of a body designated in the resolution. The resolution shall be published in accordance with Art. 958 para. 2.

2) The repayment of capital can only be made with funds that can be distributed in accordance with Art. 312.

3) The affected shareholders retain their rights vis-à-vis the Company, with the exception of the right to participate in the distribution of an initial dividend for shares not affected by the capital repayment.

Art. 357

IV. Consolidation and reduction in the number of shares

1) If the legal requirements for a reduction of the share capital are met, such a reduction may also be effected by way of a consolidation of shares with the consent of the shareholders.

2) If a resolution to combine and reduce the number of shares has been adopted by a three-quarter majority of all votes cast at the General Meeting, the shares of the non-approving shareholders shall be forfeited.

naries to the Company and they can be compensated in cash according to the result of a prepared liquidation balance sheet.

V. Amortization

Art. 358

1. The forced amortization

1) The compulsory amortization of shares is permissible subject to the following conditions:

1. It is prescribed or permitted by the Articles of Incorporation prior to the subscription of the shares to be redeemed.

2. If it is merely permitted by the Articles of Association, it must be approved by the General Meeting unless the shareholders concerned have unanimously approved it.

3. The corporate body which decides on the compulsory amortization shall determine the terms and conditions and the implementation of this measure, unless this has already been done in the articles of association.

4. Art. 355 paras. 4 and 5 are applicable, unless the shares are fully paid-in shares which are made available to the company free of charge or which are redeemed by means of funds which may be distributed in accordance with Art. 312; in such cases, an amount equal to the par value or the notional value (in the case of quota shares) of all redeemed shares shall be placed in a reserve. This reserve may not be distributed to the shareholders, except in the case of a reduction of the subscribed capital; it may only be used to offset losses or to increase the subscribed capital by converting reserves.

5. The decision on compulsory amortization shall be published in accordance with Art. 958 item 2.

2) Art. 173 is only applicable to the case of para. 1 item 2, whereby the resolutions in the

are to be taken within the meaning of Art. 355 Para. 1. Apart from that, Art. 355 para. 1 and Art. 355a are not applicable.

3) The cancelled shares shall be cancelled and the share capital reduced accordingly.

Art. 359

2. Voluntary share amortization

1) In the event of a capital reduction by amortization of shares acquired by the Company itself or by a person acting in his own name but on behalf of the Company, the amortization must be resolved by the General Meeting.

2) Art. 355 paras. 4 and 5 are applicable, unless the shares are fully paid-in shares which are made available to the company free of charge or which are redeemed by means of funds which may be distributed in accordance with Art. 312; in such cases, an amount equal to the par value or the notional value (in the case of quota shares) of all redeemed shares shall be placed in a reserve. This reserve may not be distributed to the shareholders, except in the case of a reduction of the subscribed capital; it may only be used to offset losses or to increase the subscribed capital by converting reserves.

3) Article 355a shall not apply in the cases referred to in paragraph 1. If there are several classes of shares, the provisions of Art.

The resolutions shall be adopted in accordance with Art. 355 par. 1 and published in accordance with Art. 958 item 1.

Art. 360

3. Issuance of participation shares on draw

1) In the event of a draw for shares, the Articles of Incorporation may provide for the issuance of transferable participation shares (substitute shares) for the shares drawn and repaid, which do not represent a par value but grant membership rights, in particular voting rights and the right to a share in the net profit and in the liquidation result.

2) Furthermore, with the approval of the Office of Justice, profit shares may also be issued in other cases.

I. Stock corporation with variable share capital Art.

361

I. In general

1) A joint-stock company with variable share capital may only operate as an investment company with variable capital within the meaning of the Law on Certain Organizations of Shareholders.

for Collective Investment in Securities, the Investment Undertakings Act or the Alternative Investment Fund Managers Act are operated.

2) The articles of association of a joint-stock company with variable share capital may, in derogation of the provisions on fixed share capital, provide that the share capital may be increased by the gradual issue of new shares to existing shareholders or third parties and that the share capital may be reduced by the gradual repayment of the share capital in whole or in part by the redemption of shares, without the procedure provided for in the preceding articles for the increase or reduction of the share capital having to be followed. When new shares are issued, the subscription rights of existing shareholders do not apply.

3) Unless otherwise provided, the other provisions governing stock corporations shall apply to stock corporations with variable share capital.

Art. 362

Retrieved

II. Decrease

Art. 363

1. Retention for repayment

The shares acquired by the Company by way of repayment may be retained by the Company for the purpose of reissuance, but may not be treated as membership rights.

Art. 364

2. Liability

1) If a reduction of the share capital has been effected in violation of the provisions of the law or the Articles of Association, the members of the governing bodies who are liable, as well as the shareholder who has received a benefit, shall be liable without limitation and jointly and severally for the damage caused to the Company intentionally or negligently in accordance with the provisions on liability.

2) If insolvency proceedings are instituted against the assets of the company within a period of one year since the share of a company has been redeemed or its nominal value has been reduced in lieu of redemption, the shareholder and the redeemer of the share shall be liable to the insolvency estate for the amount received or the remainder remitted on deposit, without being entitled to claim a right of set-off or a right of retention therefor in respect of property of the company.

Art. 365

III. Mandatory Reserve Fund

Stock corporations with variable share capital do not require a reserve fund.

Art. 366

IV. Conversion

1) If the share capital is exhausted by gradual repayment and no participation shares have been issued, the Articles of Association must determine the legal form in which the company is to continue to exist, e.g. as an establishment, foundation or similar.

2) The conversion without liquidation of a company with variable share capital into a joint-stock company with non-variable share capital requires a change in the articles of association, the necessary change in the company name and the application for entry in the Commercial Register.

3) The conversion without liquidation of a joint-stock company with variable share capital into a cooperative with shares without liability and obligation to make additional contributions is possible at any time on the basis of a corporate resolution with amendment of the articles of association and application for registration in the Commercial Register.

K. Shareholder Participation in Stock Corporations Listed in the EEA

I. In general

Art. 367

1. Subject matter and scope

1) This subsection sets out the requirements for the exercise of certain shareholder rights associated with voting shares in connection with the general meeting of stock corporations listed in the EEA (Art. 262a para. 1) that have their registered office in Germany. It also lays down special requirements to promote long-term shareholder participation; these apply to:

1. the identification of shareholders, transmission of information and facilitation of the exercise of shareholder rights;

2. transparency among institutional investors, asset managers and voting rights advisors;

3. the remuneration policy and the remuneration report;

4. transparency of and approval for transactions with related parties.

2) Articles 367b to 367f apply to intermediaries providing services to shareholders or other intermediaries in connection with shares of companies which have their registered office in an EEA Member State and whose shares are admitted to trading on a regulated market situated or operating within an EEA Member State.

3) Art. 367h to 367l apply to:

1. institutional investors for whom Liechtenstein is the home member state within the meaning of an applicable sector-specific EEA legal provision and who invest, either directly or through an asset manager, in shares traded on a regulated market;

2. Asset managers for which Liechtenstein is the home Member State within the meaning of an applicable sector-specific EEA law provision and which invest in such shares on behalf of investors;

3. proxy advisors that have their registered office in Germany or, if they have neither a registered office in Germany nor in another EEA member state, have their head office in Germany or, if they have neither a registered office nor a head office in Germany or in another EEA member state, have an establishment in Germany, and provide shareholder services in connection with shares of companies that have their registered office in an EEA member state and whose shares are admitted to trading on a regulated market located or operating in an EEA member state.

4) The provisions of this subsection shall apply without prejudice to the provisions of sector-specific EEA legislation regulating certain types of entities or legal persons. If the provisions of this subsection contain more specific rules or add requirements compared to the provisions laid down in sector-specific legislation, the provisions concerned shall be applied together with the provisions of this subsection.

5) The provisions on the participation of shareholders in stock corporations listed in the EEA pursuant to Art. 332 par. 2a, 5 and 6, Art. 332a, 334 par. 5, Art. 339a to 339e and 340a shall remain unaffected.

Art. 367a

2. Terms

For the purposes of this subsection

1. "Intermediary" means a person, such as, in particular, an investment firm within the meaning of Article 4(1)(1) of Directive 2014/65/EU, a credit institution within the meaning of Article 4(1)(1) of Regulation (EU) No 575/ 2013and a central securities depository within the meaning of Article 2(1)(1) of Regulation (EU) No 909/2014, which provides services of safekeeping or administration of securities or management of securities accounts on behalf of shareholders or other persons;

2. "institutional investor."

a) an undertaking which carries on life insurance activities within the meaning of Article 2(3) and reinsurance activities within the meaning of Article 13(7) of Directive 2009/138/EC, provided that these activities relate to life insurance obligations, and which is not excluded under that Directive;

b) an institution for occupational retirement provision within the meaning of Art. 2 of the Directive

(EU) 2016/2341;

3. "Asset manager" means an investment firm within the meaning of Art. 4(1)(1) of Directive 2014/65/EU that provides portfolio management services to investors, an alternative investment fund manager (AIFM) within the meaning of Art. 4(1)(b) of Directive 2011/61/EU that does not meet the conditions for an exemption under Art. 3 of the said Directive, or a management company within the meaning of Art. 2 (1) (b) of Directive 2009/65/EC or an investment company authorized in accordance with Directive 2009/65/EC, provided that the latter has not appointed a management company authorized for its management in accordance with the said Directive;

4. "Voting advisor" means a legal person who, for a fee and on a professional basis, analyzes company disclosures and, where applicable, other information of listed companies in order to inform investors for their voting decisions by providing research, advice or voting recommendations regarding the exercise of voting rights;

5. "Shareholder Identity Information": Information that makes it possible to determine the identity of a shareholder and includes at least the following:

a) Name and contact details (including full address and, if applicable, e-mail address) of the shareholder and, if the shareholder is a legal entity, its registration number or, if no registration number is available, its unique identifier, such as the legal entity identifier;

b) the number of shares held; and

c) to the extent requested by the Company, one or more of the following: the categories or classes of shares held or the date from which the shares are held;

6. "Member of the management" means any member of the administrative, management or supervisory body of a company, as well as of the management or management.

II. Identification of shareholders, transmission of information and facilitation of the exercise of shareholder rights

Art. 367b

1. Identification of shareholders

1) Companies have the right to identify their shareholders.

2) Intermediaries shall immediately provide the Company with information on the identity of shareholders upon the latter's request or upon the request of a third party designated by the Company.

3) In a chain of intermediaries, the intermediaries shall immediately forward the request under par. 1 to each other, so that the information on the identity of the

shareholders directly to the Company or to the third party designated by the Company by the intermediary holding the requested information. Each intermediary in the chain shall provide the information on the identity of shareholders it holds to the Company or to the third party designated by the Company.

4) By disclosing information on the identity of shareholders in accordance with this provision, intermediaries do not violate any contractual or statutory prohibitions regarding the disclosure of information.

Art. 367c

2. Information transmission

1) Intermediaries shall immediately provide the following information on the part of the Company to the shareholders or any third parties designated by the shareholders:

1. the information that the Company must provide to shareholders to enable them to exercise the rights attaching to their shares and that is intended for all shareholders holding shares of the relevant class; or

2. if the information pursuant to item 1 is available to the shareholders on the Company's website, a notice that the information can be found there.

2) The companies shall provide the intermediaries with the information pursuant to paragraph 1 item 1 or the notification pursuant to paragraph 1 item 2 in a timely manner and in a standardized form.

3) The information pursuant to par. 1 fig. 1 or the notification pursuant to par. 1 fig. 2 need not be transmitted or forwarded if the companies transmit this information or this notification directly to all their shareholders or to any third parties designated by the shareholders.

4) Intermediaries shall promptly provide the Companies with information received from shareholders in connection with the exercise of rights attached to the shares, in accordance with the instructions of the shareholders.

5) In a chain of intermediaries, each intermediary shall immediately pass on the information pursuant to paras. 1 and 4 from one intermediary to the next, unless the information can be transmitted by the intermediary directly to the company or the shareholders or any third party designated by the shareholders.

Art. 367d

3. Facilitation of the exercise of shareholder rights

1) Intermediaries shall facilitate the exercise of shareholders' rights, including the right to attend and vote at the General Meeting, by at least one of the following measures:

1. They shall take the necessary precautions to enable the shareholders or any third parties appointed by the shareholders to exercise their rights themselves.

2. They shall exercise the rights attached to the shares with the express authorization of

and in accordance with the instructions of the shareholders in their favor.

2) In the case of electronic voting (Art. 332a para. 2), an electronic confirmation of receipt of the vote must be sent by the Company to the person who cast the vote.

3) Shareholders or any third parties designated by the shareholders may request confirmation from the Company within three months of the General Meeting that their votes have been validly recorded and counted, unless this information is already available to them.

4) If intermediaries receive a confirmation in accordance with paras. 2 or 3, they must immediately forward it to the shareholders or any third parties designated by the shareholders. If there is more than one intermediary in a chain of intermediaries, they must immediately forward the confirmation received from one intermediary to the next, unless the confirmation can be sent directly to the shareholder concerned or to any third party designated by the shareholder.

Art. 367e

4. Non-discrimination, proportionality and transparency of costs

1) Intermediaries shall disclose the fees for each service provided under Art. 367b to 367d.

2) Any fees charged by an intermediary to shareholders, companies or other intermediaries shall be non-discriminatory and reasonable in relation to the actual costs incurred for the provision of the service. Differences between charges for the exercise of rights in domestic and cross-border cases are only permissible if they are duly justified and correspond to the differences in the actual costs incurred for the provision of the services.

Art. 367f

5. Processing of personal data of shareholders

1) Companies and intermediaries may process personal data of shareholders for the purposes of identification, communication, exercise of shareholders' rights and cooperation with shareholders. In all other respects, the provisions of data protection legislation apply.

2) If companies and intermediaries become aware that a shareholder is no longer a shareholder of the company, they may not store the shareholder's personal data for longer than twelve months, subject to other statutory provisions.

3) Legal entities have the right to have incomplete or incorrect information regarding their identity as shareholders corrected.

Art. 367g

6. Information about the implementation

The Office of Justice must inform the EFTA Surveillance Authority (ESA) of any significant practical difficulties in enforcing Articles 367b to 367f or in the event of non-compliance with these provisions by intermediaries.

III. Transparency among institutional investors, asset managers and proxy advisors

Art. 367h

1. Participation policy

1) Institutional investors and asset managers shall develop and publicly disclose a participation policy. The participation policy describes how institutional investors and asset managers:

1. integrate shareholder participation into their investment strategy;

2. monitor the companies in which they have invested with regard to important matters, in particular with regard to strategies, financial and non-financial performance and risks, capital structur-

tures, social and environmental impact, and corporate governance;

3. Conduct dialogs with companies in which they have invested;

4. exercise voting rights and other rights associated with shares;

5. cooperate with other shareholders;

6. Communicate with relevant stakeholders of the companies in which they have invested; and

7. deal with actual and potential conflicts of interest in connection with their engagement.

2) Institutional investors and asset managers shall publicly disclose annually how they have implemented the participation policy, including a general description of their voting behavior, an explanation of the most important votes and their use of proxy advisors. They must also disclose how they vote at general meetings of companies in which they hold shares, unless the vote is insignificant because of its subject matter or the size of their shareholding in the company.

3) If institutional investors and asset managers do not comply or do not fully comply with one or more of the requirements under paragraphs 1 and 2, they shall publicly explain why they do not do so.

4) The information pursuant to paras. 1 to 3 shall be made publicly available free of charge on the website of the institutional investor or asset manager. If an asset manager implements the participation policy, including voting, on behalf of an institutional investor, the institutional investor must be informed of this.

where the relevant voting information has been published by the asset manager.

5) The provisions on conflicts of interest applicable to institutional investors and asset managers, including Art. 14 of Directive 2011/61/EU, Art. 12 (1) (b) and Art. 14 (1) (d) of Directive 2009/65/EC and their respective implementing provisions, as well as Art. 23 of Directive 2014/65/EU, shall also apply to participation activities.

Art. 367i

2. Investment strategy of institutional investors and agreements with asset managers

1) Institutional investors shall publicly disclose the extent to which the main elements of their investment strategy match the profile and maturity of their liabilities, in particular long-term liabilities, and how they contribute to the medium- and long-term performance of their assets.

2) If an asset manager invests on behalf of an institutional investor, regardless of whether with discretionary authority under an individual client mandate or under a collective investment undertaking, the institutional investor shall publicly disclose the following information about its arrangement with the asset manager:

1. how the agreement incentivizes the asset manager to tailor its investment strategy and decisions to the profile and maturity of the institutional investor's liabilities, particularly long-term liabilities;

2. how the agreement incentivizes the asset manager to make investment decisions based on an assessment of the medium- to long-term development of the financial and non-financial performance of the company in which investment is to be made and to engage with the company in which investment is made in order to improve its performance in the medium- to long-term;

3. how the methodology and the relevant period for the assessment of the asset manager's performance and the remuneration for asset management services correspond to the profile and duration of the liabilities, in particular long-term liabilities, of the institutional investor and how these take into account the overall long-term performance;

4. how the institutional investor monitors the portfolio turnover costs incurred by the asset manager and how the institutional investor sets and monitors a target portfolio turnover or target portfolio turnover range;

5. the term of the agreement with the asset manager.

3) If one or more of the items of information referred to in paragraph 2 are not included in the agreement with

the asset manager, the institutional investor must publicly explain why this is the case.

4) The information pursuant to paras. 1 to 3 shall be made available free of charge on the website of the institutional investor and shall be updated annually, unless there is no material change. Institutional investors regulated by Directive 2009/138/EC may instead include this information in their solvency and financial condition report pursuant to Art. 51 of the said Directive.

Art. 367k

3. Transparency among asset managers

1) Asset managers shall disclose annually to institutional investors with whom they have entered into an agreement pursuant to Art. 367i Para. 2 how their investment strategy and its implementation is consistent with this agreement and contributes to the medium and long-term performance of the institutional investor's assets. This includes reporting on:

1. the main medium- to long-term risks associated with the investments;

2. the composition of the portfolio, portfolio turnover and portfolio turnover costs;

3. the use of voting advisors for the purposes of participation activities; as well as

4. its policy on securities lending and how it will be applied, if necessary, to implement its participation activities, especially at the time of the general meeting of the companies in which investments have been made.

2) The disclosure pursuant to para. 1 also includes information on whether and, if so, how the asset managers make investment decisions on the basis of an assessment of the medium- to long-term development of the performance, including the non-financial performance, of the company in which investments have been made, and whether and, if so, which conflicts of interest existed in connection with the co-direction activities and how they were dealt with.

3) If the information pursuant to paragraph 1 is already publicly available, the disclosure requirement shall not apply.

Art. 367l

4. Transparency for proxy advisors

1) Voting rights advisors must declare annually that they have complied and are complying with the requirements of a code of conduct or whether they have deviated and are deviating from one or more recommendations of the code of conduct and what measures have been taken instead. If proxy advisors do not comply with a code of conduct, they must explain why not.

2) Voting advisors are required to disclose the following information annually:

1. the essential characteristics of the methods and models they use;

2. their main sources of information;

3. the procedures established to ensure the quality of the research, advice and voting recommendations, and the qualifications of the staff involved;

4. whether and, if so, how they take into account national market conditions as well as legal, regulatory and company-specific conditions;

5. the main features of the voting policy pursued for the individual markets;

6. whether they maintain a dialogue with the societies to which their searches, advice and style recommendations relate and with the society's stakeholders and, if so, the extent and nature of that dialogue;

7. the procedure with regard to the avoidance and handling of potential conflicts of interest.

3) The information pursuant to paras. 1 and 2 shall be made publicly available on the website of the proxy advisor for at least three years and shall be updated annually.

4) Voting advisors must inform their clients without delay of any actual or potential conflicts of interest and of any countermeasures to be taken in this regard.

5) This Article also applies to proxy advisors that have neither their registered office nor their principal place of business in an EEA Member State and carry on their activities through an establishment within the country.

IV. Compensation policy and compensation report

Art. 367m

1. Principles for the remuneration of members of the Executive Board

1) The Supervisory Board or, if no such Board has been appointed, the Board of Directors, shall establish principles for the remuneration of the members of the Executive Board (remuneration policy).

2) The remuneration policy must promote the business strategy and long-term development of the company and explain how it does so. It must be clear and understandable.

3) The compensation policy shall contain:

1. a description of the various fixed and variable compensation components that may be granted to members of the Executive Board, including all bonuses and other benefits in any form, indicating their respective relative proportions;

2. an explanation of how the remuneration and employment conditions of the Company's employees have been taken into account in determining the remuneration policy;

3. clear, comprehensive and differentiated criteria for any variable remuneration components granted;

4. financial and non-financial performance criteria, including any criteria related to corporate social responsibility, as well as explanations of how these criteria promote the objectives under paragraph 2 and the methods used to determine whether the criteria are met;

5. Information on any waiting periods and on the Company's option to reclaim variable compensation components;

6. an explanation of the extent to which any share-based compensation granted promotes the objectives pursuant to para. 2, and a specification of any waiting and holding periods;

7. the duration of the contracts of the members of the Executive Board, the relevant notice periods, the main features of supplementary pension schemes and early retirement programs as well as the conditions for termination and the payments to be made;

8. Explanation of the process by which the remuneration policy is established, reviewed and implemented, including how it conflicts of interest.

conflicts and, if applicable, the role of any compensation committee or other committees concerned.

4) In exceptional circumstances, the Company may temporarily deviate from its remuneration policy, provided that the policy describes the procedure for such deviation and specifies those parts from which deviation is permitted. Exceptional circumstances are only situations in which the deviation from the remuneration policy is necessary for the long-term development of the Company or to ensure its profitability.

5) Any revised compensation policy shall describe and explain any material changes. It shall also describe how the votes and views of the shareholders on the remuneration policy and the remuneration reports have been taken into account since the last vote on the remuneration policy in the general meeting.

Art. 367n

2. Vote on the remuneration policy and publication

1) The compensation policy shall be submitted to the vote of the General Meeting of Shareholders at least every four years and whenever a material change is made. The vote shall be of a recommendatory nature. The resolution is not subject to appeal.

2) The Company may only remunerate the members of the Executive Board in accordance with a remuneration policy that has been submitted to the General Meeting of Shareholders for a vote.

has been made. If the General Meeting of Shareholders rejects the proposed remuneration policy, the Company shall present a revised remuneration policy at the following General Meeting of Shareholders.

3) Following the vote at the General Shareholders' Meeting, the compensation policy shall be published on the Company's website together with the date and result of the vote no later than on the second working day after the General Shareholders' Meeting and shall remain accessible there free of charge at least for the duration of its validity.

Art. 367o

3. Preparation and content of a compensation report for the remuneration of the members of the Executive Board

1) The supervisory board or, if no such board has been appointed, the board of directors shall prepare a clear and comprehensible compensation report. This shall provide a comprehensive overview of the remuneration granted or owed to current and former members of the Executive Board in the course of the last financial year in accordance with the remuneration policy referred to in Art. 367m, including all benefits in any form.

2) The compensation report shall contain the following information on the compensation of the individual members of the Executive Board:

1. the total compensation, broken down by components, the relative proportion of fixed and variable compensation components, and an explanation of how the total compensation is in line with the compensation policy recommended by the General Meeting, including information on how the total compensation promotes the long-term performance of the company and how the performance criteria have been applied;

2. The annual change in total compensation, earnings of the Company, and average compensation of other employees of the Company on a full time equivalent basis, for at least the last five fiscal years and in a manner that permits comparison;

3. any remuneration of companies of the same group within the meaning of Art. 2 No. 11 of Directive 2013/34/EU;

4. the number of shares and stock options granted or offered and the principal terms and conditions of exercise of the rights, including the exercise price, the exercise date and any changes to those terms and conditions;

5. Information on whether and how the option to reclaim variable compensation components was used;

6. Information on any deviations from the procedure for implementing the remuneration policy pursuant to Art. 367m paras. 2 and 3, and on any deviations that may occur after

Art. 367m para. 4, including an explanation of the nature of the exceptional circumstances, and an indication of the specific parts from which deviations have been made.

3) No special categories of personal data relating to individual members of the Executive Board within the meaning of Art. 9 of Regulation (EU) 2016/679or personal data relating to the family situation of individual members of the Executive Board may be included in the Compensation Report.

4) The Company shall process the personal data of members of the Executive Board included in the Compensation Report for the sole purpose of increasing transparency with regard to compensation. This is to ensure that the members of the Executive Board better meet their accountability obligations and that the shareholders can better monitor their remuneration.

5) Without prejudice to longer periods set out in sector-specific EEA legislation, the Company shall not make publicly available the personal data of members of the Executive Board included in the remuneration report after ten years from the publication of the remuneration report.

Art. 367p

3. Right to vote on the compensation report

1) The compensation report for the last financial year shall be submitted to the General Meeting of Shareholders for voting. The vote shall be of a recommendatory nature. The resolution may not be contested. In the subsequent compensation report, the company must explain how the result of the vote at the last General Meeting was taken into account.

2) In small and medium-sized companies within the meaning of Art. 1064 paras. 1 and 2, the compensation report for the last financial year may also be presented for discussion at the general meeting only as a separate agenda item. The company shall state in the subsequent compensation report how the discussion at the last general meeting was taken into account.

Art. 367q

4. Publication of the compensation report

1) The company shall make the compensation report publicly available on the company's website free of charge for ten years after the Annual General Meeting. The compensation report may also be available for longer

remain accessible, provided that it no longer contains the personal data of members of the company's management.

2) The auditors must check whether the required information has been provided.

Art. 367r

V. Transparency of and approval for related party transactions

1) A material transaction with related parties shall require the approval of the Supervisory Board or, if such a board has not been appointed, of the General Meeting of Shareholders and the announcement pursuant to para. 4, unless it is an exception pursuant to para. 5 or 6.

2) Related parties are those entities and persons in accordance with the international accounting standards adopted pursuant to Regulation (EC) No. 1606/2002.

3) A transaction is material if its value exceeds 5% of the company's total assets. For the respective financial year, the balance sheet total from the annual financial statements submitted to the Annual General Meeting of the previous financial year is decisive. In the case of a parent company that is required to prepare consolidated financial statements, the balance sheet total is replaced by the total of the corresponding assets in the consolidated financial statements. If several transactions are concluded with the same related person or the same related company within a financial year, which would not be material if viewed in isolation, their values are to be added together.

4) The Company shall announce a transaction within the meaning of paragraph 1 no later than at the time of its conclusion in the manner provided for announcements to shareholders. The announcement must in any case contain the names of the related parties, the date of the transaction and the indication that further information on the transaction is available on the company's website. This information shall include, at a minimum, the nature of the related party relationship, the names of the related parties, the date and value of the transaction, and any other information necessary to assess whether the transaction is fair and reasonable from the perspective of the Company and all shareholders who are not related parties. The information must be provided by

be available on the Company's website at the end of the financial year beginning after the transaction in question is concluded.

5) A transaction concluded in the ordinary course of business and at arm's length conditions within the meaning of para. 1 shall require neither the consent under para. 1 nor the announcement under para. 4. The company shall establish an internal procedure for regularly assessing whether these conditions are met. Related parties may not participate in this assessment.

6) Unless the Articles of Association provide otherwise, the following transactions within the meaning of para. 1 shall also require neither approval pursuant to para. 1 nor announcement pursuant to para. 4:

1. Transactions between the Company and:

a) a domestic subsidiary;

b) a foreign subsidiary, provided that it is a wholly-owned subsidiary or a subsidiary in which no other related parties of the Company have an interest;

c) a foreign subsidiary in which no other companies and persons related to the Company have an interest, provided that foreign law contains provisions to adequately protect the interests of the Company, the subsidiary and its shareholders who are not related parties in such transactions;

2. Transactions which, according to the provisions on merger or conversion, according to the SE Act or according to the Takeover Act, are to be resolved by the General Meeting;

3. Transactions concerning the remuneration of members of the Executive Board granted or owed in accordance with the company's remuneration policy (Art. 367m);

4. Transactions of credit institutions within the meaning of Article 4 (1) (1) of Regulation (EU) No 575/2013 on the basis of measures to protect their stability approved by the competent supervisory authority;

5. Transactions that are offered to all shareholders under the same conditions and in which the equal treatment of all shareholders and the protection of the Company's interests are ensured.

7) The Company must also enter into material transactions between related parties and its subsidiaries.

pursuant to subsection 4, unless it is one of the cases excluded under subsections 5 or 6.

Art. 367s

VI. Supervision

1) Compliance with the provisions of this subsection shall be audited as part of the annual statutory audit or review obligations and confirmed by the auditor or the auditor who performed the audit or review.

2) If the auditor or the auditing agency determines during the audit or the review pursuant to paragraph 1 that mandatory provisions of this subsection have been violated, a report must be submitted to the Office of Justice.

3) If the Office of Justice receives a report pursuant to para. 2, it shall request the company concerned to make improvements within a reasonable period of time. If the defect is not remedied within the time limit or if it is not possible to remedy the defect, the Office of Justice shall report the defect.

the Office of Justice shall immediately report to the district court.

4) The Government shall regulate the details of supervision by ordinance.

3. Section

The limited partnership

Art. 368

A. Term

1) A limited partnership is a company whose share capital is divided into shares and in which one or more members are liable to the company's creditors without limitation and jointly and severally in the same way as a limited partner.

2) The relationship of the partners with unlimited liability to each other, to the shareholders as a whole and to third parties shall be determined in accordance with the provisions governing limited partnerships, unless exceptions are provided for below.

3) Unless otherwise provided, the provisions governing a stock corporation shall apply to a limited partnership.

Art. 369

B. Members with unlimited liability

1) The members with unlimited liability (limited partners) must be listed in the articles of association with their full name or with the company name; this is an essential provision in accordance with the regulations on the nullity procedure.

2) The surname and first name, the place of residence and the profession or the company with its registered office must be entered in the Commercial Register and published.

3) Changes in this membership shall be made by way of amendment to the Articles of Association and shall be submitted by the Administration for entry in the Commercial Register.

4) The provision on the prohibition of competition in general partnerships shall apply to limited partners if the consent of the other partners with unlimited liability is not available and, unless the power to grant it is conferred on the supervisory board by the articles of association or by a resolution of the general meeting, has not been granted by the latter.

5) The member with unlimited liability has the right to terminate the agreement in the same way as a general partner.

6) If one of several members with unlimited liability withdraws, dies, becomes incapable of acting or bankruptcy proceedings are instituted against his assets, the company shall, unless otherwise provided for in the articles of association, be continued among the others and the share of the other shall be distributed.

C. Organization

Art. 370

I. Supreme body

1) In the absence of any other provision, the supreme body of the limited partnership is the general meeting of all partners.

2) The resolutions of the supreme body shall be valid only if approved by all members with unlimited liability and by a majority of the shareholders, the latter being calculated in accordance with the provisions applicable to joint stock companies.

3) The resolutions on the appointment of the auditors and the assertion of the members' responsibility do not require the consent of the partners with unlimited liability, provided that one or more partners with unlimited liability belong to the administration.

4) If none of the partners with unlimited liability is a member of the management, the consent of at least half of the partners with unlimited liability is required.

5) In all other respects, the provisions governing the supreme body of the stock corporation shall apply mutatis mutandis.

Art. 371

II. Management

1) Management is the responsibility of the partners with unlimited liability.

2) Third persons or companies may also be exclusively entrusted with the administration by corporate resolution, provided that the articles of association so provide.

3) In the absence of any other provision in the articles of association, a member of the administration who is a partner with unlimited liability may only be deprived of the power of attorney to manage and represent the company under the same conditions under which this may be done in respect of a managing general partner.

4) The members of the management who are not partners with unlimited liability may be dismissed by the general meeting and the partners with unlimited liability jointly or, if there are important reasons, by each of the latter individually in accordance with the provisions applicable to a stock corporation.

Art. 372

III. Supervisory Board

1) For the limited partnership, a supervisory board is necessary in all cases, which has the function of the auditor, in connection with a permanent supervision of the management, and

to which further duties may be delegated by the Articles of Association.

2) The members of the Supervisory Board shall be registered for entry in the Commercial Register in the same way as the members of the Management Board, and shall be entered and published in the Commercial Register.

3) The Supervisory Board may, on behalf of the Company, call the members of the management to account and, if necessary, prosecute them in court.

4) As far as his own responsibility extends, as well as in case of fraudulent conduct of members of the administration, he is entitled to initiate and conduct legal proceedings against the same, even against the will of the General Meeting.

Art. 373

D. Resolution

1) The limited partnership shall also be terminated if all partners with unlimited liability withdraw from the partnership for any reason.

2) The articles of association may stipulate that dissolution shall also occur in the event that a single partner with unlimited liability ceases to exist.

3) The same provisions apply to the dissolution of a limited partnership as to the dissolution of a stock corporation in general, with the proviso that dissolution by resolution of the general meeting of shareholders prior to the date specified in the articles of association may only be effected with the consent of the partners with unlimited liability.

4) For the dissolution of a limited partnership by takeover by a joint stock company or by another limited partnership, the provisions on the merger of joint stock companies shall apply.

5) Conversion into a limited partnership may be effected at any time by means of a public deed without liquidation, in accordance with the provisions provided for changes in the articles of association, provided that the share certificates are cancelled and the necessary applications for registration in the Commercial Register are made.

6) Likewise, subject to the previous liability for the liabilities incurred up to the entry of the conversion in the Commercial Register, the Company can

In the event of a change of legal form, such a company may be converted into a limited partnership or a general partnership with limited liability.

Art. 374

E. Other division of the limited liability capital

1) If a limited partnership capital is merely divided into parts in the sense that these regulate the extent of the participation of several limited partners, but are not to be treated as shares, the provisions on the limited partnership and not those on the limited joint stock partnership apply, unless the prerequisites for a limited partnership or a general partnership with limited liability are met.

2) The limited partnership and the limited partnership with ordinary shares are reserved.

4. Section

The share company

Art. 375

A. Concept and delimitation

1) The share company (union) is a company within the meaning of this title with its own name, whose assets, not necessarily determined in a sum of money, are divided into quota shares over the assets, subject to the one-man company, and for whose liabilities only the company's assets are liable.

2) The partners (trade unions) are liable for contributions to the acquisition and management of the assets, as well as for all liabilities entered into in the name of the company against third parties, to the company only with their shares (coxes) in the common assets.

3) Associations of workers or employees under the actual name of trade union or trade union association shall be subject to the regulations of the relevant associations, such as clubs, cooperatives and the like.

Art. 376

B. Referral

1) The provisions on registered cooperatives shall apply mutatis mutandis to the share company, in particular with regard to its organization and dissolution, unless a deviation results from the provisions of this section, from the general provisions or from the articles of association.

2) The articles of association may also establish a fixed basic asset.

C. Origin Art.

377

I. Statutes

1) In order for a company to come into existence, it is necessary to have a partnership agreement with articles of association, which must be notarized or signed by all members:

1. the name or the company name, the registered office of the company and the object of the company;

2. the exact designation of the property, unless it is listed in a special register and this is submitted to the Office of Justice;

3. the number of shares (Kuxe), if any, indicating whether there are different classes of shares and whether share certificates are issued;

4. if applicable, the type and size of the subsidies to be paid by the members in deviation from the law;

5. the organization of the company: the composition and appointment of the supreme body, such as the shareholders' meeting, the trade union meeting and the like, the bodies for the administration and the possible auditors;

6. the form in which notices emanating from the Company are made to members or third parties.

2) The provisions, with the exception of items 3, 4, and 6, are substantive in the sense of being null and void.

3) In the Articles of Incorporation, the Company shall expressly designate itself as a shareholding company or as a union.

Art. 378

II. Registration

1) The application, which must be accompanied by the original or a certified copy of the articles of association, the entry in the Commercial Register and its publication must contain, in addition to the contents of the articles of association, the name and place of residence or the company name and registered office of the members of the management and, in particular, of the company's representation.

2) Retrieved

D. Membership

Art. 379

I. Share ledger

1) The administration shall keep a register of all members of the Company and their shares, stating their names and places of residence or the name and registered office of the members and the number of shares held.

2) Anyone who is recorded in the share register as the owner or trustee with regard to the exercise of the membership rights and obligations of a share shall be deemed to be a shareholder vis-à-vis the company.

3) The transfer of shares in the share register may only be made on the basis of the presentation of the endorsed share certificate or, if such a certificate has not been issued, only on the basis of a written assignment and, if the share certificate has been declared invalid, only after presentation of the certificate of invalidation.

4) Every shareholder has the right to inspect the share register.

Art. 380

II. Shares

1) If the company's assets constitute one or more shares in accordance with the detailed provisions of the articles of association, which in the latter case are usually based on a proportion of the assets, such as one hundredth, and cannot be reclaimed, a share certificate may be issued by the administration on the basis of the entry in the share register.

2) Share certificates shall be issued, at the option of the shareholder, for individual shares or for several shares belonging together to the same shareholder.

3) The share certificates are securities equivalent to registered shares and may only be issued in the name, but not in the name of the bearer, and any cancellation thereof shall be effected in accordance with the provisions laid down for bearer securities.

4) If the property is divided into several shares, the shares are indivisible, but there may be joint ownership of a share.

5) The Company may also issue bonus share certificates over the assets of the Company without the person for whom the share certificates are issued having transferred to it assets corresponding to the share quota or share sum or being obliged to make any contributions.

6) Unless an exception is provided for in the law, the provisions on the acquisition of treasury stock shall apply mutatis mutandis to the acquisition of treasury shares.

Art. 381

III. Acquisition and loss of membership

1) Acquisition and loss of membership in shareholdings is governed by the acquisition or loss of a share.

2) Each shareholder may voluntarily renounce his membership and his share in favor of the company, provided that the share is not subject to any contributions owed or other liabilities, and further provided that the rules established for the transfer of the share are complied with.

3) The company may sell the share.

4) If the share is unusable, the last paragraph of the Article on home segregation shall apply mutatis mutandis.

5) The acquirer must accept legal acts performed by the company vis-à-vis the vendor or by the vendor vis-à-vis the company in relation to the corporate relationship prior to the registration, and the acquirer shall be jointly and severally liable with the vendor for the payments in arrears on the share at the time of registration.

IV. Rights and duties of members

1. Offsetting regulations

Art. 382

a) Balance sheet regulations

Repealed

Art. 383

b) Yield, profit and loss

1) Distributions of profits and benefits from the assets of the company to the shareholders shall be made by resolution of the supreme body and, if the articles of association do not provide for fixed basic assets, shall be permissible only to the extent that they are not necessary for the company's operations and the company's liabilities to third parties are covered by the remaining assets.

2) If the articles of association provide for fixed assets, the provisions on the reduction and repayment of the share capital shall also apply to the joint-stock company.

3) The shareholders participate in the profits and losses in proportion to their shares and in accordance with the provisions of the Articles of Association.

2. Zubussen

Art. 384

a) In general

1) Unless otherwise stipulated in the Articles of Association, the shareholders shall have unlimited and, if the Articles of Association so provide, joint and several liability in proportion to their shares for the contributions required to meet the company's liabilities and for its operations.

2) In the absence of any other provision in the Articles of Association, a resolution of the supreme body is required for the tendering of contributions, on the basis of which the administration, unless deviations arise from this section, shall arrange for the collection in accordance with the provisions given on the payment of cooperative contributions.

3) An action against a shareholder for payment of a contribution determined by a shareholders' resolution may not be brought before the expiry of the contestation period since the resolution was adopted.

Art. 385

b) Abandonment

1) Unless the Articles of Association provide otherwise, a shareholder may avoid the obligation arising from his membership to make further contributions to the Company by surrendering his share certificate or, if no such certificate has been issued, by written declaration, his share to the Company for the purpose of satisfaction, which, in the absence of any other provision in the Articles of Association, may only be effected by public auction.

2) By the assignment of the share, the predecessor of the person who has assigned the share shall also be released from the obligation to pay the arrears of membership fees.

3) The surplus proceeds remaining after deduction of the costs of realization and the contributions owed shall accrue to the shareholder, unless the articles of association provide otherwise.

4) If a share is not realizable, it shall be attributed to the other shareholders in proportion to their shares and, if this is not possible, to the company; in the latter case, rights and encumbrances of a share may not be asserted as long as it is attributed to the company.

Art. 386

E. Qualified resolutions

1) In the absence of a provision to the contrary in the Articles of Association, a special resolution of the shareholders' meeting (general meeting or trade union meeting) is required for the disposal of real property or parts thereof by way of sale, exchange, pledge or other encumbrance or lease, which must be approved by at least three quarters of all shares.

2) In the absence of any other provision in the Articles of Incorporation, donations and renunciations of real property require unanimity.

Art. 387

F. Limited partnership

If, in addition to the other members, there are one or more partners with unlimited liability in a partnership, the provisions governing a partnership limited by shares shall apply to such partnership, provided that the provisions governing a stock corporation shall be replaced by those governing a partnership limited by shares.

Art. 388

G. Conversion and merger

1) The conversion without liquidation of a joint-stock company into a one-man company or an establishment, joint-stock company or limited liability company as universal successor may be effected at any time by a resolution of the partners with a public deed or a deed signed by all the members by adapting to the form of enterprise concerned and by appointing the necessary bodies and shall be effected after

The company is obliged to apply for registration in the Commercial Register in accordance with the relevant regulations.

2) Conversely, one of the forms of enterprise referred to in the first paragraph may be transformed into a shareholding company in a corresponding manner.

3) The merger of a joint-stock company shall be governed by the provisions on the

dissolution without liquidation in the case of a limited liability company.

5. Section

The limited liability company

A. Concept and origin Art.

389

I. Association of persons

1) One or more persons, companies or associations under private or public law may form a limited liability company for any purpose with their own name and a predetermined capital (share capital).

2) Liability is limited to a certain amount for each participant, without the units being treated as shares, unless the articles of association provide for an exception.

3) The Government may, by decree, determine that the number of participants, except for socio-political shares, shall not exceed 30, and if, in such case, the number increases to more than 30 for any reason after the formation, the company shall, within one year, if the number has not in the meantime returned to a maximum of 30, proceed in accordance with the regulations established with respect to the number of members of corporations, or convert the company into a permissible form of company.

Art. 390

II. Partnership agreement

1) In order to come into existence, a limited liability company must have its articles of association drawn up by public notarization.

The Articles of Incorporation shall bear the signatures of all participants or their representatives, together with the entry in the Commercial Register.

2) The Articles of Incorporation must state as material provisions, unless exceptions arise from the individual items themselves:

1. the object of the company;

2. the amount of the share capital;

3. the amount of the share contribution to be paid by each participant on the share capital;

4. the company name;

5. the registered office, if any, of the Company;

6. the duration for which the company is to be limited, if such limitation is to be applied;

7. provisions on the manner of exercising representation that deviate from the statutory provisions;

8. the manner in which notices are made to shareholders or third parties;

9. the balance sheet date.

3) Paragraph 2 items 1 to 4 shall be deemed to be material for the purposes of the destruction procedure.

4) The Articles of Incorporation shall be published after registration in accordance with Art. 958 No. 2.

5) The company may be established in a simplified procedure without public certification of the articles of association if it has no more than three shareholders and one managing director. The articles of association of the company shall be drawn up in accordance with the model template provided by the Office of Justice. No other provisions may be made that deviate from the law. The signatures of the shareholders on the articles of association shall be notarized. The articles of incorporation shall also serve as a list of shareholders.

Art. 391

III. Share capital and capital contribution

1) The share capital may be set at any amount, but the share contribution, which may not be recalled, of each shareholder must be at least 50 francs; by ordinance

the government may limit the maximum amount of share capital to an amount equal to the value of 5 million Swiss francs.

2) Retrieved

3) The amount of the capital contribution may be different for each shareholder, but it must be a multiple of fifty.

4) Instead of a specific sum, the capital contribution may also be made in the form of a quota to which a share in the assets amounting to at least 50 francs is allocated.

5) Unless a legal exception exists, each participant may only have one capital contribution and must have paid it in full or covered it by contributions in kind at the time of formation.

6) Insofar as interest on assets taken over is to be credited to a capital contribution in accordance with the Articles of Association, the payment must be made in full immediately.

IV. Other benefits, deposits and remunerations

Art. 392

1. In general

1) The shareholders are only obliged to make further contributions other than the capital contribution if this is specified in the articles of incorporation or in a regulation provided for in the articles of incorporation and attached to them.

2) If shareholders are to make contributions to the share capital other than in cash, or if remuneration is to be granted for assets to be taken over by the company, or if a shareholder is to be granted other special benefits, the articles of association shall state the object of the contribution or takeover, the amount to be credited or the remuneration or the special benefit granted, and the person of the shareholder to whom it relates.

3) Remuneration for the establishment of the company or its preparation, such as a founder's commission, may not be granted to a shareholder from the share capital; in particular, it may not be offset against the share capital contribution.

4) Reimbursement of the costs of establishing the company, such as for fees, printing costs and the like, can only be made within the time limit set for the establishment of the company.

The maximum amount that may be claimed is the maximum amount stipulated in the articles of association.

Art. 393

2. For recurring non-monetary benefits

1) If one or more shareholders undertake, in addition to the capital contributions, to make recurring payments which are not in money but which constitute an asset, the scope and conditions of such payment, as well as any contractual penalties which may be imposed in the event of default, and the basis for measuring the remuneration to be paid by the company for such payments shall be specified in the articles of association or in regulations provided for by and attached to the articles of association and shall stipulate that the transfer of the shares in the company is subject to the approval of the company.

2) For such recurring services, a remuneration not exceeding the value of such services may be paid in accordance with the assessment principles laid down in the Articles of Association or in the regulations, without regard to whether the annual balance sheet shows a net profit.

3) In execution and insolvency proceedings, the remuneration shall be deemed to be a creditor's claim unless the statutes exclude it.

Art. 394

V. Registration

1) In addition to the legally required content of the articles of association, the application to the Commercial Register, which must be accompanied by a copy or a certified copy of the articles of association, must include the names and first names of all shareholders, their date of birth, citizenship and domicile, or the company name and registered office, their capital contributions, and the names and first names of the managing directors, their date of birth,

citizenship, profession and domicile or company and registered office and the manner in which the representation is exercised.

2) The necessary content of the articles of association, the number of participants, the amount of payments made and contributions in kind, the surname and first name, date of birth, citizenship and domicile or company name and registered office of the managing directors and representatives, the manner of management and representation

is exercised, as well as the auditors, if such have been appointed.

3) The names of the shareholders shall also be registered. Instead, a list of shareholders may be kept at the registered office of the company (Art. 402 para. 2).

4) In the case of limited liability companies that do not carry on a commercial business, it is sufficient to publish the registration in accordance with Art. 957, para. 1, item 1.

5) Repealed

Art. 394a

VI. Branches

For the registration and disclosure of branches established by limited liability companies with their registered office abroad, the provisions on branches of stock corporations shall apply mutatis mutandis.

B. Organization

I. Shareholders' meeting Art.

395

1. Convocation

1) Shareholders representing at least one tenth of the share capital may at any time request that a meeting be convened, stating the agenda, or, if necessary, may convene the meeting themselves for the same agenda without the need for approval by the registration authorities.

2) In the absence of a form stipulated by the Articles of Association, the convocation of the meeting and the invitation to cast votes in writing shall be made by registered letter at a specified time, observing a notice period of at least one week and stating the items on the agenda.

3) The exceptions provided for by law or the Articles of Association remain reserved.

Art. 396

2. Powers and decisions

1) In the absence of any other provision in the Articles of Association, the shareholders' meeting or the other supreme body shall have the following powers:

1. Determination of the annual balance sheet and distribution of the net profit resulting therefrom in accordance with the law and the Articles of Incorporation;

2. Collection of payments on the capital stock, division and redemption of shares and collection of additional contributions;

3. Appointment and dismissal of the managing directors and representatives as corporate bodies of the Company, and the appointment of authorized signatories and proxies for the entire management;

4. Supervision of the management and issuing of instructions to the managing bodies, as well as discharge of the same;

5. Assertion of claims for damages to which the Company is entitled against the executive bodies or against individual shareholders arising from the formation or from the management or control of the Company;

6. the conclusion of contracts by which the Company is to acquire existing or to be constructed plant or land permanently intended for business operations for a consideration exceeding the amount of one fifth of the share capital, as well as the amendment of such contracts to the detriment of the Company, provided that the acquisition is not by way of compulsory execution or insolvency proceedings;

7. Amendment of the Articles of Association.

2) Unless the law or the Articles of Incorporation provide otherwise, one vote shall be allotted for every 50 francs of ordinary shares acquired; in all cases, however, each shareholder shall have one vote by operation of law.

3) In the case of companies with five or fewer shareholders, resolutions must be passed unanimously unless the Articles of Association provide otherwise.

4) If all shares are held by one shareholder, the sole shareholder shall have the powers of the shareholders' meeting. Resolutions must be passed in writing.

II. Management and representation

Art. 397

1. Through the shareholders

1) Unless otherwise stipulated in the articles of association, the management and representation of the company (administration) is carried out jointly by all shareholders, although shareholders who join the company after its formation are entitled to this power only if it is transferred to them.

2) By the Articles of Association or by a corporate resolution, the management and representation of the company may be assigned to one or more shareholders.

Art. 398

2. By non-shareholders

1) By the articles of association or by a corporate resolution, the management and representation of the company may be transferred in whole or in part to one or more persons who are not shareholders.

2) They shall be subject to the same rules as the institutions with regard to their powers and responsibilities.

Art. 399

3. Withdrawal

1) The withdrawal of management and representation among the partners is governed by the rules established for the general partnership, unless the articles of association provide otherwise.

2) The management and representation entrusted to a non-partner may be withdrawn at any time by shareholders' resolution, subject to any claims for damages arising from a contract, such as a service contract, an order or the like, or from tort.

3) Unless the Articles of Association provide otherwise, the revocation of procuration may be made by any managing director.

III. Control

Art. 400

1. In general

1) The articles of association must either grant the non-managing partners the power of control equal to that of the non-managing general partners or provide for an auditor, unless the review pursuant to Art. 1058a has been waived.

2) The provisions on the auditors apply to them under the general provisions.

Art. 400a

2. Special auditors

An auditor or an auditing company within the meaning of the Auditors Act must be appointed as auditor of medium-sized and large companies within the meaning of Art. 1064. The same applies to small companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4 (1) No. 21 of Directive 2014/65/EU in an EEA member state. The audit of the consolidated annual report is reserved to auditors and auditing companies within the meaning of the Auditors Act.

C. Legal relationship of the shareholders to the company and among themselves

I. Company shares

Art. 401

1. In general

1) In the absence of any other provision in the articles of association, the amount of the capital contribution assumed by each partner determines his share in the company (share in the company), and this share may also be sold and inherited among the partners themselves in accordance with the following provisions.

2) The company share contains the claims to the net profit, the liquidation assets and the rights to which the shareholders are entitled in the company's affairs.

3) If a deed is drawn up concerning the company share, it cannot be drawn up as a security, but only as an evidential document, unless the articles of association provide otherwise.

4) Retrieved

Art. 402

2. Share ledger

1) A share register is kept for the capital contributions of all shareholders, showing the surname and first name, date of birth, citizenship and place of residence or company name and registered office of each shareholder, and

the amount of the contributions taken over as well as each transfer of a company contribution and each change relating thereto.

2) At the beginning of each calendar year, a list of these entries, which is consistent with the share register, must be submitted to the Office of Justice for retention in the register files or notification must be given that no change has occurred since the last submission.

3) The managing directors shall be liable without limitation and jointly and severally for any damage caused by inadequate keeping of the share register in accordance with the provisions on liability.

4) The submitted list can be inspected by anyone.

3. Transfer of the whole share

Art. 403

a) On the basis of an assignment

1) The assignment of a company share is only effective if it has been communicated to the shareholders and entered in the share register.

2) This registration may only be made if the articles of association do not provide otherwise,

if three-fourths of all the participants, who also represent three-fourths of the share capital, have given their consent, unless the assignment is made to other shareholders.

3) The articles of association may provide that the assignment may be made without the consent of the shareholders, or that it may be further restricted, such as by the shareholders' right of first refusal, the consent of the management or the like.

4) The assignment of a share in a company, as well as the obligation to make such an assignment, but not the creation of a limited right in rem, must be notarized in order to be valid.

5) This Article shall not apply to the assignment by the company of shares in the company, or to the assignment or creation of a limited right in rem to individual pecuniary claims of the shareholder, such as profit, liquidation share.

6) From the time of entry in the share register, the acquirer shall bear the obligations as a shareholder; however, in the absence of any other provision in the articles of association, the transferor and the acquirer shall be jointly and severally liable for the payments already due.

Art. 404
b) Due to inheritance and similar conditions

1) If shares in a company are acquired by inheritance, division of an estate or marital property law, all rights and obligations associated therewith shall pass to the acquiring person without the consent of the shareholders' meeting.

2) However, the acquiring person must be recognized by the shareholders' meeting as a shareholder with voting rights in order to exercise voting rights and the associated rights.

3) The shareholders' meeting may refuse to recognize it only if the company offers to take over the company shares at the real value at the time of the request. The offer may be made for the company's own account or for the account of other shareholders or third parties. If the acquiring person does not reject the offer within one month after knowledge of the real value, it shall be deemed accepted.

4) If the shareholders' meeting does not reject the request for recognition within six months of receipt, recognition shall be deemed to have been granted.

5) The Articles of Incorporation may waive the requirement of recognition.

6) The articles of association may stipulate that ordinary shares which, pursuant to para. 1, have passed to a third party by way of inheritance, division of an estate or matrimonial property law, may be redeemed by the company or taken up by the company or one or more co-partners or by any other person, or that the-

third party can be excluded from the company. The compensation may be fixed by contract and in particular may be less than the actual value of the ordinary share, provided that the arrangement is not contrary to good morals and the compensation is at least equal to that provided for in the Articles of Association in the event of the exclusion of a shareholder for good cause.

Art. 405

c) In the event of foreclosure or insolvency proceedings

1) If a share in a company, which is transferable only with the consent of the shareholders, is to be sold in execution proceedings or in insolvency proceedings, the district court shall determine the appraised value of the share and shall also notify the shareholders of the approval of the sale, as well as all creditors who have obtained attachment of the share up to that time, informing them of the appraised value determined.

2) The estimate may be omitted if an agreement on the takeover price is reached between the creditor, the debtor and the shareholders.

3) If the share is not taken over by a buyer approved by the shareholders within 14 days after notification of the shareholders against payment of an amount equal to the estimated value, the sale shall be effected in compulsory enforcement proceedings or in insolvency proceedings without the consent of the shareholders being required for the transfer of the share.

4) Art. 404 par. 6 shall apply mutatis mutandis.

Art. 406

d) Based on a decision

1) In the event that the shareholders refuse to consent to the transfer of a partnership interest, the shareholder concerned may, after hearing the managing directors, be permitted by the court in extra-judicial proceedings to effect the transfer if there are no sufficient grounds for refusing consent and the transfer can be effected without damage to the partnership, the other shareholders and the creditors.

2) Even if the court approves the transfer, the latter is inadmissible if, within one month after the decision has become final, the company notifies the shareholder concerned by registered letter that it permits the transfer of the share in question under the same conditions to another acquirer designated by it who agrees to take it over.

Art. 407

4. Division

1) The division of a share in a company and the sale of a part of such a share are, if the articles of association do not exclude this and the parts are not subject to the statutory

However, in order to be valid, they require the same consent and registration as the assignment of the entire share.

2) If there are important reasons, the judge may permit the division or sale in a non-contentious procedure after hearing the managing directors if the shareholders refuse.

3) If new company shares are created as a result of the division or sale, they must be entered in the share register and registered with the Office of Justice, but not published.

Art. 408

5. Acquisition by a co-shareholder

1) If a shareholder acquires the share of another shareholder or a part thereof, his capital contribution shall be increased by the nominal value of the share acquired.

2) However, an increase of the ordinary share does not occur, but each share or part thereof retains its legal independence if ordinary and preferred or fully paid and not fully paid shares or parts meet in the hands of a shareholder.

Art. 409

Retrieved

II. Deposit

Art. 410

1. obligation and method of payment

1) Subject to the provisions on contributions in kind, the capital contributions shall be paid by the shareholders in proportion to their nominal amounts, unless the Articles of Association provide otherwise, at the same time in cash or in kind.

and, except in the case of a reduction of the share capital, may neither be waived nor deferred.

2) Reservations and restrictions on the assumption of the capital contribution or on payments are null and void.

Art. 411

Repealed

Art. 412

Repealed

Art. 413

Retrieved

Art. 414

Repealed Art.

415

III. Liability of the shareholders

Only the company's assets are liable for the company's liabilities.

Art. 416

IV. Additional payments

1) The articles of association may oblige the shareholders or certain groups of such to make additional contributions in excess of the capital contributions, which, if otherwise invalid, must be in specific amounts and, unless otherwise stipulated, must be paid in proportion to the capital contributions.

2) These additional contributions are demanded by the managing directors on the basis of a company resolution, in case of doubt by registered letter, but are only intended to cover balance sheet losses, accordingly they do not constitute new capital contributions and are not subject to the regulations on share capital.

3) For the fulfillment of the obligation to make additional contributions, the provisions on default and realization of the share of the contributions shall apply, but there shall be no joint and several liability among the shareholders for this purpose.

4) However, the articles of association may also stipulate that the collection of additional contributions may be effected by the management on a pay-as-you-go basis.

Art. 417

V. Entitlement to share of profits

1) The partners are not entitled to interest or building interest, but they are entitled, according to their shares, to the net profit resulting from the annual balance sheet, subject to other statutory provisions and the payment of profit in the meantime.

2) The same rules apply to the contestation of the calculation of the net profit as to the corporation.

3) The provisions on the statutory reserve fund for stock corporations shall apply mutatis mutandis.

4) Profit participation certificates can be issued as securities via the entitlement to profits.

Art. 418

VI. Reacquisition and amortization

1) The Company may only acquire its own ordinary shares if it has freely usable equity capital in the amount of the funds required for this purpose.

2) Retrieved

3) Amortization of company shares is possible in accordance with the Articles of Association or with the consent of the shareholders' meeting, provided that the amortization is covered by the company's assets in excess of the share capital. Amortization at the expense of the share capital is only permissible if the provisions on the reduction of the share capital are complied with.

4) Profit-participation certificates may be issued in accordance with the rules established at the stock corporation.

Art. 418a

VII. Contracts with the sole shareholder

Contracts between the sole shareholder and the company must be in writing. This does not apply to contracts relating to current transactions concluded under normal conditions.

D. Amendment of the Articles of Association Art. 419

I. Amendment resolution

1) The Articles of Association may be amended by shareholders' resolution with a public deed, but the amendment shall only become effective upon entry in the Commercial Register.

2) Unless the Articles of Association provide otherwise, the amendment requires the approval of a majority of three quarters of all shareholders, which at the same time represents three quarters of the share capital.

3) Furthermore, in the absence of any other provision in the Articles of Association, an increase in the benefits of the shareholders or a reduction of the rights granted to individual shareholders by the Articles of Association may only be resolved with the consent of all shareholders concerned.

4) After each amendment, the current version of the Articles of Association must be published in accordance with Art. 958 para. 2.

II. Increase in share capital

Art. 420

1. In general

1) An increase of the share capital requires the public notarization of the transfer of each share contribution to be paid on the increased capital by shareholders or third parties; if third parties take over a share, their accession to the company in accordance with the articles of association must be declared in the public notarization and, in addition, any other contributions must also be declared.

2) The increase is subject to the same provisions as the formation of the capital stock.

3) If a shareholder makes a capital contribution to the increased capital, this is to be regarded as an increase in his share in the company.

4) Retrieved

Art. 421

2. Right and obligation to take over

1) Unless otherwise stipulated in the Articles of Association or in a resolution on the increase of the share capital, the existing shareholders shall have the right of first refusal to take over the new capital contributions in proportion to the old ones within one month from the date of the resolution.

2) The articles of association may stipulate that a shareholder is obliged to take over new ordinary shares in the same proportion.

3) The provisions applicable to stock corporations concerning bonds or similar obligations with conversion or option rights are applicable.

Art. 422

III. Reduction of the share capital

1) When reducing the share capital, the amount of the share capital and the amount of the individual contributions to the share capital may not be reduced below the minimum amounts required for the formation of the company, unless the share capital has been reduced as a result of a loss.

2) In all other respects, the provisions on the reduction of the share capital of stock corporations shall apply mutatis mutandis to the limited liability company.

3) The reduction of the share capital may take place at the same time as an increase in the share capital, in which case the provisions on the demand for payment of creditors shall not apply.

E. Dissolution of the company

Art. 423

I. In general

1) Unless otherwise stipulated in the articles of association, the resolution to dissolve the company requires a majority of at least three quarters of all members holding at least three quarters of the share capital.

2) An individual shareholder may also demand dissolution for important reasons, and the company in turn may demand the exclusion of a shareholder for important reasons by court ruling.

3) If the partners are obliged to make further contributions other than the capital contribution, the judge may, for good cause, instead of dissolving the company on such grounds, order the withdrawal or expulsion of a partner from the company.

4) The withdrawn or excluded shareholder cannot be released from the obligation to make the capital contribution and there is no repayment of contributions already made.

5) If the articles of association grant a shareholder the right to withdraw from the company under certain conditions, the withdrawal is only effective if the provisions on the reduction of the share capital, which is reduced by the amount of the share capital contribution of the withdrawing shareholder, have been observed.

6) In the case of the second paragraph of the bankruptcy of the company and the third paragraph, the annotation of the initiated dissolution proceedings in the Commercial Register may be made upon request.

Art. 424

II. Dissolution without liquidation

1) Liquidation shall not be carried out if the assets of a company with limited liability are transferred in their entirety, including its debts, to a joint-stock company in exchange for shares or to another company with limited liability in exchange for shares (merger) and both parties waive liquidation.

2) Such a resolution shall require unanimity unless otherwise provided for in the Articles of Association.

3) In all other respects, the provisions governing the takeover of one stock corporation by another shall apply mutatis mutandis to limited liability companies.

4) The provision on the unification of several joint-stock companies shall apply mutatis mutandis to the unification of several limited liability companies for the purpose of forming a new limited liability company.

Art. 425

III. Conversion

1) The conversion of a stock corporation into a limited liability company as universal successor may be effected without liquidation under the following conditions:

1. The share capital of a limited liability company may not be less than the share capital of a joint stock company.

2. Shareholders shall be given the opportunity to register with the Company up to the nominal amount or the quota of their shares or a part thereof.

to participate in the new company.

3. This shareholding must represent at least three quarters of the share capital of the previous company.

2) Any shareholder who does not participate in the new company may demand that the new company pay him his liquid assets in accordance with the law and the Articles of Association.

The Board of Management is entitled to demand the payment of the share in the assets of the stock corporation to which it is entitled in accordance with the balance sheet.

3) The assets and liabilities of the dissolved company shall become the assets and liabilities of the new company upon its registration.

4) Immediately after the registration of the new company in the Commercial Register, the creditors of the dissolved company shall, unless the Office of Justice allows an exception, be invited to lodge their claims by means of an announcement in accordance with the provisions of the Articles of Association; and creditors who lodge claims but do not consent to the conversion shall then be satisfied or provided with security. The right to demand security is only available to creditors if they have shown credibly that the fulfillment of their claims is endangered by the conversion.

5) The conversion of a limited liability company into a cooperative without liability of the members of the cooperative or into such with limited liability or obligation to make additional contributions or into a joint-stock company or share partnership or into a general partnership with limited liability or a limited partnership is permitted at any time by means of a public deed applying mutatis mutandis the provisions of the preceding paragraphs.

6) The compulsory regulations established for the individual members of the association remain reserved.

Art. 426

Repealed Art.

427

G. Referral

Unless otherwise provided for in the foregoing or in the articles of association or under the general provisions, the provisions governing general partnerships shall apply to limited liability companies with the proviso that only a limited liability of the partners towards the company exists.

6. Section

The Cooperative

Art. 428

A. In general

1) A cooperative is an association, organized as a corporation, of a non-closed number of persons or commercial companies whose main purpose is to promote or safeguard certain economic interests of its members in joint self-help.

2) For small cooperatives, such as alpine cooperatives and the like, the special provision at the end of this section is reserved (unincorporated cooperatives).

3) The business scope of cooperatives may extend to members as well as non-members, unless the law itself or the articles of association provide otherwise.

4) It is not permissible to determine the share capital in advance.

B. Origin Art.

429

I. In general, for

the formation of the cooperative requires:

1. written articles of incorporation;

2. the appointment of the organs and, unless the signature of all founders of the cooperative is present on the statutes, the adoption of the statutes by the constituent general assembly;

3. the entry in the Commercial Register (registered cooperatives).

II. Content of the Articles of Association

Art. 430

1. Content required by law

1) The Articles of Incorporation must contain provisions concerning:

1. the name (the company name) and the registered office of the cooperative;

2. the purpose of the cooperative;

3. any obligation of the members of the cooperative to make cash or other payments and the nature and amount thereof;

4. the bodies for the management and for the control as well as the way of exercising the representation;

5. the form of notices emanating from the cooperative.

2) The provisions of paragraph 1 shall be deemed to be material for the purposes of the destruction procedure.

Art. 430a

2. Provisions to be included, if applicable

To be binding, they must be included in the Articles of Association:

1. Provisions on the creation of cooperative capital through cooperative shares (share certificates);

2. Provisions on contributions to the capital of the cooperative not made by payment (contributions in kind), their object and the amount to be credited, as well as the person of the contributing member of the cooperative;

3. Provisions on assets to be taken over upon incorporation, on the remuneration to be paid therefor and on the person who owns the assets to be taken over;

4. provisions on entry into the cooperative and on loss of membership that deviate from the statutory provisions;

5. Provisions on the personal liability and the obligation to make additional contributions of the members of the cooperative;

6. provisions that deviate from the statutory provisions concerning the organization, representation, amendment of the Articles of Association and the passing of resolutions by the General Meeting;

7. Restrictions and extensions on the exercise of voting rights;

8. Provisions on the calculation and appropriation of net income and liquidation surplus.

Art. 431

III. Constituent General Assembly

1) If the articles of association are not signed by all founders (initiators) and the necessary bodies are demonstrably appointed, they shall convene a constituent general assembly at which the purposes of the cooperative, the means of achieving them, the rights and duties of the members of the cooperative, if any, the written report on contributions in kind, acquisitions in kind or benefits for founders or members of the cooperative and the relations with cooperative associations shall be openly stated.

2) The Assembly discusses the Articles of Association, decides on their adoption and appoints the necessary bodies.

IV. Entry in the Commercial

Register Art. 432

1. Registration

1) In the application for registration of the cooperative, the members of the management and the persons entrusted with the exercise of representation shall be designated, indicating their place of residence and nationality.

2) The application must be submitted to the Office of Justice in a certified form by at least two members of the administration.

3) The registration must be accompanied by the articles of association, the report on any contributions in kind and assets to be taken over and, if the cooperative has unlimited or limited personal liability or an obligation to make additional contributions on the part of the members of the cooperative, a list of the members of the cooperative.

Art. 433

2. Registration and publication

1) In addition to the date and the legally required provisions of the articles of incorporation, the names, place of residence and nationality of the persons entrusted with the management and representation of the company must be entered in the commercial register, together with their signatory rights.

2) The details of the company name, registered office, purpose, contingencies and manner of announcements as well as all registered details of the cooperative's administration must be published.

3) The list of cooperative members, which must be submitted to the Office of Justice by cooperatives with personal liability or the obligation to make additional contributions, is open to inspection by anyone, but is not published.

Art. 434

V. Contributions in kind and other contributions by cooperative members

1) If contributions other than in cash are to be made by members of the cooperative or if remuneration is to be authorized for the assets to be taken over by the cooperative, the articles of association shall state the object of the contribution or takeover, the amount to be credited or the remuneration and the person of the contributing member of the cooperative or of the owner of the assets to be taken over.

2) A written report on the contributions in kind and the assets to be taken over and any special advantages for the founders or cooperative members should be attached to the articles of association submitted to the commercial register if a constituent general meeting has been held or if the cooperative shares are to consist of securities.

3) The articles of association may introduce the obligation of the members of the cooperative to make recurring non-monetary payments, provided that, in the absence of a provision to the contrary in the articles of association, the relevant provision shall apply to the company with a registered office in the Czech Republic.

limited liability is to be applied on a supplementary basis.

Art. 435

VI. Protection of vested rights

The same rights are to be regarded as vested rights of the cooperative members as in the case of a joint-stock company, unless the articles of association provide otherwise.

C. Membership

I. Acquisition

Art. 436

1. In general

1) Unless otherwise provided by law or the Articles of Association, or unless freely transferable securities of membership are issued, membership in a cooperative requires an unconditional written declaration by the person joining.

2) With reference to the Articles of Incorporation, if they are not written on the Articles of Incorporation themselves, the declarations of accession must contain the remark in case of other invalidity, unless the law allows exceptions:

1. in the case of cooperatives with unlimited liability, that the individual members of the cooperative are jointly and severally liable for the obligations of the cooperative to the cooperative and directly to its creditors in accordance with the provisions of this law;

2. in the case of cooperatives with an unlimited obligation to make additional contributions, that the individual members are obligated with all their assets to provide the cooperative with the additional contributions required to satisfy its creditors in accordance with the law.

Art. 437

2. Before and after registration

1) Joining a cooperative that is yet to be founded and not yet registered is binding if the joining party has signed the cooperative's articles of association or otherwise a written declaration referring to the articles of association, even if the joining party is not listed in the submission for registration in the commercial register.

2) Admission to an already registered cooperative shall be effected by a resolution of the General Assembly, unless the Articles of Association assign the admission of new members to the Administration or to a Delegates' Assembly or specify the conditions under which the mere written declaration of accession of the new member or the acquisition of a share certificate shall suffice for admission.

Art. 438

3. Admission of new members

1) Unless the Articles of Association provide otherwise, new members may be admitted to an existing cooperative at any time.

2) If membership is to be limited, the articles of association shall specify the necessary conditions for admission, such as membership of a profession or association, or the holding of a specific residence, or a maximum share capital; in addition, the cooperative may refuse admission at its discretion.

3) The government may, where urgent needs justify it, order for individual cooperatives or types of cooperatives that the admission of new members may not be restricted even by the articles of association.

4) The provisions of public law which impose on certain persons the obligation to join certain cooperatives shall remain reserved.

II. Loss

1. Exit

Art. 439

a) Free exit

1) As long as the dissolution of the cooperative has not been decided and no share certificates of membership have been issued, each member of the cooperative is free to resign.

2) A prohibition in the Articles of Association or an excessive impediment to withdrawal by the Articles of Association or by contract shall be invalid.

3) On the other hand, appropriate conditions of a pecuniary nature may be attached to the withdrawal (trigger sum), in particular if, according to the circumstances, the withdrawal should cause considerable damage to the cooperative or even jeopardize its continued existence.

4) The claim for payment of a termination indemnity shall become statute-barred upon the expiry of three years from the date of resignation.

Art. 440

b) In the case of cooperatives with permanent installations and contracts

1) Cooperatives acquiring or constructing long-term facilities (real estate, buildings, machinery, inventories, etc.) or concluding long-term supply or purchase contracts may stipulate in the Articles of Association that the withdrawing party shall pay a redemption sum corresponding to the disadvantage suffered by the cooperative as a result of the withdrawal from the insufficient utilization of such facilities or compliance with the contracts.

2) The last paragraph of the preceding Article shall apply mutatis mutandis.

Art. 441

c) Waiver of withdrawal

1) A waiver of withdrawal may be provided by law by the Articles of Association or by contract for a maximum period of ten years.

2) However, resignation is also permitted by law during this period if there are important reasons justifying it.

3) A restriction of the waiver is permissible in the case of cooperatives within the meaning of the preceding article or with the reservation of the obligation to pay a reasonable amount for the waiver.

Art. 442

d) Cancellation

1) If the Articles of Association do not specify the period of notice and the time of resignation, resignation may only take place in writing at the end of the fiscal period and subject to a period of notice of at least three months.

2) The Articles of Association may extend the notice period, which in case of doubt shall be the same for all members of the Cooperative, to a maximum of three years.

3) Retrieved

4) The articles of association may grant the competent bodies the power to dismiss a member of a cooperative for important reasons or at their discretion at the request of a creditor without observing the notice period.

5) Under the same conditions, the cooperative may terminate the membership of a member of the cooperative, unless the articles of association provide otherwise.

Art. 443

2. Exclusion of members

1) The Articles of Association may determine the grounds on which a member of the Cooperative may be excluded from the Cooperative, but in all cases exclusion on important grounds is permitted.

2) If the Articles of Association do not contain any provisions in this regard, exclusion may only be effected by resolution of the General Meeting and for important reasons, which are subject to judicial review upon complaint by the excluded persons against the Cooperative.

3) If the important reasons are continued behavior contrary to the Articles of Association or other malicious behavior of the person to be excluded, he shall be liable for the damage incurred to the purpose of the cooperative and the business operations.

4) From the notification of exclusion, the member of the cooperative may not become a member of the cooperative.

of the administration or of another appointed body and is excluded from exercising the right to vote in the supreme body.

5) The provision of the Articles of Association concerning the payment of a redemption sum or compensation to the withdrawing party in the case of cooperatives with long-term investments, supply or purchase contracts shall apply mutatis mutandis to the withdrawn party.

Art. 444

3. Termination by a creditor or the insolvency administrator

1) The creditor of a member of a cooperative who, having within the last six months initiated foreclosure proceedings against the assets of the

If a member of the cooperative has unsuccessfully attempted to seize the right to compensation to which he is entitled in accordance with the articles of association or this law, or if the insolvency administrator of the member of the cooperative in respect of whose assets insolvency proceedings have been instituted may, for the purpose of satisfaction, exercise the right of termination of the member of the cooperative in his stead, subject, however, to the provisions on the redemption sum or compensation in accordance with the last paragraph of the preceding article.

2) The notice of termination by a creditor must be accompanied by a certified copy of the debt instrument and the deeds of fruitless execution, whereas the insolvency administrator may terminate without further ado.

3) If freely transferable share certificates have been issued in the case of a cooperative, the creditor or the insolvency administrator shall only have a right of termination if the articles of association permit this, but otherwise execution may be obtained on the share certificate.

Art. 445

4. Death or lapse of a member of the cooperative

1) Unless the Articles of Association provide otherwise, membership shall expire upon the death of the member of the cooperative and, if the member is a company or association, upon its dissolution, provided that the acquisition and loss of membership are not linked to the right to the share certificate.

2) However, the articles of association may stipulate that the legal or appointed heirs or one of several heirs are to be recognized as members in place of the deceased member of the cooperative upon mere notification of the succession under inheritance law.

3) The articles of association may also provide that the heirs must assume all the rights and obligations of the deceased member of the cooperative; heirs who wish to evade the obligations thereby imposed on them shall be placed on an equal footing with the resigning members for this purpose.

4) If several heirs join the cooperative, the community of heirs shall have a

Representative to designate.

5) The designation of the one successor among several heirs shall be made either by disposition at death or by the division agreement of the heirs, and, if for any reason this is omitted, the judge shall designate him at the request of an heir or the cooperative

in out-of-court proceedings; however, declarations of the cooperative may be made to one of the heirs with legal effect until the appointment of a joint representative and notification thereof to the cooperative.

6) The foregoing provisions shall apply mutatis mutandis to companies and associations as members of a cooperative insofar as, upon their dissolution, their assets, together with their assets and liabilities, are transferred to another party; in other cases, the articles of association shall establish the necessary provisions and, in the absence thereof, the judge shall, upon request of the parties involved and after hearing the administration, order the necessary in extrajudicial proceedings.

5. Transfer of membership

Art. 446

a) In general

1) The transfer of a cooperative share makes the transferee a cooperative member in place of the seller only if the articles of association so provide and unless the law requires a written declaration of accession in the case of cooperatives with unlimited liability or an obligation to make additional contributions.

2) If this is not the case, the acquirer shall only become a member of the cooperative by means of an admission resolution in accordance with the law and the articles of association, and the personal membership rights shall remain with the seller until after the closing.

Art. 447

b) For share certificates

1) Membership in a cooperative where only the cooperative's assets are liable or where there is only limited liability or obligation to make additional contributions can be linked to a deed.

2) Such share certificates shall be subject to the provisions governing registered shares and, where share certificates are issued in connection with a limited liability or an obligation to make additional contributions or an obligation to make other non-cash payments, to those governing ancillary performance shares.

3) Retrieved

4) Retrieved

5) The cooperative shall keep a register of the owners of the share certificates and enter any changes therein.

6. Omission

Art. 448

a) In case of employment

If membership of a cooperative is connected with an official position or employment or with another contractual relationship, the member shall leave the cooperative upon termination of the official position or employment or of the contractual relationship, unless the Articles of Association provide otherwise.

Art. 449

b) Other requirements

1) According to the articles of association, membership in a cooperative may be conditional on the ownership of a plot of land or a commercial operation.

2) In such cases, the articles of association may exclude the right of termination for the period during which the member retains ownership of the property or maintains the business operation.

3) The articles of association may also impose on the member the obligation to transfer membership to the purchaser or transferee in the event of the sale of the property or transfer of the business operation.

4) The articles of association may, however, also expressly provide that the membership shall pass to the acquirer or transferee without any further agreement being required, but in order to be effective vis-à-vis third parties, this provision shall require a preliminary entry in the land register sheets of all properties concerned or, in the case of companies as members, an entry in the commercial register sheet in the relevant company entry, whereby the right of priority of already existing encumbrances under property law shall be reserved.

5) Instead, the obligation to provide cooperative services can also be entered in the land register as a land charge.

6) Persons who wish to discharge themselves of the membership obligations assumed in this way shall be treated in the same way as those who have resigned.

Art. 450

7. Non-members associated with the cooperative

1) Persons who enter into a permanent relationship with the commercial activity of the cooperative through regular deliveries or through cooperation or contributions may, by the articles of association or by cooperative resolution, be brought into a relationship which places them on an equal footing with the members with regard to their participation to a certain extent.

2) Unless the Articles of Association or the Cooperative's resolution provide otherwise,

they shall have the right and the duty to use cooperative facilities under the same conditions as those applicable to the members of the cooperative, and they shall be entitled to their share of the surplus of the cooperative enterprise in proportion to such use as the members of the cooperative themselves.

3) Such persons may, with their consent in the Articles of Association, be held liable for the cooperative's obligations on an equal footing with the members.

III. Rights and obligations of the cooperative members

Art. 451

1. In general

1) All members of the cooperative have the same rights and obligations within the limits of the law and the Articles of Association.

2) They have the right to use the cooperative facilities in accordance with the provisions of the Articles of Association and, in accordance with the cooperative principles, to cover their needs at the cooperative or to deliver their land and work products and the like to it.

3) The rights granted to the members of the Cooperative in matters concerning the Cooperative, in particular with regard to the management of the Cooperative's business and the promotion of the Cooperative's works, shall be governed by the laws of the Cooperative.

are exercised through participation in the meeting of the supreme body.

4) Like the shareholders, the members of the cooperative have the right to control the management.

5) The member of the cooperative is obliged to safeguard the interests of the cooperative in good faith, to use the cooperative facilities and to adhere to the cooperative in terms of payments and utilization to the extent that this can reasonably be expected of him.

Art. 452

2. Profit claim

1) The net profit from the operation of the Cooperative shall, unless the Articles of Association provide otherwise, be included in the Cooperative's assets.

2) If the Articles of Association provide for a distribution of the net profit, it shall be distributed among the members of the Cooperative existing at the end of the business period on a per capita basis, unless the Articles of Association provide otherwise.

3) If there are shares in the cooperative, the net profit shall be distributed according to shares, unless the articles of association provide otherwise, and the articles of association may provide for an interest rate for the same.

Art. 453

3. Reserve funds and other investments

1) The Articles of Incorporation may provide that reserves shall be segregated from net income (surplus) or that funds shall be established for the purpose of establishing and supporting charities for members, workers and employees, or professional purposes.

2) The General Meeting of Shareholders shall be authorized to decide on reserve investments, even if not provided for by law or in the Articles of Association, before distributing the profit among the members of the Cooperative, if the safeguarding of the company so requires.

3) Insofar as the net income from the operation of the cooperative is used in a manner other than for the accumulation of the cooperative's assets or, if cooperative shares exist, one twentieth of the net income shall be allocated to a general reserve fund each year prior to the payment of a dividend to the cooperative shares in all cases until

this fund has reached the level of one tenth of the remaining cooperative assets.

4. Compensation claim

Art. 454

a) According to the statutes

1) The articles of association shall determine whether and which claims to the cooperative's assets shall accrue to the departing members or the heirs of a deceased person or the legal successors of dissolved companies or associates.

2) If share certificates exist as evidence, the withdrawing party shall have a right to repayment in proportion to the assets available at the time of withdrawal, but only up to the amount of the payments made; if, however, share certificates of a registered or bearer nature are issued in accordance with the Articles of Association, this right to repayment shall exist prior to dissolution in the event of transfer of the share certificate to another party only if the Articles of Association so provide.

3) In all cases, the repayment may be offset against any redemption sum paid and, if this is not the case and the cooperative would suffer considerable damage as a result of the payment or even if its continued existence should be jeopardized, it may be postponed for a period of up to one year.

Art. 455

b) According to law

1) If the Articles of Association provide for the claims of a retiring member or the heirs of a deceased member of the Cooperative or the universal successors

If the assets of the cooperative are not determined by the dissolved companies or persons belonging to associations as members of the cooperative, no compensation may be claimed.

2) However, in the case of cooperatives with permanent investments or long-term contracts, the withdrawing member may be required to pay a redemption sum.

3) In the event that, within one year of the resignation or death of a member of the Cooperative, the Cooperative or

If a member of a cooperative dissolves as a member of a company or association since its dissolution and the assets are distributed, the person who has left the company or association or his heir or successor in title shall be entitled by law to the same legal or statutory rights as the members of the cooperative who were present at the time of the dissolution.

Art. 456

c) Limitation

1) The claim of the person leaving or the heir or legal successor of dissolved companies or associations shall become time-barred after three years from the date on which he can demand payment.

2) However, the claim for compensation may be asserted by way of set-off against claims of the Company even if it is time-barred.

5. Obligation to pay contributions and

benefits Art. 457

a) In general

1) The Articles of Association regulate the obligation to pay contributions and benefits.

2) Whoever becomes a member of a cooperative takes over at least one such share by joining, where cooperative shares exist.

3) Unless the Articles of Association provide otherwise, the acquisition of several shares is permitted.

4) The Articles of Association or the body provided for in them shall determine the time and amount of any partial payments or other partial benefits.

Art. 458

b) Deposit

1) If the members of the Cooperative are obliged to pay in Cooperative shares or other contributions, they shall be requested to do so within a reasonable period of time in the manner provided for in the Articles of Association.

2) If payment is not made in response to the first request, and if a member of the cooperative also fails to comply with a second request for payment, under appropriate warning by means of a special notice sent to

If a member fails to comply with a request for payment within a period of one month, he may be declared to have lost his cooperative rights without being released from the obligation to pay, in particular interest on arrears, in the absence of any other provision in the Articles of Association.

3) If share certificates in the form of securities have been issued, the obligation to make payment shall, in the absence of any other provision in the Articles of Association, be governed by the provisions laid down for bearer registered shares.

6. Liability of the Cooperative and the Cooperative Members Art. 459

a) In general

1) The cooperative's assets are liable for the cooperative's obligations. It shall be exclusively liable unless the Articles of Association provide otherwise.

2) Each member of the cooperative shall be obliged to make only those payments which are provided for by the articles of association in the form of the acquisition of a share in the cooperative or the payment of membership fees as deposits, and such payments may not be waived or deferred with effect in the insolvency proceedings and in the compulsory enforcement of the cooperative, nor may he set off or retain the payment for any other reason.

3) The articles of association may provide for different types or a different scope of liability or additional contribution for individual members of the cooperative or for defined groups of members of the cooperative, or exclude such liability or additional contribution altogether for individual members of the cooperative or for groups of members of the cooperative (mixed cooperatives).

4) In the case of mixed cooperatives, the following provisions shall apply to the relevant individual groups.

5) Retrieved

Art. 460

b) Liability of the cooperative without liability of the cooperative members

Unless otherwise provided for in the Articles of Association, the assets of the Cooperative shall be exclusively liable for its debts and there shall be no personal liability or obligation to make additional contributions on the part of the members of the Cooperative.

Art. 461

c) Unlimited liability of the cooperative members

1) The articles of association may stipulate that the cooperative members have unlimited personal liability behind the cooperative assets (solidarity cooperative).

2) In this case, the members of the cooperative shall be jointly and severally liable for all the cooperative's obligations with all its assets if the articles of association provide for joint and several liability.

not exclude, and to the extent that the creditors have suffered losses in the execution or in the cooperative insolvency proceedings.

3) As long as the insolvency proceedings have not been opened, the claim can be asserted by creditors who have suffered losses in the course of compulsory enforcement, but after the opening of the insolvency proceedings it can only be asserted by the insolvency administrator in the apportionment proceedings.

4) The right of recourse among the paying members of the cooperative shall be governed by the provisions generally applicable to solid debt relationships and may also be asserted in apportionment proceedings before the judge in extra-judicial proceedings or by the bankruptcy administrator.

5) Members of the Cooperative who are held liable by creditors of the Cooperative may no longer dispute the obligations recognized by the Cooperative.

Art. 462

d) Limited liability of the cooperative members

1) The articles of association may stipulate that the members of the cooperative are personally liable for the obligations to third parties behind the cooperative's assets, but only up to a certain capital amount, calculated on the individual member or share.

2) In this case, the obligation of the members of the cooperative shall also extend to all liabilities of the cooperative remaining uncovered in the execution or in the insolvency proceedings of the cooperative, but only in the sense that they may be called upon to pay in their cooperative shares and member contributions over and above other member contributions up to a maximum of the further capital amount provided for in the articles of association.

3) The last three paragraphs of the preceding article apply accordingly.

Art. 463

e) Obligation to make additional contributions (cover obligation)

1) The articles of association may oblige the members of the cooperative to make additional contributions over and above the cooperative shares and member contributions and other member contributions, either without limitation or up to a capital amount specified in the articles of association (additional contributions cooperative).

2) Unless the Articles of Association or the guarantee obligations provide otherwise, the latter shall be subject to the provisions on the obligation to make additional contributions; the Articles of Association may also prescribe additional contribution insurance instead of the obligation to make additional contributions.

3) These additional contributions may be used at any time by the management to cover balance sheet

The assets of the cooperative may be claimed by the insolvency administrator immediately after the opening of insolvency proceedings.

4) The levy shall be effected by distributing the additional capital requirements among the members of the Cooperative in accordance with the provisions of the Articles of Association or, in the absence thereof, in proportion to their shares in the Cooperative or, in the absence thereof, in proportion to their heads, by way of apportionment.

5) The obligation to make additional contributions to cover balance sheet losses may be introduced in addition to the liability of the members of the cooperative.

f) Amendment of the liability and supplementary contribution provisions Art. 464

aa) In general

1) Amendments to the liability or additional contribution obligations of the members of the Cooperative may only be made by way of revision of the Articles of Association and, if they limit the liability or additional contributions, shall only have effect with regard to debts incurred after publication.

2) Moreover, the liability or the obligation to make additional contributions may only be reestablished or increased with the consent of three quarters of all members of the cooperative.

3) Such a resolution must be immediately registered by the administration with the Office of Justice as an amendment to the Articles of Association and published by the latter.

4) The reestablishment or increase of the liability or the obligation to make additional contributions shall take effect upon registration of the resolution in favor of all creditors of the cooperative.

5) Members of the cooperative who have not agreed to the new establishment or increase of the liability or the obligation to make additional contributions and who resign within three months after the registration of the resolution shall not be subject to the new provisions; they shall, however, be subject to the statutory and legal conditions of resignation existing prior to the amendment of the liability or additional contribution provisions.

Art. 465

bb) In case of multiple shares

1) If a member of the cooperative can have several shares in accordance with the provisions of the articles of association and if he has acquired several, this has no influence on third parties in the case of unlimited liability or obligation to make additional contributions, but it does have an influence on the relationship between the members of the cooperative in the sense that the right of recourse is based on the number of shares.

2) The liability or obligation to make additional contributions of a cooperative member with multiple shares in the case of cooperatives with limited liability or obligation to make

additional contributions shall increase to the multiple of the liability or obligation to make additional contributions corresponding to the number of shares.

Art. 466

g) Liability of new members of the cooperative

1) Anyone who joins a cooperative for whose liabilities the members are personally liable, or for which there is an obligation to make additional contributions, is also liable, like the others, for the debts incurred prior to his joining.

2) Any agreement to the contrary shall have no effect vis-à-vis third parties unless the third party has entered into a special agreement with the party entering into the agreement.

3) In the case of mixed cooperatives, the group of cooperative members to be joined shall be indicated in the declaration of membership, if any.

Art. 467

h) Liability after withdrawal of a member of the cooperative or dissolution of the cooperative

1) If a member of the cooperative with limited or unlimited personal liability leaves the cooperative by death or otherwise and does not transfer his membership to someone else, his liability for the obligations incurred prior to his departure shall continue, provided that insolvency proceedings are opened against the assets of the cooperative within one year or a longer period stipulated in the articles of association from the date of registration of his departure in the list of members of the cooperative or if a compulsory enforcement of the assets has been attempted unsuccessfully.

2) Under the same condition, the obligation to make additional contributions shall continue to exist after the withdrawal for one year or for a longer period determined by the Articles of Association since the entry of the withdrawal in the list of members of the Cooperative.

3) If a cooperative is dissolved, the members shall remain equally liable or obliged to make additional contributions if insolvency proceedings are opened against the assets of the cooperative within one year or within a longer period stipulated in the articles of association since the dissolution of the cooperative has been entered in the commercial register.

4) In lieu of the foregoing provisions, the Articles of Association may provide that members who have left the Cooperative may be held liable for the Cooperative's debts, whether incurred before or after their departure, for a period of one and a half years after the date of their departure.

5) If, in the case of cooperatives with liability or an obligation to make additional contributions, the articles of association provide for a claim for compensation on the part of the withdrawing member of the cooperative, the latter may be proportionately called upon to cover the balance sheet losses incurred prior to his withdrawal within one year of the registration of his withdrawal in the list of members of the cooperative.

6) In the case of cooperatives for which there is no obligation to register the withdrawal of a member in the list of cooperative members, the date of withdrawal shall be deemed to be

of a member of the cooperative is the occurrence of the facts or circumstances giving rise to the withdrawal.

i) Registration for the list of cooperative

members Art. 468

aa) In general

1) If the members of the cooperative have unlimited or limited personal liability for the debts of the cooperative or are obliged to make additional contributions in any description, the administration shall, in the case of other liability for damage incurred by the member who has left the cooperative, even if such obligations are only conditionally established, submit a list of all members, stating the name and place of residence or the company name and registered office of the members of the cooperative, to the Office of Justice together with the registration, and shall notify the Office of any subsequent resignation or entry within three months at the latest.

2) Moreover, any member who has resigned or been excluded, as well as the heirs of a member who has resigned by death, furthermore the attaching creditors or the insolvency administrator, shall be entitled to have the entry of the resignation, exclusion or death in the list of members of the cooperative preregistered without the mediation of the administration, but the Office of Justice shall immediately notify the administration of such declaration.

3) The same authority is also due to the withdrawn or excluded company or association person as a member of the cooperative or, in the event of its dissolution, to its successors in title.

4) This notification of withdrawal shall become incontestable vis-à-vis the cooperative's administration and its creditors after the expiry of one month from the date of notification by the Office of Justice to the cooperative's administration, if the administration does not contest it beforehand by legal action.

Art. 469

bb) Exceptions

1) In the case of cooperatives in which each cooperative member may hold only one share and in which the liability or obligation of a cooperative member individually or jointly does not exceed the amount of 100 francs, there is no obligation to register.

2) By ordinance, the Government may also exempt members from the obligation to register in the list of cooperative members in special circumstances, such as in the case of cooperatives that provide insurance on a mutual basis.

Art. 470

k) Limitation of liability

1) Insofar as the claims arising from the personal liability (liability or obligation to make additional contributions) of individual members are not extinguished beforehand in accordance with the statutory provisions, they shall become statute-barred one year after the date on which the insolvency proceedings relating to the assets of the cooperative are terminated or the date on which execution is unsuccessfully levied.

2) The statute of limitations shall not be interrupted by action against individual members of the cooperative with respect to the others, but it shall be interrupted by action against the cooperative.

D. Organization

I. General Assembly

Art. 471

1. Powers

1) The general assembly of cooperatives or its substitute shall adopt resolutions suitable for the best possible achievement of the cooperative's purpose, supervise the cooperative works and the overall management.

2) In the absence of a provision in the Articles of Incorporation, the supreme body alone shall have the right to

a) the election of the management and, if necessary, of the auditors;

b) the approval of the annual report and the consolidated annual report, if necessary the passing of resolutions on the appropriation of the net profit and the discharge of the administration and the auditors;

c) the making of amendments to the Articles of Association;

d) Establishment of management principles and conditions of employment of auxiliary staff and approval of general operating regulations;

e) the resolution on dissolution.

3) It is, unless the statutes provide otherwise, the supreme authority for the settlement of complaints against the administration, such as in particular concerning the admission or exclusion of members.

2. Convocation

Art. 472

a) Law and duty

1) The General Meeting of Shareholders shall be convened by the management or another body authorized to do so under the Articles of Association, if necessary by the auditors. The liquidators and the representatives of the bondholders shall also have the right to convene the General Meeting.

2) The General Assembly must be convened if at least one tenth of the members of the Cooperative or, in the case of Cooperatives with fewer than thirty members, at least three members of the Cooperative request that it be convened.

3) If the administration does not comply with this request within a reasonable period of time, the judge shall order the summons to be issued at the request of the applicants.

Art. 472a

b) Form

1) The General Meeting shall be convened at least ten days prior to the date of the meeting in the manner provided for in the Articles of Association.

2) In the case of cooperatives of more than thirty members, the convocation shall in any case be legally effective as soon as it is made by public notice.

Art. 472b

c) Items for negotiation

1) When convening the meeting, the items to be discussed must be announced, and in the case of amendments to the Articles of Association, the main content of the proposed amendments.

2) No resolutions may be passed on items that have not been announced in this manner, except on a motion to convene a further General Meeting.

3) Prior notice is not required for the submission of motions and for negotiations without the adoption of resolutions.

Art. 472c

d) Universal Assembly

If and as long as all members of the cooperative are present at a meeting, they may, if no objection is raised, validly pass resolutions even without complying with the convocation requirements.

Art. 473

3. Voting rights

1) Unless otherwise provided by law or by the Articles of Association, the voting right shall be exercised by the member of the Cooperative in person.

2) If he is unable to do so, he may authorize another member of the cooperative to represent him, but a proxy may only represent one other member of the cooperative at a time, unless the Articles of Association provide otherwise.

3) In the case of resolutions on the discharge of the management, persons who have participated in any way in the management of the company have no voting rights. This prohibition does not apply to the members of the auditors.

Art. 473a

4. Resolution

1) The General Assembly shall pass its resolutions and carry out its elections insofar as the

Unless otherwise provided by law or the Articles of Association, by an absolute majority of the votes cast.

2) A majority of at least two-thirds of the votes cast is required for the dissolution of the cooperative and the amendment of the Articles of Association.

3) Resolutions on the introduction or increase of personal liability or the obligation of the members of the cooperative to make additional contributions require the approval of three quarters of all members of the cooperative.

4) Resolutions pursuant to para. 3 shall not be binding on shareholders who have not given their consent if they are passed within three months of the

declare their withdrawal before the publication of the resolution. This withdrawal is effective as of the date on which the resolution enters into force and may not be made dependent on the payment of a trigger sum.

II. Manageme

nt Art. 474

1. In general

1) If the administration (board of directors) consists of several persons, at least a majority of the members of the cooperative shall be members of the board of directors.

2) The Articles of Incorporation may also, while preserving the supervisory right of the administration, assign the management to one or more administrators or managing directors appointed by the administration or the supreme body, who need not be members of the cooperative.

3) The order of the powers of the administration and the administrators or managers (management) shall be in accordance with the regulations on joint stock companies, unless exceptions are provided for.

Art. 475

2. Duties of the administration

In the absence of any other provision in the Articles of Association, the administration shall be responsible in particular for

1. the business operations, the elections for further bodies provided for in the Articles of Association, unless another body is expressly responsible, such as the operating commission, the administrator or the managing director, and of the other personnel, as well as the dismissal of the persons elected by it;

2. the execution and, if necessary, the issuance of implementing provisions for the regulations drawn up by the supreme body, the determination of the business operations and the extension of the same within the statutory and regulatory limits;

3. the handling of complaints and accounting;

4. the obligation to prepare the business of the supreme body and to submit to it the annual accounts and to submit an annual report as detailed as possible under the circumstances, which shall enable the supreme body to gain an insight into the state of the cooperative's operations and to make an independent assessment thereof.

Art. 476

3. Balance

1) Retrieved

2) Individual cooperatives or types of cooperatives that are not required to publish the balance sheet under the general regulations may be made subject to the obligation to publish the balance sheet by the government.

III. Auditors

Art. 477

1. In general

1) Unless exceptions are permitted, each cooperative shall appoint an auditing body which, in addition to the duties provided for under the general provisions, shall be responsible for verifying that the cooperative register is properly kept in the case of cooperatives with liability or an obligation to make additional contributions.

2) Cooperatives with at least five hundred members must have a professional audit performed, as must cooperatives whose share capital, including third-party uncovered funds, amounts to at least one million francs.

3) The judge may, at the request of a member of the cooperative, order compliance with this provision in extrajudicial proceedings.

Art. 478

2. General associations of cooperatives

1) In the case of unions of cooperatives, the rules laid down for unions shall apply and their governing bodies shall also be authorized to ensure that the statutes of the individual cooperatives comply with the law and that the resolutions of the cooperatives and the governing bodies comply with the law and the statutes.

2) They may request any information about the management of the individual cooperatives and conduct surveys that are in the interest of the Union.

3) They may also impose on the individual members of the affiliated cooperatives the obligation to comply with the standards or price tariff agreements concluded by the federation with other federations.

E. Use of the assets of a liquidated cooperative Art. 479

I. In general

1) In the case of cooperatives whose articles of association provide that the amounts paid in on shares are forfeited upon the withdrawal of a member, the net assets resulting from the liquidation must be preserved for cooperative purposes unless the articles of association provide otherwise.

2) Likewise, any such surplus must always be retained for cooperative purposes unless the articles of association provide for a specific other purpose.

3) The articles of association may also stipulate that the assets of the cooperative shall continue to exist as an independent foundation after its dissolution.

Art. 480

II. Facilitating and complicating the amendment of the Articles of Association

1) In the case of cooperatives which do not operate a commercial business, an amendment to the articles of association which provides for the preservation of the remaining assets of the cooperative for cooperative purposes in the event of liquidation may be made at any time by a simple majority of those voting.

2) An amendment to the Articles of Association which seeks to repeal the provision on the liquidation proceeds for cooperative purposes requires the approval of three-quarters of the members of the Cooperative.

Art. 481

III. Management of special-purpose assets

1) If the assets must be preserved for cooperative purposes, the articles of association or the supreme body shall determine whether they are to be transferred to the state or to a domestic municipality or to a cooperative association with the

The foundation must be entrusted with the necessary special purpose or must continue to exist as an independent foundation.

2) In the same way, they determine whether the transfer is subject to interest or whether the interest may be used for charitable or cooperative purposes.

3) In case of doubt, the administrator of the special-purpose assets shall be subject to the provisions on the tacit fiduciary relationship.

Art. 482

F. Conversion and merger

1) The conversion of a cooperative without personal liability of the cooperative members or only with limited liability to make additional contributions into a stock corporation, a partnership or a limited liability company shall be governed mutatis mutandis by the provisions applicable to the conversion of a cooperative into a stock corporation, a partnership or a limited liability company.

the conversion of a stock corporation into a limited liability company shall apply.

2) In the event of dissolution of the Cooperative without liquidation through its takeover with assets and liabilities by another Cooperative, the following provisions shall apply in addition to the provisions applicable to a merger resolution:

1. The assets of the dissolved cooperative shall be administered separately until its creditors have been satisfied or secured, whereby, with regard to the preferential right of the creditors of the dissolved cooperative to satisfaction from its assets, the provision set out for the takeover of a stock corporation by another stock corporation under item 7 shall apply accordingly.

2. The previous place of jurisdiction of the dissolved cooperative shall remain in force for the duration of the separate administration of assets, which itself, however, shall be carried out by the cooperative taking over.

3. The members of the administration of the acquiring cooperative are personally and jointly responsible to the creditors for the execution of the separate administration.

4. The dissolution of the cooperative must be filed for entry in the Commercial Register by both administrations.

5. The public request of the creditors of the dissolved cooperative may be postponed, if with their consent it is not at all foreseeable, the unification of the assets of the

However, the dissolution of both cooperatives is only permissible at the point in time at which the assets of a dissolved cooperative can be disposed of.

6. Upon entry of the dissolution of the cooperative in the Commercial Register, its members shall be deemed to be members of the acquiring cooperative with the rights and obligations arising from such membership.

7. During the period of separate asset management, the members of the dissolved cooperative may, on the basis of their liability principles, only be held liable for liabilities of this cooperative.

8. During the same period, insofar as the liability of the members of the dissolved cooperative or their obligation to make additional contributions is reduced by the unification, this may not be set against the creditors of the dissolved cooperative.

9. If the merger results in the introduction or increase of liability or the obligation to make additional contributions on the part of the members of the dissolved Cooperative, the provisions relating thereto shall not apply to those members of the Cooperative who did not consent to the merger resolution and who, within three months of the entry of the resolution in the Commercial Register, have submitted an application in accordance with the provisions of the law and the Articles of Association.

regulations declare the withdrawal.

3) Unless deviations result from the nature of the cooperatives, the provision on the merger of several stock corporations and the preceding paragraph shall apply mutatis mutandis to the merger of several cooperatives by a new cooperative to be formed, without prejudice to the liabilities to third parties existing until the merger.

G. Small cooperatives

Art. 483

I. In general

1) Small cooperatives, such as small livestock cooperatives for calves, goats, sheep, pigs, poultry, beekeeping and similar cooperatives, as well as small cooperatives with a locally and objectively limited sphere of activity, such as livestock cooperatives, hunting cooperatives, fishing cooperatives, or cooperatives connected with land.

such as all-terrain, alpine, meadow, forest, pasture

Cooperatives, such as cooperatives of winegrowers, fruit growers, alpine dairies, wells, irrigation and drainage, and the like, even if they call themselves cooperatives, acquire the right of personality as soon as they are formed in accordance with special legal provisions applicable to them, as in the case of alpine cooperatives, or, in the absence thereof, in accordance with the following and supplementary provisions established for associations, without having to be entered in the Commercial Register.

1a) Small cooperatives may also be established for the purpose of jointly elaborating and developing an innovation or holding equity interests for the exploitation of such innovation.

2) If an association of persons has formed itself with the intention of being a small cooperative without having voluntarily registered itself in the Commercial Register, and if it subsequently turns out that it is a cooperative subject to registration in accordance with this section, it shall nevertheless have acquired the right of personality already prior to registration, to which, however, it shall be held.

3) The associations referred to in the first paragraph may expressly form themselves as associations or as another association as cooperatives subject to registration; however, the provision on the restriction of the dissolution of alpine cooperatives and the dismemberment of the cooperative alp shall remain in force also in this case.

Art. 484

II. Origin

1) In order to establish such a cooperative, written documents signed by all members of the cooperative individually or at a founding meeting are required.

adopted Articles of Incorporation, which shall contain, in particular, provisions concerning:

1. Name, registered office and object of the company or purpose of the cooperative;

2. Acquisition and loss of membership and the nature and size of any benefits in money or other form, such as labor, and the like;

3. the organization of the cooperative, the bodies for the management and the way of exercising the representation and, if necessary, for the auditors;

4. the form in which notices emanating from the cooperative are made.

2) Retrieved

3) Retrieved

4) The items listed in the first paragraph under items 1 to 3 shall, unless exceptions arise in detail, be deemed to be material in accordance with the provisions on non-negotiability.

III. Membership

Art. 485

1. In general

1) The articles of association may restrict the acquisition and loss of membership; this may be alienable and heritable, connected with ownership of real property, and the like.

2) If membership is linked to ownership of a plot of land, the provisions established for registered cooperatives shall apply mutatis mutandis.

3) Insofar as membership is hereditary, descendants whose parents are not married to each other may not be excluded as such from acquisition by law.

4) The provisions on resignation in the case of registered cooperatives with permanent installations and contracts, on the combination of membership with other conditions in the case of registered cooperatives under this section may apply in accordance with the provisions of the Articles of Association.

5) The articles of association may contain detailed provisions on the rights and obligations of members, in particular on limited liability or the obligation to make additional contributions, as in the case of registered cooperatives.

6) The provision on termination by a creditor in the case of registered cooperatives shall apply mutatis mutandis.

Art. 486

2. Wintering principle

1) If the statutes of an alpine or pasture cooperative do not stipulate otherwise, only cattle that have been wintered with fodder (flowers) grown in the municipality where the cooperative has its registered office and the cooperative member has his place of residence may be calved or driven to pasture.

2) Members whose livestock has not been wintered in accordance with the above principle shall be entitled by law to appropriate compensation as grazing fees for the non-exercise of the alpine pasture or grazing right, apart from other uses or the remuneration to be paid for this; they shall, however, bear the usual burdens in the same way as the exercising cooperative members entitled to alpine pasture or grazing.

3) If a sufficient number of wintered cattle cannot be driven up in accordance with the first sale, and if they register in good time before the beginning of the alpine pasture or grazing season, such members have the right by law to drive up their cattle in the same way as other members.

3. Share rights (Tesslen)

Art. 487

a) In general

1) If members of the cooperative own partial rights in the cooperative, such as cow rights, pastures, alpine dairy rights and the like, they shall acquire and lose membership upon the acquisition or transfer of partial rights, unless otherwise provided for in the articles of association.

2) Unless otherwise provided, the obligation to make payments in money, work and the like in the case of cooperatives with partial rights shall be determined by the number and size of the partial rights to which the individual member is entitled.

3) A share book must be kept on the cooperative shares such as cow rights, alpine dairy rights and the like and share certificates (Tesslen, Beiglen) can be issued as evidence.

4) In the case of cooperative alpine pastures (corporate alpine pastures), a property register must be kept in accordance with the provisions of property law.

5) By means of an ordinance, the provisions on the Seybuch may be declared applicable to other cooperatives with transferable partial rights.

Art. 488

b) Interpretation

1) It is presumed that a cow right (stoss, pasture) means as much right to common use as is necessary to summer a cow in the usual way.

2) The entitlement and obligation arising from partial rights shall otherwise be determined in accordance with the Articles of Association and, in the absence of such a provision, in accordance with practice or local custom.

3) Share rights may also be associated with other uses, such as the purchase of wood, litter and the like.

Art. 489

c) Restrictions on disposal

1) The articles of association of cooperatives with partial rights may stipulate with effect against any person:

1. that the share uses can only be leased or otherwise transferred for use on a limited basis, such as to citizens of the relevant municipality in which the alp, senne- rei or the like is located;

2. that the sale of shares is only permitted to citizens of the municipality in which the cooperative alpine pasture, cooperative dairy and the like are located, or that a right of first refusal (municipality or cooperative lottery) exists in favor of members or citizens of the municipality for the same price as paid by the third party or for a reasonable appraisal value determined.

2) If the partial rights relate to real property, these restrictions may be recorded in the land register at the request of the Executive Board.

IV. Organization

Art. 490

1. Cooperative meeting

1) In the absence of any other provision in the Articles of Association, the supreme body of the Cooperative shall be the Cooperative Assembly.

2) For the quorum of the cooperative meeting it is necessary that, as far as possible, all cooperative members have been invited to the meeting.

3) In the cooperative meeting, each member of the cooperative, and in the case of cooperatives with partial rights, each full partial right shall have one vote, and fractions of a partial right amounting to not less than one quarter shall have a right to vote corresponding to their fraction.

4) The resolution on the sale of the Cooperative's property or the dissolution of the Cooperative shall require a two-thirds majority of all votes in order to be valid.

5) Any member of the Cooperative may challenge a resolution of the Cooperative Assembly on the grounds of violation of acquired rights within one month of becoming aware of the resolution, at the latest within three months.

months at the district court by means of a lawsuit, whereby, moreover, the

The provisions contained in the general provisions for challenging resolutions of the supreme body shall apply mutatis mutandis.

Art. 491

2. Board of Directors and Auditors

1) The by-laws of cooperative alps may introduce the administrative compulsion to accept a position as a member of the board of directors or any other body in accordance with and with the effect of the regulations established for the municipal council.

2) An auditing body exists only if the articles of incorporation provide for it.

Art. 492

V. Resolution

1) If the cooperative is dissolved, the assets shall be distributed to the last members of the cooperative in proportion to their participation, unless the articles of association provide otherwise.

2) In the case of cooperatives with partial rights, the assets shall be distributed in accordance with their partial rights.

3) Unless there are serious reasons for doing so, alpine cooperatives may not be dissolved and cooperative alpine pastures situated in Switzerland may not be sold, destroyed or encumbered if the encumbrance exceeds 10,000 francs.

4) In order to be valid, exceptions must be approved by the government after consultation with the National Alpine Commission, against which any member of the cooperative may appeal to the Administrative Court.

VI. User cooperatives by operation of law Art.

493

1. In general

1) If one or more alps owned by a municipality are used permanently for a certain period of time, such as Rhod and the like, in return for alpine rents, grass rents and the like, the livestock users shall by law form a user association.

cooperative, for which, in addition to the alpine pasture laws and any special alpine pasture statutes, the existing practice is authoritative.

2) In the absence of other regulations or practice, these cooperatives shall be legally represented, both officially and unofficially, by the bodies appointed by the municipal council or by another competent authority, such as the alpine master, the alpine bailiff and the like.

3) In addition to the cooperative, the following shall be liable for liabilities arising from the contract, in the absence of another

Each member of the cooperative shall be liable for the amount of the livestock he or she has raised.

4) The provision on compulsion to accept a position on an organ may be introduced in accordance with the provision on the Management Board.

Art. 494

2. Cattle drive

1) The right and duty to drive livestock shall be regulated by statute or municipal ordinance and, in the absence of such ordinance, by practice or local custom.

2) The alps may only be used according to the law and the rules of good alpine management.

3) Disputes concerning the herding of livestock shall be decided by the government through administrative channels, unless the law or the alpine statutes provide otherwise.

Art. 495

VII. Reservation

1) The special statutory provisions, such as those concerning undertakings for soil improvement and water cooperatives, to which the above provisions shall apply only in a supplementary manner, shall remain reserved.

2) The provisions on small cooperatives shall also apply to cooperatives under public law.

Section 7

The mutual insurance companies and the auxiliary funds

Art. 496

A. Concept, right of personality and referral

1) An association that wishes to provide insurance for its members and any other persons in accordance with the principle of mutuality acquires the right of personality (registered mutual insurance association) through the permission to conduct business granted by the government as insurance supervisory authority and through entry in the commercial register as a mutual insurance association.

2) The special provisions on non-registrable, small insurance associations and small auxiliary funds at the end of this section are reserved.

3) The general provisions on association persons and the provisions on registered cooperatives shall apply mutatis mutandis to the mutual insurance association, insofar as no deviations result from the following provisions.

B. Origin Art.

497

I. Statutes

1) The establishment of a mutual insurance association requires articles of association, which must be publicly certified and, in addition to the otherwise prescribed content, must in particular contain provisions on the following:

1. the company name and registered office, and if applicable, the head office;

2. the classes of insurance and the local areas of activity to which the operation is to extend;

3. about the beginning of the membership and about its termination;

4. about the administration, auditors and the supreme body (such as the general assembly of members, assembly of delegates and the like);

5. on the establishment of a foundation fund and a reserve fund (general contingency reserve);

6. on the coverage of expenses and on the conditions under which any additional contributions or apportionments are to be made and collected;

7. Repealed;

8. Provisions on the form of notices and which newspapers are to be used for this purpose.

2) With the exception of item eight, or unless otherwise specifically exempted, such items shall be deemed to be material in accordance with the rules on destruction.

3) A fixed or variable share capital is not required, but is permissible.

4) The Articles of Association may also regulate the general conditions of insurance.

II. Entry in the Commercial Register

Art. 498

1. Registration

1) All members of the administration have to apply for the registration of the association in the commercial register.

2) The application must be accompanied by:

1. the certificate of permission to conduct business;

2. the Articles of Association;

3. data on name and place of residence or company name and registered office of the administration

and the auditors;

4. the deeds appointing the establishment fund, together with a statement by the administration as to the extent to which the establishment fund is covered by cash or otherwise and is in its possession.

Art. 499

2. Registration

1) The following must be entered in the Commercial Register

1. the company name and the registered office of the association;

2. the classes of insurance to which the operation is to extend;

3. the amount of the founding fund;

4. the date on which the permission to conduct business is granted, and

5. Names and place of residence or company name and registered office of the members of the Board of Directors and the auditors.

2) If the articles of association contain special provisions on the duration of the association and on the authority of the members of the administration or the liquidators to represent the association, these provisions shall also be entered.

Art. 500

3. Publication

Apart from the content of the registration, the notice shall be published in the Official Gazette:

1. an indication of whether the expenses are to be covered by contributions in advance or on a pay-as-you-go basis and, in the former case, whether with exclusion or with reservation of additional contributions, whether the obligation to pay contributions is limited or not, and whether a reduction in insurance claims or an increase in insurance premiums is envisaged;

2. the provisions on the form of notices and which sheets shall be used for this purpose;

3. the method of appointment and composition of the management and the auditors. Art.

501

III. Announcement sheets

For announcements to be made by public gazettes, if the business of the Association extends beyond the territory of the country, the foreign gazettes designated in the Articles of Association shall be designated.

Art. 502

IV. Amendment to the Articles of Association

1) The Articles of Association may only be amended by resolution of the supreme body.

2) Amendments concerning only the wording may be delegated to another body by a resolution of the supreme body.

3) By resolution of the supreme governing body, other governing bodies may be authorized to adapt its resolution amending the Articles of Association to the requirements that the supervisory authority may impose for approval.

4) The decision of the supreme body to discontinue a class of insurance or to introduce a new class of insurance shall require a majority of three quarters of the votes cast; the Articles of Association may lay down other requirements.

Art. 503

V. Changes to the general conditions of insurance

1) The provisions on amendments to the Articles of Association shall also apply to amendments to the general terms and conditions of insurance approved by the supervisory authorities vis-à-vis the members, but not to the technical basis of business.

2) The management may be authorized by the Articles of Incorporation or by resolution of the supreme body to make urgent changes to the general insurance conditions on a provisional basis with the approval of the supervisory authority.

3) These amendments shall be submitted to the supreme body at its next meeting and shall be suspended if they are not approved.

4) Any amendment to the Articles of Association or the General Conditions of Insurance shall not affect an existing insurance relationship in accordance with the provisions governing the insurance contract.

5) The amendments for which the Articles of Association expressly provide with effect for existing insurance contracts with members shall remain reserved.

C. Membership

Art. 504

I. In general

1) Unless the law or the statutes provide otherwise, the acquisition and loss of membership are linked to the conclusion or termination of an insurance contract.

2) In addition to the actual members of the Association who have entered into an insurance contract, the Association may also have other members, such as honorary members, passive members or such members or persons or companies who, outside of a membership or insurance relationship, grant it contributions or subsidies or otherwise help to promote it on the basis of a donation of any kind and who have entered into an insurance contract.

are granted certain membership rights in return, such as the right to participate in the administration, control and the like (non-genuine members).

3) The transfer of membership by sale, assignment, inheritance and the like is permissible in the absence of other provisions in the Articles of Association.

4) The assumption of insurance against a fixed premium without simultaneous acquisition of membership is inadmissible.

Art. 505

II. Contributions

1) Members' contributions (advance premiums and additional contributions or apportionments) may only be assessed on the basis of the same principles if the conditions are the same.

2) Supporting members belonging to the Association may make equal or unequal, one-time or ongoing contributions for one or also for several purposes of the Association without thereby acquiring an insurance claim.

III. Foundation fund

Art. 506

1. Statutory provisions

1) The articles of association shall provide for the formation of a founding fund to cover the costs of establishing the association, as well as a guarantee and operating fund, the respective amount of which shall be included in the liabilities side of the balance sheet.

2) The articles of association shall contain the conditions under which the fund shall be at the disposal of the association and, in particular, shall determine the manner in which redemption of the founding fund shall be effected and whether and to what extent the persons who have made the founding fund available shall be granted a right to participate in the administration of the association, even if they are not members of the association.

3) The supervisory authority may permit the formation of a formation fund to be waived if, by the nature of the business to be conducted or by special arrangements of an enterprise, security is otherwise provided, such as by reinsurance, aid or support from third parties, waiting period for claims or possibility of reduction of the latter and the like.

Art. 507

2. Position of the same

1) The founding fund is to be paid in cash, unless the Articles of Incorporation permit the surrender of certificates of obligation or own bills of exchange or other assets instead of cash payment.

2) Those who have made the founding fund available may not be granted a right of cancellation and are not entitled to a right of withdrawal.

3) In addition to interest on the annual income, the articles of incorporation may provide for a share in the surplus resulting from the annual balance sheet.

4) The interest itself may not exceed the interest rate customary in the country, and the total remuneration may not exceed a further two percent of the amount paid in cash.

5) Repayment of the establishment fund may be made only from annual revenues and only to the extent that the establishment of a designated reserve fund has progressed; it must begin after the establishment expenses (the costs of establishment and the costs of the establishment incurred in the first fiscal year) have been repaid.

Art. 508

3. Shares

1) The founding fund may be divided into shares, over which share certificates may be issued, which, in the absence of any other provision in the articles of incorporation, are to be regarded as evidence.

2) The Articles of Association shall lay down more detailed provisions in this respect and may permit the issue of securities.

Art. 509

IV. Reserve fund (general security reserve)

1) The Articles of Incorporation shall provide for the establishment of a reserve fund to be used to cover any extraordinary loss arising from the operation of the business (reserve fund), and in particular shall determine the amounts to be set aside annually for this purpose and shall specify the minimum amount, which may not be set below the amount of the founding fund, up to which the reserve fund must be set aside.

2) For the reasons for which the establishment of an initial fund may be waived, the insurance supervisory authority may also allow the establishment of a reserve fund to be waived.

V. Surplus distribution

Art. 510

1. In general

1) Any surplus arising after the balance sheet, to the extent that it is not required by the Articles of Incorporation to be transferred to the reserve fund or other reserves or to be used for the distribution of royalties or carried forward to the next fiscal year, shall be distributed among the members designated in the Articles of Incorporation.

2) The Articles of Incorporation shall determine the scale of distribution, as well as,

whether the distribution is to be made only among the members existing at the end of the financial year or also among those who have left.

Art. 511

2. Restriction

1) The Articles of Incorporation of mutual insurance companies must stipulate that the founding fund paid in cash may only earn interest and be repaid from the surpluses and that an equal amount of the surpluses must be used for repayment as for the general security reserve.

2) No surplus or share of profits may be distributed to members until the costs of establishment and initial installation have been repaid and the establishment fund has been repaid.

3) Retrieved

VI. Liability of the association and the

members Art. 512

1. In general

1) For the debts of the association only the assets of the association are liable to the creditors of the association and the members are not liable to the creditors.

2) The Articles of Incorporation shall determine whether expenses are to be covered:

1. through single or recurring contributions in advance, with or without the reservation of additional contributions, with or without the reservation of reduction of the insurance claim or increase of the insurance premium;

2. by contributions apportioned according to the needs that have arisen.

3) The articles of association may specify a limited or unlimited obligation to make additional contributions or apportionments for the benefit of the association.

4) A restriction according to which additional contributions or levies may only be collected for the purpose of covering members' insurance claims is not permissible.

2. When life insurance is combined with non-life insurance classes

Art. 513

Repealed

Art. 514

3. Liability of retired members

1) Members who resign during the course of the fiscal year shall also contribute to the additional contributions and apportionments.

2) The obligation to contribute of these members, as well as of members joining in the course of the fiscal year, shall be measured according to the ratio of the duration of membership within the fiscal year or according to other circumstances specifically provided for in the Articles of Association.

3) If the amount of the additional payment or contribution to be made by the individual member is based on the amount of the contribution or sum insured levied in advance, the calculation shall be based on the higher amount if an increase or decrease in the contribution or sum insured has occurred in the course of the fiscal year.

4) The provisions of this Article shall apply only in the absence of any provision to the contrary in the Articles of Association.

5) If necessary, the articles of association shall determine the extent to which the member is released from the obligation to make additional contributions as a result of additional contribution insurance.

Art. 515

4. Tendering of additional contributions and apportionments

The articles of incorporation shall determine the conditions under which additional contributions or apportionments are to be tendered, in particular the extent to which the otherwise available funds (founding fund, reserves) are to be used and the manner in which the additional contributions or apportionments are to be tendered and collected.

D. Organization

Art. 516

I. Supreme body

1) The appointment and composition of a supreme body, such as the General Meeting, the Delegates Committee, its composition, powers and the like shall be regulated in more detail in the Articles of Association.

2) The articles of association may also entrust the administration with the powers of the supreme body, but in this case the auditors may be dismissed at the request of the administration only by the judge in extrajudicial proceedings and if there are important reasons.

3) The Articles of Association shall lay down more detailed provisions.

Art. 517

II. Management and auditors

1) The acting members of the administration are in particular obliged to compensate the association for damages if, contrary to the law, interest is paid on or repayment of the founding fund or distribution of the association's assets takes place or if payments are made after the association's insolvency has occurred or

its overindebtedness has arisen.

2) Remuneration for the members of the Auditing Board based on the annual surplus may only be granted from the amount remaining after all depreciation and reserves have been effected, and after the remuneration of those persons who, in return for an assurance of a share in the surplus, have made the founding fund available.

The Group's share of the surplus, which is still commercially permissible and subject to conditions, has been deducted.

3) In particular, the members of the Auditors shall also be liable to pay damages to the Association if, with their knowledge and without their intervention, members of the administration have committed acts that are liable to pay damages.

E. Resolution

I. By resolution or ex officio

1. Approval of the resolution

Art. 518

a) In general

1) The resolution of the supreme body to dissolve the mutual association requires a majority of three quarters of all votes cast and the approval of the insurance supervisory authority, which must also inform the registration authority thereof.

2) If the Association provides disability, old-age, widow's or orphan's pensions, resolutions shall be adopted to fulfill or ensure the fulfillment of the obligations entered into towards the members.

3) Any other dissolution, in particular as a result of action for illegality or immorality, destructibility and the like, shall also require the approval of the supervisory authority.

Art. 519

b) Existing insurance contracts

1) The insurance contracts existing between the members and the Association shall expire at the time stipulated in the resolution, however, at the earliest upon expiration of four weeks, with the effect that the insurance claims accrued up to this time may be asserted, but otherwise only the premiums paid in advance for future insurance periods, less the costs incurred for this purpose, may be reclaimed.

2) Retrieved

3) Retrieved

Art. 520

2. Dissolution ex officio

1) The Insurance Supervisory Authority may, applying the preceding article mutatis mutandis, order the dissolution of the company upon notification by a party or ex officio if the governing bodies violate legal, official or statutory provisions and fail to comply with the orders of the Supervisory Authority, in particular:

1. if more than a quarter of the members are in arrears with the payment of dues and, despite a request from the supervisory authority, the association neither collects the dues due nor takes action against the defaulters in accordance with the articles of association;

2. if the supreme body has given its consent to a use of the assets of the association contrary to this law or the articles of association, or if it has passed another resolution contrary to this law or the articles of association and if the supreme body has not complied with the request of the supervisory authority to withdraw the resolution within a set period in the cases referred to;

3. if a requested change to the insurance plan is not complied with within a reasonable period of time.

2) Instead of dissolution, the supervisory authority may also order other appropriate measures, such as ex officio amendment of the insurance plan and the like.

3) Where the Office of Justice or the judge is called upon to dissolve a company ex officio, he shall notify the supervisory authority of the reason for dissolution and, if necessary, the supervisory authority shall order the dissolution.

II. Liquidation

Art. 521

1. In general

1) If the insurance supervisory authority orders the dissolution, the court shall, if insolvency proceedings are not to be opened, appoint the liquidators in extrajudicial proceedings at the request of the supervisory authority,

to make their name or company known and to supervise their activity.

2) During the liquidation, in particular the tendering and collection of additional contributions and apportionments may be effected to the extent required by the liquidation, whereby the apportionment procedure shall apply with the proviso that the liquidators shall take the place of the insolvency administrator.

3) New insurance policies may no longer be taken over, existing ones may not be increased

or extended, but are to be terminated or otherwise dissolved at the next opportunity.

Art. 522

2. Redemption of the foundation fund

1) The formation fund may only be redeemed after the claims of all other creditors, in particular the claims of the members arising from the insurance relationship, have been satisfied or secured.

2) No additional contributions or apportionments may be levied for the purpose of

redemption. Art. 523

3. Surplus distribution

1) The assets of the Association remaining after the adjustment of the debts shall be distributed, unless the Articles of Association have determined a different beneficiary, to the members existing at the time of the dissolution and, in the absence of any provision to the contrary in the Articles of Association, according to the same scale according to which the distribution of the surplus took place during the existence of the Association.

2) The articles of association may stipulate that the persons entitled to seizure shall be determined by resolution of the supreme body.

III. Insolvency

proceedings

Art. 524

1. In general

1) If, in the case of a mutual insurance association with an obligation to make supplementary contributions or to pay contributions, written supplementary contributions or contributions are not received within six months of the due date, the administration shall examine whether, if the supplementary contributions or contributions not received in cash are not taken into account, there is an over-indebtedness.

2) In the event of such overindebtedness, the supervisory authority must be notified within one month of the expiry of the specified period for the purpose of ordering appropriate measures.

3) The same duty of notification applies to the liquidators.

Art. 525

2. Liability of the members

1) Insofar as members are obliged by law or by the Articles of Association to pay contributions, they shall be liable to the Association as its debtor in the event of the Association's insolvency proceedings.

2) Withdrawn members, if their withdrawal took place within the last year before the opening of the insolvency proceedings, are still considered as members with regard to the liability for the debts of the association.

Art. 526

3. Claims for repayment of the formation fund

1) The claims for repayment of the formation fund are subordinate to all other insolvency claims.

2) Among the insolvency claims, the claims arising from the insurance policy, insofar as they are due to the members of the Association at the time of the opening of the insolvency proceedings or to members who left the Association within the last year before the opening of the insolvency proceedings, shall be satisfied after the claims of the other insolvency creditors.

3) Additional contributions or apportionments may not be levied to repay the formation fund.

Art. 527

4. Recovery by the insolvency administrator

1) The insolvency administrator shall determine and tender the additional contributions required in the event of insolvency proceedings.

2) After drawing up the balance sheet, the latter shall determine how much the members have to contribute to cover the deficit indicated in the balance sheet on the basis of their obligation to pay contributions and shall call in the contributions before the final distribution in accordance with the provisions on the apportionment procedure.

F. Small insurance clubs

Art. 528

I. In general

1) Associations which, in accordance with their purpose, have a narrowly defined sphere of activity in terms of subject matter, location or persons, such as health insurance funds, company pension funds, local or regional death benefit associations or livestock insurance associations with a similar sphere of activity and the like, shall be subject to the following provisions and, in addition, to those governing associations, unless the legal form of another association, such as a cooperative or the like, is expressly chosen.

2) Retrieved

3) Whether or not there is a small insurance association or an association otherwise not subject to insurance regulation,

shall be determined by the Insurance Supervisory Authority, to which the Articles of Association shall be submitted for this purpose, avoiding the administrative penalties admissible in administrative proceedings, but the Association shall have the right of personality in all cases until the decision of the Supervisory Authority.

4) The supervisory authority may also decide over time whether a smaller insurance association has developed into one requiring a license.

Art. 529

II. Closing of accounts

1) Small insurance associations shall prepare an annual statement of accounts for each class of insurance, consisting of an operating statement (profit and loss account) and a statement of assets and liabilities, as well as compilations of the movements of the insurance portfolio and the claims and benefits incurred.

2) The operating account or the individual fund accounts should in particular show:

1. in revenues:

the state of pure assets at the end of the previous year;

the income from contributions, apportionments and the like, with an indication of any advance or additional payments;

Administrative income, such as writing fees and the like; receipts from capital investments, price gains and other income;

2. in the issues:

statutory benefits and indemnities; administrative expenses; taxes and fees;

Exchange losses and other expenses;

the net assets at the end of the financial year.

3) The statement of assets and liabilities shall show all assets and liabilities, the difference of which shall constitute the assets of the association or the fund concerned.

Art. 530

III. Asset investment

The assets of such associations may only be invested in domestic securities, in domestic real estate up to half of the official valuation, or in the savings and loan fund of the state, provided that the governing bodies are otherwise liable for any damage arising from another investment.

G. Auxiliary

funds Art.

531

I. In general

1) Auxiliary funds, such as sickness, nursing, widows' and orphans', work and support, fire and similar funds, shall be subject to the following provisions, unless deviated from below.

The provisions on small insurance associations shall be applied if the conditions for the registration of insurance companies are met or if the provisions on registered insurance companies are not to be applied.

2) The term "mutual insurance association" may be replaced by the term "auxiliary fund" and, if it is required to register in the Commercial Register, by the term "registered auxiliary fund".

Art. 532

II. Special rules

1) In addition to the insurance of members or their dependents, the relief fund may also provide support for travel, take over employment agencies or establish reading rooms, libraries and the like, and these secondary purposes shall be met by specially procured contributions, which must be collected and administered in addition to the others.

2) Members who support the Auxiliary Fund may participate in the administration, control and in the General Assembly in accordance with more detailed provisions of the Articles of Association.

3) A foundation fund is not required, unless the insurance supervisory authority requires one in the case of auxiliary funds subject to licensing.

4) Unless the statutes provide otherwise or the assets are not required to cover security claims, the assets of a dissolved relief fund shall accrue to the state, which shall use them for charitable purposes in accordance with the provisions on implied trusteeship.

Art. 533

H. Exclusion of execution

Those from small insurance associations or from auxiliary funds, such as death

The claims to which the entitled persons are entitled under the insurance schemes of the mutual funds, health insurance funds, health support funds, factory health insurance funds, widows' and widowers' funds and similar insurance associations or other associations which operate a class of insurance instead of small mutual funds or small insurance associations may not be withdrawn from the entitled persons by their creditors by way of execution or insolvency proceedings or by way of security measures, unless the entitled person is required by law to provide maintenance.

5. Title

The institutions and foundations

1. Section

The institutions

Art. 534

A. Concept and delimitation

1) For the purposes of this title, an establishment is an enterprise which is legally independent and organized in accordance with the following provisions, which is dedicated to permanent economic or other purposes, which is entered in the Commercial Register as an establishment, which has a stock of material, possibly personal resources, and which is not of a public-law nature or which has another form of association.

2) Institutions under public law that serve a specific permanent purpose and are in the hands of the public administration are subject to public law, unless exceptions are made

and, if they are independent, in addition to the following provisions.

3) The ecclesiastical institutions are subject to public law and, in addition, to ecclesiastical law.

4) Establishments without personality (dependent establishments) and other dependent contributions of assets under a special-purpose trust are not subject to the following provisions but to the provisions on the tacit trust relationship; foundations are reserved.

5) Retrieved

B. Foundation

Art. 535

I. Founder

1) An establishment may be established and operated by an individual, a company, a municipality or associations of municipalities or by an association person not otherwise registered in the Commercial Register.

2) Municipalities and associations of municipalities require the approval of the government in order to be established.

3) More than one founder is not required.

Art. 536

II. Statutes

1) In order to establish an establishment, written articles of association signed by one or more founders are required.

2) The articles of association of an establishment must also contain provisions on the following:

1. the name or the company name and the registered office and the designation as "establishment";

2. the purpose of the establishment, if any, the object of the undertaking;

3. the estimated value of the establishment fund, if it is not in money (establishment capital), and the manner of its procurement and composition;

4. the powers of the supreme body;

5. the bodies for the management and, if necessary, for the control and the way of exercising the representation;

6. the principles governing the preparation of the balance sheet and the appropriation of the surplus;

7. the form in which notices emanating from the Establishment shall be made.

3) These provisions shall be deemed to be material in accordance with the provisions on destructibility, with the exception of items 6 and 7.

4) If the Establishment Fund consists of assets other than cash, the dedicated assets may be listed in more detail in a special register to be submitted to the Commercial Register for safekeeping instead of in the Articles of Association.

5) An establishment may also be established with a variable establishment fund, as in the case of a joint-stock company (Art. 363 to 366); this must be notified to the Commercial Register for registration and publication.

III. Entry in the register of establishments

Art. 537

1. Registration with the registry

1) All establishments are subject to registration in the Commercial Register, unless the law provides for exceptions.

2) The application must be accompanied by a copy of the articles of incorporation and a deed of asset dedication, containing:

1. the founding act (founding resolution or founding declaration, founding deed), if it is not already included in the articles of incorporation;

2. a statement that at least half of the Establishment Fund is paid up or covered by contributions in kind and how the remainder is raised or secured;

3. a list of the members of the Board of Directors, indicating their names and places of residence or their companies and registered offices.

Art. 538

2. Registration and publication

1) The following shall be entered in the Commercial Register and published in an extract:

1. the act of incorporation, if it is not included in the articles of incorporation themselves;

2. the date of the Articles of Association;

3. the name or the company name and the registered office of the establishment;

4. the object of the company or purpose and, if applicable, the duration of the establishment;

5. the amount of the fund dedicated to the Establishment, as well as the amount paid in or other assets contributed, with their appraised value;

6. where applicable, profit participation rights specially established for third parties, together with the beneficiaries;

7. the surname, first name and place of residence or company name and registered office of the members of the administration, the form in which the administration makes its declarations of intent known and the manner of exercising the representation;

8. the form in which notices emanating from the Establishment shall be made.

1a) In the case of establishments which do not carry on a commercial business, it shall be sufficient to publish the registration in accordance with Art. 957, para. 1, item 2.

2) The establishment shall come into existence and acquire the right of personality only upon registration in the Commercial Register. If an establishment has been acted upon before or without having acquired personality, the persons acting on its behalf, in particular the founders or persons already designated as organs, shall be liable in accordance with the general provisions on legal entities.

Art. 539

IV. Establishment fund, liability

1) The Establishment Fund (endowment or dedication fund) may be dedicated either entirely or up to a partial amount to be determined in the Articles of Incorporation in fund contributions of the founders, who, however, are not entitled to interest in a certain amount.

2) Fund contributions shall be paid in or deposited within the time specified by the Articles of Association.

3) If the founders contribute assets to the establishment which are to be credited against the fund contributions, the articles of association or the list shall specify the object of the contribution, its expert valuation and any special privileges attached thereto in detail and in full.

4) If the Establishment Fund is later fully paid up or covered by assets during operation, this must be reported to the Commercial Register for registration.

Art. 540

V. Institutional shares

1) Establishment shares for founders or third parties in the assets of the establishment exist only in accordance with the provisions of the articles of association, even if fund contributions are made and beneficiaries are designated to receive the profits of the establishment.

2) Shares and share certificates of an establishment are also null and void as long as the admissibility of the shares or share certificates is not provided for in the articles of association, and the issuer and third parties are liable in accordance with the provisions set forth under the general provisions.

3) In case of doubt, the shares provided for by the articles of association for the founders are based on the amount of their possible fund contributions and, in the absence of such, they are equal.

4) Establishment shares are only to be treated as securities if the articles of association expressly provide for this.

5) Anstaltsanteilscheine as securities are subject to the provisions governing ordinary shares, unless the Articles of Association contain more restrictive provisions regarding their transferability.

6) The administration shall keep a share register of the establishment's shares in accordance with the provisions governing the share register of limited liability companies.

Art. 541

C. Founder's rights

The founder's rights to which one or more persons are entitled may be assigned or otherwise transferred and bequeathed, but not pledged or otherwise encumbered.

Art. 542

D. Contest

The contestation of an establishment by the heirs or creditors of a founder, if it has been established for the benefit of third parties free of charge, is the same as in the case of a donation.

E. Organization

Art. 543

I. Supreme body

1) The holder or holders of the founder's rights form the supreme body of the establishment. The articles of association may also entrust the administration with the powers of the supreme body.

2) Unless otherwise provided by law or by the articles of association, the supreme body shall have the powers provided for by the general provisions governing the supreme body.

3) If several persons are entitled to the founder's rights, resolutions require the consent of all holders of founder's rights in order to be valid, unless the Articles of Association provide otherwise.

4) A holder of the founder's rights is free to represent the founder's rights to which he is entitled himself or to have them represented by a third party, who need not be the holder of the founder's rights, by means of a written power of attorney.

Art. 544

II. Institutional administration and auditors

1) The members of the administration may or may not be entitled to enjoyment.

2) Unless otherwise provided by law or by the Articles of Association, the judge in out-of-court proceedings may, in case of doubt, appoint the administration for a term of three years at the request of the parties concerned and remove it or individual members at any time, without prejudice to claims for compensation.

3) In the absence of any provision to the contrary, the Administration shall also be bound vis-à-vis the Establishment to comply with any restrictions imposed on the scope of its authority to conduct the business of the Establishment and to represent the Establishment by order of the judge in out-of-court proceedings at the request of the parties concerned; however, a restriction on the authority to represent the Establishment shall have legal effect vis-à-vis third parties acting in good faith only to the extent permitted by law.

4) If an auditor is required by the general regulations or provided for by the articles of incorporation, the judge may appoint or dismiss the auditor in the absence of any other provision in the law or the articles of incorporation in the same way as members of the management.

F. Legal relationship of the founders and beneficiaries to the establishment, among themselves and to third parties

Art. 545

I. In general

1) The Articles of Association shall determine this in more detail:

1. who is to benefit from the establishment and any net profits (beneficiaries, beneficiaries);

2. in which way these are determined in more detail;

3. whether and in what way the beneficiaries have a share in the organization (supreme or- gan, management, control).

1bis) As long as no third parties have been appointed as beneficiaries (beneficiaries, beneficial owners), there is a presumption that the holder of the founder's rights is himself a beneficiary.

2) From the assets of the Establishment, only an amount corresponding to the surplus of the net assets over the statutory paid-in or otherwise covered Establishment fund may be withdrawn as available net profit, after any reserves in the reserve funds provided for by the Articles of Association.

3) Unknown beneficiaries may, at the request of the administration, be called upon in the bidding procedure with the proviso that individual uncorrected benefits shall be forfeited in favor of the country upon expiration of three years from the date of the call, unless the statutes provide otherwise.

Art. 546

II. Indefeasibility

1) In the case of family establishments, the founder may stipulate in the articles of association that the third, specifically designated beneficiaries may not be deprived of the gratuitous benefit of the establishment by their creditors by way of execution or insolvency proceedings against them; this must be noted in the entry in the commercial register.

2) Apart from the aforementioned provision of the Articles of Incorporation, a third party beneficiary receiving no remuneration may be deprived of income accruing to him from an institution set up by another person by his creditors by way of compulsory enforcement or insolvency proceedings only to the extent that the beneficiary, his spouse, his registered partner and his unprovided-for children do not need them to meet their emergency maintenance.

Art. 547

III. Determination of assets and

profits Repealed

Art. 548

IV. Liability of the establishment, limited liability or obligation to make additional contributions

1) In all cases, only the assets of the Establishment are liable for the debts of the Establishment.

2) Each founder shall be obligated to make only those payments which are provided for by him/her as a dedication asset, including a limited liability or obligation to make additional contributions similar to those of registered cooperatives, and these payments may neither be waived nor deferred with effect in the insolvency proceedings of the establishment.

3) Instead of members or in the absence of members, third parties may also assume limited liability for the liabilities of the establishment or a limited obligation to make additional contributions.

Art. 549

G. Amendment to the Articles of Association

1) The founder may at any time amend the articles of association and in particular the purpose, subject to the rights of creditors, such as by increasing or decreasing the assets of the association, changing the organization and the like.

2) The Articles of Incorporation may authorize other persons, associations, companies or authorities to amend the Articles of Incorporation instead of or in addition to the founders, and may lay down more detailed provisions in this regard.

3) If the founder's rights cannot be exercised and the statutes do not stipulate otherwise, they may be amended by the judge in extrajudicial proceedings at the request of the establishment administration or a beneficiary, taking into account the purpose of the establishment.

Art. 550

H. Dissolution, merger and conversion

1) The extent to which the dissolution of a legal entity, company or firm which is the founder or owner of an establishment results in its dissolution shall be assessed by the judge in each individual case, taking into account all the circumstances.

2) The takeover of one establishment by another and the merger of several establishments shall be governed by the relevant provisions on registered cooperatives, unless otherwise provided for in the law governing establishments or the articles of association.

3) The provisions governing the conversion of a stock corporation or a limited liability company into an establishment shall apply mutatis mutandis to the conversion of a stock corporation in the case of limited liability companies.

Art. 551

J.Referral

1) To the extent that no mandatory provisions are established in this section or otherwise no or insufficient provision is made, the provisions on trust enterprises with personality shall apply in addition to the general provisions on association persons.

2) In addition, the provisions on the supervision, conversion and dissolution of the foundation shall apply to institutions serving exclusively charitable purposes without members, and the provisions on family foundations shall apply to family institutions without members, unless a deviation is provided for in this section or in the articles of association.

Foundation Law

2. Section

The

Foundations

Art. 552

The following regulations apply to the Foundation:

A. In general

I. Concept and purpose

§ 1

1. Circumscription and delimitation

1) A foundation within the meaning of this section is a legally and economically independent special-purpose fund which is established as a legal entity by the unilateral declaration of intent of the founder. The founder dedicates the specifically designated foundation assets and determines the directly outwardly directed, specifically designated foundation purpose as well as beneficiaries.

2) A foundation may only carry on a business conducted in a commercial manner if it directly serves the achievement of its charitable purpose or is permissible on the basis of special legislation. To the extent that it facilitates the proper investment and management of the

foundation assets, the establishment of a commercial operation is also permissible for private-benefit foundations.

3) If the first sentence of para. 2 does not apply, the foundation may not be a partner with unlimited liability in a partnership operating a commercial business.

§ 2

2. Foundation purposes

1) Charitable or private-benefit purposes may be considered as foundation purposes.

2) A charitable foundation within the meaning of this Section is one whose activities, according to the declaration of foundation, are wholly or predominantly intended to serve charitable purposes under Article 107, paragraph 4a, if it is not a family foundation.

3) A private-benefit foundation within the meaning of this section is a foundation which, according to the declaration of foundation, is intended to serve wholly or predominantly private or self-benefit purposes. The predominance is to be assessed according to the ratio of the benefits serving the private-benefit purposes to those serving the public-benefit purposes. If it is not certain that the foundation at a certain point in time will be used wholly or predominantly for private or self-beneficial purposes, then the foundation must be declared to be a foundation.

If the foundation is intended to serve charitable purposes, it is to be regarded as a charitable foundation.

4) The following in particular are eligible as private-benefit foundations:

1. pure family foundations; these are foundations whose assets serve exclusively to defray the costs of upbringing or education, the endowment or support of members of one or more families or similar family interests;

2. mixed family foundations; these are foundations that predominantly pursue the purpose of a pure family foundation, but also serve charitable or other private-benefit purposes.

II. Foundation stakeholders

§ 3

1. Term

The parties involved in the foundation are:

1. the founder;

2. the beneficiaries;

3. the beneficiaries;

4. the discretionary beneficiaries;

5. the ultimate beneficiaries;

6. the bodies of the Foundation pursuant to §§ 11, 24, 27 and 28 as well as the members of these bodies.

§ 4

2. Founder

1) Founders may be one or more natural persons or legal entities. A foundation established by testamentary disposition may have only one founder.

2) If a foundation has several founders, the rights to which the founder is entitled or reserved may only be exercised jointly by all the founders, unless the declaration of foundation provides otherwise. If one of the founders ceases to exist, the aforementioned rights shall expire in duplicate.

3) If the foundation is established by an indirect representative, the principal (grantor of power) shall be deemed to be the founder. If the latter also acts as an indirect representative for a third party, the latter's principal (grantor of power) shall be deemed to be the founder. In any case, the indirect representative is obliged to disclose the person of the founder to the foundation council.

§ 5

3. Beneficiary

1) A beneficiary is a natural or legal person who, with or without consideration, actually, unconditionally or under certain conditions or requirements, for a limited or unlimited period of time, revocably or irrevocably, at any time during the legal existence of the foundation or upon its termination, enjoys or may enjoy an economic benefit from the foundation (beneficiary).

2) Beneficiaries within the meaning of para. 1 are:

1. the beneficiaries (§ 6 par. 1);

2. the beneficiaries (§ 6 para. 2);

3. the discretionary beneficiaries (§ 7); and

4. the ultimate beneficiaries (§ 8).

§ 6

4. Beneficiaries with legal entitlement

1) The beneficiary is the person who has a legal claim, based on the foundation deed, the supplementary foundation deed or regulations, to a benefit from the foundation assets or the foundation income, the amount of which is also determined or can be determined.

2) The beneficiary is the person who, after the occurrence of a condition precedent or upon the attainment of a deadline, in particular after the cessation of a beneficiary with priority, has a legal claim to obtain a beneficiary right on the basis of the foundation deed, the supplementary foundation deed or a set of regulations.

§ 7

5. Discretionary beneficiary (beneficiary without legal entitlement)

1) Discretionary beneficiaries are those who belong to the group of beneficiaries designated by the founder and whose possible beneficiary status is left to the discretion of the foundation council or another body appointed for this purpose. Anyone who only has an expectation of such a future beneficiary does not count as a discretionary beneficiary.

2) A legal claim of the discretionary beneficiary to a certain benefit from the assets of the foundation or the income of the foundation shall in any case only arise upon a valid resolution of the foundation council or the otherwise competent body (§ 28) on an actual distribution to the corresponding discretionary beneficiary and shall expire upon receipt thereof.

§ 8

6. Ultimate beneficiary

1) The ultimate beneficiary is the person to whom, according to the foundation deed or supplementary foundation deed, any assets remaining after the liquidation of the foundation are to be allocated.

2) In the absence of the designation of an ultimate beneficiary or the existence of an ultimate beneficiary, the assets remaining after the liquidation shall pass to the state.

3) In the absence of a provision on the use of assets in the event of revocation pursuant to § 30, para. 1, the founder himself shall be deemed to be the ultimate beneficiary, irrespective of whether he previously held a beneficiary position.

III. Information and disclosure rights of beneficiaries

§ 9

1. In general

1) The beneficiary is entitled to inspect the foundation deed, the supplementary foundation deed and any regulations as far as his rights are concerned.

2) He shall also have the right to information, reporting and accounting insofar as his rights are concerned. For this purpose, he has the right to inspect all business books and papers and to make copies as well as to examine and investigate all facts and circumstances, in particular the accounting, personally or through a representative. However, the right may not be exercised with unfair intent, in an abusive manner or in a manner contrary to the interests of the foundation or other beneficiaries. Exceptionally, the right may also be denied for important reasons for the protection of the beneficiary.

3) The ultimate beneficiary is entitled to these rights only after the dissolution of the foundation.

4) The rights of the beneficiary shall be asserted in the extrajudicial proceedings.

5) The exceptions pursuant to §§ 10 to 12 remain reserved.

§ 10

2. In the event of the founder's right of revocation

1) If the founder has reserved the right to revoke the foundation in the declaration of foundation (§ 30) and is himself the ultimate beneficiary, the beneficiary shall not be entitled to the rights under § 9.

2) If the foundation has been established by several founders, these rights may be exercised by any individual founder who has reserved the right of revocation.

§ 11

3. In the event of the establishment of a control body

1) If the founder has established a controlling body for the foundation in the declaration of foundation, the beneficiary may only request information about the purpose and organization of the foundation as well as about his or her own rights vis-à-vis the foundation, and may demand its correctness through

Review the foundation deed, the foundation supplementary deed and the regulations.

2) As a control body can be established:

1. an auditing body to which § 27 shall apply mutatis mutandis;

2. one or more natural persons named by the founder who have sufficient expertise in the field of law and economics to be able to perform their duties; or

3. the founder.

3) The controlling body must be independent of the foundation. § 27 para. 2 shall apply mutatis mutandis.

4) The controlling body is obliged to check once a year whether the assets of the foundation are being managed and used in accordance with their purpose. It shall submit a report to the board of trustees on the results of this audit. If there is no reason for objection, it is sufficient to confirm that the assets of the foundation have been managed and used in accordance with the purpose of the foundation and in compliance with the provisions of the law and the foundation documents. If this is not the case or if, in the course of its duties, the controlling body discovers facts which endanger the existence of the foundation, it shall notify the beneficiaries, insofar as they are known to it, and the court. If necessary, the court shall proceed in accordance with § 35.

5) If a controlling body has been established, the beneficiary may request the Foundation and the controlling body to submit the reports pursuant to paragraph 4.

6) If the beneficiary asserts his rights pursuant to § 9, it shall be incumbent on the Foundation to prove that a controlling body exists which meets the requirements pursuant to para. 2 in conjunction with para. 3.

§ 12

4. For supervised foundations

The beneficiary is not entitled to the rights under § 9 if the foundation is under the supervision of the foundation supervisory authority (§ 29).

§ 13

IV. Foundation assets

1) The minimum capital of the foundation is 30,000 Swiss francs. It can also be raised by euros or US dollars and is then 30,000 euros or 30,000 US dollars.

2) If a further endowment is made to the foundation after it has been legally established by the founder, this is a subsequent endowment.

3) If assets are contributed to the foundation by a third party, this constitutes an endowment. The donor does not thereby acquire the status of a founder.

4) If the foundation only becomes effective upon the founder's death or after the termination of an association, it shall be deemed to have come into existence for the founder's donations prior to the founder's death or their termination.

B. Establishment and emergence

I. In general

§ 14

1. Foundation among living

1) The foundation is established by means of a declaration of foundation. It must be in writing and the signatures of the founders must be certified.

2) In the case of a direct deputization or an indirect deputization pursuant to § 4 para. 3, the signature of the deputy shall be certified on the foundation deed.

3) In the case of direct representation, the representative requires a special power of attorney from the founder for this transaction.

4) Non-profit foundations and private-benefit foundations which, on the basis of special legislation, conduct a business in a commercial manner

are to be registered in the Commercial Register and acquire the right of personality through registration.

5) Other private-benefit foundations can be entered in the commercial register. However, there is no legal obligation to do so.

§ 15

2. Foundation on account of death

1) The foundation may also be established by testamentary disposition or by contract of inheritance in accordance with the formal requirements applicable thereto.

2) The registration or deposit of a notice of formation of a foundation established by testamentary disposition may be effected only after the death of the founder and, in the case of a contract of inheritance, of one of the founders, unless the latter stipulates otherwise.

3) § Section 14 (4) and (5) shall apply mutatis mutandis.

II. Foundation documents

§ 16

1. Foundation deed (statute)

1) In any case, the foundation deed shall contain:

1. the will of the founder to establish the foundation;

2. Name or company name and registered office of the foundation;

3. the dedication of a certain amount of assets, which must at least correspond to the legal minimum capital;

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4. The purpose of the foundation, including the designation of the specific beneficiaries or of the group of beneficiaries that can be individualized according to objective characteristics, unless the foundation is a charitable foundation or the beneficiaries otherwise result from the purpose of the foundation or unless instead express reference is made to a foundation supplementary deed that regulates this;

5. Date of establishment of the foundation;

6. Duration of the foundation, if limited;

7. Regulations on the appointment, dismissal, term of office, type of management (decision-making) and power of representation (signatory right) of the foundation council;

8. a provision on the use of the assets in the event of the dissolution of the Foundation in analogous application of Clause 4;

9. the surname, first name and domicile or company name and registered office of the founder or, in the case of indirect representation (§ 4 (3)), the surname, first name and domicile or company name and registered office of the representative. The fact that the founder is acting as an indirect representative must be expressly indicated.

2) If the following contents are regulated, they must also be included in the foundation charter:

1. the indication that a foundation supplementary deed has been or may be established;

2. the indication that regulations have been or may be issued;

3. the indication that other bodies have been or may be established; more detailed information on the composition, appointment, dismissal, term of office and duties may be provided in the foundation charter or in regulations;

4. the reservation of the right to revoke the foundation or to amend the foundation documents by the founder;

5. the reservation of the amendment of the foundation deed or foundation supplementary deed by the foundation board or by another body pursuant to §§ 31 to 34;

6. the exclusion of enforcement pursuant to § 36 par. 1;

7. the reservation of conversion (§ 41);

8. the provision that, although the foundation is of private benefit, it is subject to supervision (Section 29(1), second sentence).

3) The provisions under para. 1 items 1, 3 and 4 shall be deemed to be material for the purposes of the destruction procedure.

§ 17

2. Foundation supplementary deed (by-laws)

The founder may draw up a supplementary foundation deed if he has reserved the right to do so (§ 16 (2) item 1). It may contain such components of the declaration of foundation as do not have to be included in the foundation deed.

§ 18

3. Regulations

For the further execution of the foundation deed or the supplementary foundation deed, the founder, the foundation council or another foundation body may issue internal orders in the form of regulations if this has been reserved in the foundation deed (§ 16, para. 2, item 2). Regulations issued by the founder take precedence over those issued by the foundation council or another foundation body.

§ 19

III. Entry in the Commercial Register

1) If the foundation is subject to registration, each member of the foundation council, irrespective of his or her power of representation, is obliged to apply for registration of the foundation in the commercial register. The application must be submitted in writing, enclosing the original or a certified copy of the foundation deed. The foundation board must confirm that the statutory minimum capital is at the free disposal of the foundation. The representative is also entitled to file the application.[1114]

2) If the registration is made without the existence of an obligation to register (§ 14, para. 5), the foundation council must also confirm that the designation of the specific beneficiaries or of the group of beneficiaries that can be individualized according to objective characteristics has been made by the founder, insofar as this does not result from the notified purpose of the foundation.

3) The registration shall contain the following information:

1. Name or company of the foundation;

2. Seat of the Foundation;

3. Purpose of the Foundation;

4. Date of establishment of the foundation;

5. Duration of the foundation, if limited;

6. Organization and representation, stating the surname, first name, date of birth, citizenship and domicile or registered office or company and registered office of the members of the Foundation Council as well as the type of subscription;

7. Surname, first name, date of birth, citizenship and domicile or registered office or company and registered office of the auditors;

8. Surname, first name, date of birth, citizenship and domicile or registered office

or company name and registered office of the representative;

9. the fact that the foundation is under supervision pursuant to Section 29 (1) sentence 1.

4) If necessary, the registration may also be made on the basis of the foundation deed by order of the judge in extrajudicial proceedings:

a) at the request of foundation participants;

b) Upon notification of the Office of Justice or the probate authority; or1117.

c) ex officio.

5) If the purpose of a foundation not entered in the Commercial Register changes in such a way that a registration obligation arises, the members of the Board of Trustees are obliged to apply for entry of the foundation in the Commercial Register within 30 days in accordance with paras. 1 and 3. Para. 4 shall apply mutatis mutandis.

6) The announcement of the registration shall be made in accordance with Art. 957, para. 1, item 1.

IV. Founding announcement

§ 20

1. Filing of the notice of incorporation

1) If the foundation is not subject to registration, each member of the foundation council is obliged to file a notification of formation with the Office of Justice within 30 days of its establishment in order to monitor the obligation to register and to prevent foundations with an unlawful or immoral purpose and to avoid circumvention of any supervision. The representative is also entitled to file the notification. A lawyer admitted to the bar in Liechtenstein, a trustee or a holder of an authorization pursuant to Art. 180a shall confirm in writing the correctness of the information pursuant to para. 2.

2) The notification of incorporation shall contain the following information:

1. Name of the foundation;

2. Seat of the Foundation;

3. Purpose of the Foundation;

4. Date of establishment of the foundation;

5. Duration of the foundation, if limited;

6. Surname, first name, date of birth, citizenship and domicile or registered office or company and registered office of the members of the Board of Trustees as well as the type of subscription;

7. Surname, first name, date of birth, citizenship and place of residence or office or company and registered office of the legal representative;

8. confirmation that the designation of the specific beneficiaries or of the group of beneficiaries that can be individualized according to objective characteristics is made by the founder

is, unless this results from the indicated purpose of the foundation;

9. confirmation that the foundation is not wholly or predominantly intended to serve charitable purposes;

10. whether the foundation is subject to supervision pursuant to a provision of the foundation deed; and

11. confirmation that the statutory minimum capital is at the free disposal of the foundation.

3) In the event of any change in a fact contained in the notification of formation, as well as in the event of the existence of a ground for dissolution pursuant to § 39, para. 1, the members of the foundation council shall be obliged to file a notification of change with the Office of Justice within 30 days. The representative is also entitled to deposit the notice. A lawyer admitted to the bar in Liechtenstein, a trustee or a holder of an authorization pursuant to Art. 180a shall confirm in writing the correctness of the information in the notice of amendment.

4) At the request of the foundation, the Office of Justice shall issue an official confirmation of the filing of the notification of formation after each notification executed in accordance with the law. It does not issue an official confirmation if:

1. the purpose indicated is unlawful or immoral; or

2. the notification results in a registration obligation for the foundation.

§ 21

2. Audit authority and measures

1) As the supervisory authority for foundations, the Office of Justice is entitled to verify the accuracy of the notifications of formation and amendments submitted. For this purpose, it may request information from the foundation and, by way of the supervisory body or, if such a body has not been established

The Supervisory Board may inspect the foundation's documents through an authorized third party to the extent necessary for verification purposes.

2) Copies and transcripts may be made only if the review provides evidence that the notice of formation or amendment is inaccurate.

3) If the examination shows that the foundation is pursuing an illegal or immoral purpose, it shall be dissolved in accordance with the general provisions on legal entities. The provisions on the amendment of the purpose which has subsequently become unacceptable are reserved (§§ 31 and 33). If it turns out that the foundation is subject to a registration obligation, the registration shall be carried out by the Office of Justice by applying § 19, para. 4. If the examination reveals that the foundation is subject to supervision pursuant to § 29, the foundation supervisory authority shall, if necessary, take the appropriate measures.

4) If courts, the public prosecutor's office or an administrative authority become aware that the notification of formation or amendment was not submitted or that the content of the notification of formation or amendment submitted is incorrect, a report shall be prepared and submitted to the foundation supervisory authority.

5) The Government may, by ordinance, issue more detailed provisions on the exercise of the power of audit and the fixing and levying of fees by the foundation supervisory authority.

C. Revocation of the declaration of foundation

§ 22

I. By the founder

Revocation of the declaration of foundation is only

permissible:

1. if the foundation is not yet registered in the Commercial Register, if registration is required for its creation;

2. if registration of the foundation is not required and it is to become legally effective during the founder's lifetime, until his signature in the foundation deed has been certified;

3. in the case of foundations established by testamentary disposition or contract of inheritance, in accordance with the provisions of inheritance law applicable thereto.

§ 23[1125]

II. Exclusion of heirs

1) In the case of foundations established by testamentary disposition or inheritance contract, the heirs do not have the right to revoke the declaration of foundation after the death of the testator and founder even if the foundation has not yet been entered in the Commercial Register.

2) Likewise, the heirs have no right of revocation if, in the case of an inter vivos foundation, the founder executed the foundation deed but died before it was entered in the commercial register.

D. Organization

I. Board of Trustees

§ 24

1. In general

1) The Board of Trustees manages the business of the Foundation and represents it. It is responsible for the fulfillment of the Foundation's purpose in accordance with the provisions of the Foundation's documents.

2) The Board of Trustees shall consist of at least two members. Legal entities may be members of the Board of Trustees.

3) Unless otherwise provided in the foundation deed, the appointment of the foundation council shall be for a term of three years, reappointment being permissible, and the members may perform their duties for a fee or free of charge.

4) The provisions laid down for the members of the Board of Trustees shall also apply to any deputies.

5) The members of the Board of Trustees shall sign in such a manner as to add their signature to the name of the Foundation.

6) If members of the Board of Trustees act gratuitously, liability for slight negligence may be excluded in the declaration of foundation, provided that the creditors of the foundation are not harmed thereby.

2. Special duties

§ 25

a) Asset Management

1) The Board of Trustees shall manage the assets of the Foundation in accordance with the purpose of the Foundation and the principles of good management, taking into account the will of the founder.

2) The founder may specify specific and binding management criteria in the foundation deed, the supplementary foundation deed or a reg- lement.

§ 26

b) Accounting

Foundations which carry on a commercial business are subject to the general accounting regulations. In the case of all other foundations, the board of trustees shall keep records of the administration and use of the foundation's assets, taking into account the principles of proper accounting appropriate to the foundation's assets, and shall retain documents from which the course of business and the development of the foundation's assets can be traced. Furthermore, the board of trustees shall keep a register of assets showing the status and investment of the foundation's assets. Art. 1059 shall apply mutatis mutandis.

§ 27

II. Auditors

1) For each foundation subject to the supervision of the foundation supervisory authority pursuant to § 29, the court shall appoint an auditor in accordance with Art. 191a para. 1 in the extrajudicial proceedings. The foundation supervisory authority shall have party status in these proceedings.

2) The auditors must be independent of the foundation. It is obliged to report to the

court and the foundation supervisory authority of the reasons that preclude their independence. The foundation supervisory authority may require the auditors to provide the certificates and evidence necessary to assess their independence. In particular, anyone is excluded as an auditor who:

1. is a member of another foundation body;

2. is in an employment relationship with the Foundation;

3. has close family ties to members of foundation bodies; or

4. Beneficiary of the foundation is.

3) The founder may submit two proposals for the auditors, stating his prefe- rence. If the founder has not exercised this right, the foundation board may submit such a proposal to the court. The court shall, subject to para. 2, as a rule appoint the preferred proposed auditors.

4) As an organ of the foundation, the auditors are obliged to check once a year whether the foundation's assets are being managed and used in accordance with its purposes. They must submit a report on the results of this audit to the foundation board and the foundation supervisory authority. If there is no reason for objection, it shall suffice to confirm that the assets of the foundation have been managed and used in accordance with the purpose of the foundation and in compliance with the provisions of the law and the foundation documents. If, in the course of performing its duties, the auditors discover facts which endanger the existence of the foundation, they shall also report on this. The foundation supervisory authority may request information from the auditors on all facts of which they have become aware in the course of the audit.

5) In the case of non-profit foundations, the foundation supervisory authority may, upon application, dispense with the appointment of an auditor if the foundation manages only small assets or if this appears expedient for other reasons. The government shall determine the conditions for exemption from the obligation to appoint an auditor by ordinance.

§ 28

III. Other organs

1) The founder may provide for further bodies, in particular to determine a beneficiary from the group of beneficiaries, to determine the time, amount and condition of a distribution, to manage the assets, to advise and support the board of trustees, to monitor the administration of the foundation in order to safeguard the purpose of the foundation, to reserve approval or to issue instructions, and to safeguard the interests of participants in the foundation. These bodies do not have any power of representation.

2) § Section 24 (6) shall apply mutatis mutandis.

§ 29

E. Supervision

1) Non-profit foundations are subject to supervision by the foundation supervisory authority. The same applies to private-benefit foundations that are subject to supervision by virtue of a provision of the foundation charter.

2) The foundation supervisory authority is the Office of Justice.

3) The foundation supervisory authority shall ex officio ensure that the foundation's assets are managed and used in accordance with its purposes. For this purpose, it shall have the right to demand information from the foundation and to inspect the books and records of the foundation through the auditors. If an auditor has not been appointed pursuant to § 27, para. 5, the foundation supervisory authority shall as a rule exercise the right of inspection itself. In addition, it may obtain information from other administrative authorities and the courts and apply to the judge in out-of-court proceedings for the necessary orders, such as the control and dismissal of the foundation bodies, the performance of special audits or the annulment of resolutions of the foundation bodies.

4) In addition, any party to the foundation may apply to the judge in extrajudicial proceedings for an order to take the necessary measures pursuant to para. 3 against the administration and use of the assets by the organs of the foundation which is contrary to the purpose of the foundation. If there is an urgent suspicion of a criminal offence by a foundation organ, the judge may also take action ex officio, in particular on the basis of a notification by the public prosecutor's office. The foundation supervisory authority shall have party status in such proceedings.

5) Unknown beneficiaries are identified in the Aufge- botsverfahren at the request of the foundation supervisory authority.

6) The Government may, by ordinance, issue more detailed provisions on the activities of the Foundation Supervisory Authority as well as on the determination and collection of fees by the Foundation Supervisory Authority.

F. Change

§ 30

I. Rights of the founder to revoke or amend the foundation documents

1) The founder may reserve the right to revoke the foundation or to amend the declaration of foundation in the foundation deed. These rights may not be assigned or bequeathed. If one of these rights is to be exercised by a direct representative, this representative requires a special power of attorney for this transaction.

2) If the founder is a legal entity, it may not reserve the rights under subsection 1.

3) If the rights under para. 1 are exercised by an indirect representative (Art. 4 para. 3), the legal effects shall accrue directly to the founder.

II. Rights of the foundation bodies

§ 31

1. Change of purpose

1) A change in the purpose of the foundation by the foundation council or another foundation body is only permissible if the purpose has become unattainable, unauthorized or unreasonable, or if circumstances have changed in such a way that the purpose has acquired a completely different meaning or effect, so that the foundation is alienated from the will of the founder.

2) The amendment must correspond to the presumed will of the founder and the authority to amend must be expressly reserved for the foundation council or the other foundation body in the foundation deed.

§ 32

2. Change other content

An amendment of other contents of the foundation deed or the supplementary foundation deed, such as in particular the organization of the foundation, is permissible by the foundation council or another organ if and to the extent that the power to amend is expressly reserved to the foundation council or the other foundation organ in the foundation deed. The foundation council shall exercise the right to make amendments in compliance with the purpose of the foundation if there is an objectively justified reason for doing so.

III. Rights of the judge

1. Supervised foundations

§ 33

a) Change of purpose

1) If a foundation is subject to the supervision of the foundation supervisory authority, the latter may apply to the judge in extrajudicial proceedings for a change in the purpose of the foundation if:

1. the purpose has become unattainable, unauthorized or irrational, or circumstances have changed in such a way that the purpose has taken on a completely different meaning or effect, so that the foundation is alienated from the will of the founder; and

2. the foundation deed has not entrusted the board of trustees or another foundation body with the change of purpose.

2) The change must correspond to the presumed will of the founder.

3) The right to file an application is also available to the parties involved in the foundation; in this case, the foundation supervisory authority has party status.

§ 34

b) Change other content

1) If a foundation is subject to the supervision of the foundation supervisory authority, the latter may apply to the judge in non-contentious proceedings for the amendment of other contents of the foundation deed or the supplementary foundation deed, such as in particular the organization of the foundation, if:

1. this is expedient to safeguard the purpose of the foundation, in particular to ensure the continued existence of the foundation and to safeguard the foundation's assets; and

2. the foundation deed has not entrusted the foundation board or another foundation body with the amendment of the other contents.

2) The right to file an application is also available to the parties involved in the foundation; in this case, the foundation supervisory authority has party status.

§ 35

2. Other foundations

1) In the case of foundations not subject to the supervision of the foundation supervisory authority, the judge may, at the request of a party to the foundation and in urgent cases, if necessary on the basis of a notification by the foundation supervisory authority (§ 21, para. 3) or by the public prosecutor's office, also exercise ex officio in the extrajudicial proceedings the powers pursuant to §§ 33 and 34 and issue the orders required pursuant to § 29, para. 3. An urgent case exists in particular if there is an urgent suspicion of a criminal act by an organ of the foundation.

2) Unknown beneficiaries may be identified upon request by the judge in the bidding process.

§ 36

G. Enforcement provisions

1) In the case of family foundations, the founder may stipulate that the creditors of beneficiaries may not withdraw their gratuitously acquired beneficiary rights or expectant rights, or individual claims thereunder, by way of security proceedings, execution or insolvency proceedings. In the case of mixed family foundations, such an order may only be made to the extent that the respective entitlement serves the purposes of the family foundation.

2) If a creditor of the foundation is unable to obtain satisfaction from the foundation's assets and the founder has not yet paid in full the dedicated assets, then

the board of trustees is obliged to provide the creditor with the information required for his legal prosecution. In the case of insolvency proceedings of the foundation, this applies mutatis mutandis to the insolvency administrator.

§ 37

H. Liability

1) Only the foundation's assets are liable to creditors for the foundation's debts. There is no obligation to make additional contributions.

2) The Board of Trustees may only make payments to beneficiaries to fulfill the purpose of the Foundation if this does not reduce the claims of creditors of the Foundation.

§ 38

I. Contest

1) The donation of assets to the foundation can be contested by the heirs or the creditors in the same way as a gift.

2) The founder and his heirs may challenge the foundation for defects of will in the same way as the provisions on defects in the conclusion of a contract, even after registration.

K. Dissolution and termination

§ 39

I. Reasons for dissolution

1) The Foundation shall be dissolved if:

1. bankruptcy proceedings have been instituted against the assets of the Foundation;

2. the order refusing the commencement of insolvency proceedings for lack of assets likely to be sufficient to cover the costs of the insolvency proceedings becomes final;

3. the court has decided to dissolve it;

4. the Board of Trustees has passed a legally valid resolution on dissolution.

2) The Board of Trustees shall pass a resolution of dissolution as soon as:

1. it has received a permissible revocation from the founder;

2. the purpose of the foundation has been achieved or is no longer achievable;

3. the term provided for in the foundation deed has expired;

4. other reasons stated in the foundation deed are given for this.

3) The resolution to dissolve the foundation pursuant to para. 2 shall be adopted unanimously, unless otherwise stipulated in the foundation charter. In the case of the supervisory

foundations subject to the foundation supervisory authority, the foundation board must inform the supervisory authority about

to give notice of the resolution to dissolve the Company.

4) If a resolution pursuant to para. 2 is not passed despite the existence of a reason for dissolution, in the case of foundations not subject to the supervision of the foundation supervisory authority, the judge shall dissolve the foundation upon application by parties involved in the foundation in non-contentious proceedings; in the case of other foundations, dissolution may also be applied for by the foundation supervisory authority.

5) If a resolution on dissolution pursuant to para. 2 is passed even though there is no reason for dissolution, in the case of foundations not subject to the supervision of the foundation supervisory authority, the judge shall, upon application by parties involved in the foundation, set aside the resolution on dissolution passed by the foundation council in extrajudicial proceedings; in the case of other foundations, the foundation supervisory authority shall also have the right of application.

6) If the foundation operates a commercial business without meeting the requirements of § 1, para. 2, the judge shall, at the request of a party to the foundation or ex officio, decide to dissolve the foundation if the foundation has not complied with a legally binding cease-and-desist order within a reasonable period of time.

§ 40

II. Liquidation and termination

1) The general regulations concerning the association persons apply to the liquidation and termination of the foundation.

2) The provisions relating to the call for creditors shall not apply to foundations not entered in the Commercial Register.

3) The Office of Justice issues a confirmation of the termination of a foundation in the form of an extract from the register in the case of registered foundations or an official confirmation in the case of unregistered foundations. 1139

4) If the foundation is subject to the supervision of the foundation supervisory authority, the foundation council shall notify the foundation supervisory authority of the termination of the foundation. If the foundation is registered in the Commercial Register, an extract from the register must also be submitted. The legal representative is also entitled to make such notification.

5) Assets which have subsequently arisen shall be distributed in accordance with the provisions on supplementary liquidation (Art. 139). In the case of the

In the case of foundations subject to the supervision of the foundation supervisory authority, the foundation council shall inform the supervisory authority without delay of any assets that have subsequently come to light. The legal representative shall also be entitled to make such notification.

§ 41

L. Conversion

A private-benefit foundation may be converted by the board of trustees into an establishment organized under foundation law or into a trust enterprise organized under foundation law with personality by means of a formally correct deed, without liquidation or winding up, provided that the essence of the foundation in general and of the founder's purpose in particular are compulsorily preserved, if the conversion:

1. subject to the conditions set forth in the foundation charter; and
2. is conducive to the realization of the foundation's purpose.

Art. 553 to 570

Retrieved

6th title

Special forms and types of undertakings

1. Section Public

enterprises

A. Public corporations Art. 571

I. Transcription

1) The government may, upon request, grant public service status to entities within the meaning of this division if the state, municipalities, associations of municipalities, or public service institutions, or their workers and employees, participate in the administration, supervision (control), or profit, with or without capital participation.

2) The public service status may be recorded in the Commercial Register upon notification by the government or at the request of the administration.

Art. 572

II. Management and auditors

1) Participation in the management (board of directors) of the public corporation or in its auditing body must be by participating entities (such as the state, municipalities) or representatives elected by the workers and employees as ordered by the government.

2) The representatives elected by the employees and workers shall not have the right to sign unless otherwise provided for in the Articles of Association.

3) The liability of the representatives of the community in the administration shall be governed by the provision on the participation of public-law association persons in the administration or auditing body under the general provisions on association persons.

4) The articles of incorporation shall provide for an auditing body.

5) The provision on the auditing trusteeship of public service institutions shall apply mutatis mutandis.

Art. 573

III. Participation right of the community

1) The Government may, with the consent of the Diet, require that, in the case of the establishment of corporations, to the extent that the public interest so requires, the public (State, municipality) be granted a participation in the capital or fund of the corporation of up to one half on terms equivalent to the usually favorable terms otherwise applicable.

2) In the case of capital increases, this right may also be claimed in full until the participation of the community has reached half of the total corporate capital.

3) The Government may, however, validly waive this right at the time of the establishment of an association or thereafter, and disputes shall be decided by the Administrative Court.

Art. 574

IV. Appropriation of profits

1) If the net profit or surplus has exceeded the standard national interest rate of the corporate capital, the excess amount shall be distributed between the corporation and the participating community.

2) The share of the community increases increasingly with the amount of the net profit or surplus.

3) The Articles of Association shall lay down more detailed provisions in this respect.

4) When distributing the net profit, a share determined in more detail by the Articles of Association must be used for the benefit of the employees and workers in accordance with the instructions of the community.

Art. 575

V. Issuance of bonds

For the purpose of raising the borrowed capital of public service corporations, the Government may authorize the issuance of debentures (bonds) in accordance with the provisions applicable to public service institutions.

Art. 576

VI. Referral

Otherwise, the relevant provisions on joint stock companies, limited partnerships, shareholding companies, limited liability companies, cooperatives or mutual insurance companies or auxiliary funds or on associative bodies in accordance with the following sections shall apply to public corporations, depending on their form.

B. Public utility Art. 577

I. Transcription

1) For the fulfillment of economic tasks in the service of the people, public institutions may be established.

2) They may, with the consent of the Landtag, be declared public-law institutions, which shall nevertheless be subject to the following provisions in the absence of any provision to the contrary.

3) Except for the public service institutions governed by this section, other institutions under the preceding title may be granted public service status as provided in the preceding section.

II. Establish

ment Art.

578

1. Founder

1) Public service institutions are established by the state, municipalities or a number of municipalities for the purpose of transferring existing private or public undertakings to the ownership or management of public service institutions by way of agreement or to establish new undertakings in this form.

2) If special considerations of the national economy so require, the Government may also call upon other associations or companies to participate in the establishment of public service institutions with their consent.

3) If a public service institution is not to be established by the State, the decision to establish it, as well as the articles of association and any amendments thereto, shall be subject to the approval of the Government, unless the establishment is made in accordance with special laws.

2. Endowment capital

Art. 579

a) In general

The endowment fund (establishment or dedication fund) may be provided either in full or up to a partial amount to be determined in the articles of association by fund contributions of the founders and the remainder with the consent of the Government and with the mediation of the Savings and Loan Bank of the Province (Landesbank) or another entity authorized by the Government for this purpose.

The proceeds from the issue of bonds can be raised by means of redeemable bonds.

Art. 580

b) Bonds

1) For the claims arising from the partial debentures, a lien shall be created on real estate or, if applicable, on other assets of the Public Establishment.

2) After obtaining the approval of the Government, the founding municipalities shall assume liability for the interest and redemption of the bonds.

3) On the basis of such bonds, the Savings and Loan Bank of the Federal State (Landesbank) or, with the consent of the Government, another enterprise may issue bank bonds on the bonds in its possession, which are to be entered in a special register of debentures in accordance with the provisions applicable to Pfandbriefe.

4) Partial bonds of public institutions issued under the liability of a public authority or for which a lien with the value limit prescribed for mortgage bonds is registered in a public book may be used for the investment of wards.

5) If public institutions take out loans with the Savings and Loan Bank of the Land in lieu of redeemable bonds, then, if bank bonds are to be issued on these loans, the founding municipalities shall, after approval by the Government, assume liability for the interest and redemption of these loans.

6) The Government may, by ordinance, prescribe more detailed rules relating to the issue, creation and trustee of such bonds.

III. Organization

1. The institutional meeting

Art. 581

a) Composition and duration

1) The Establishment Assembly, as the supreme body, consists of representatives of the founding communities and the administration.

2) The Articles of Association may provide that, in addition to or instead of representatives of the Administration, other public or private corporations or institutions or companies, the Savings and Loan Fund of the State, organizations of a significant part of the customers of the products of the Establishment, other private interested parties or representatives of the employees and workers of the Establishment must be represented in the Establishment Assembly.

3) When selecting the representatives mentioned in the first paragraph, the expertise in commercial, financial, technical, legal and similar matters shall be taken into account as far as possible.

4) The term of office of the Establishment Assembly shall be three financial years and shall expire, unless previously dismissed, upon the passing of a resolution on the

third annual operating statement.

5) If representatives are appointed to the Establishment Assembly on the basis of elections, their mandate shall expire upon the expiry of the term of office of their principals and they shall be replaced by representatives on the basis of new elections.

Art. 582

b) Powers

1) The following are subject to the decision-making of the Establishment Assembly:

1. The examination and approval of the accounting resolution, the distribution of the net profit and the discharge of the administration (management);

2. the appointment of the management and the decision as to whether procuration or power of attorney may be granted for the entire business operations;

3. the assertion of claims for compensation arising from the management of the Establishment against the Administration;

4. the conclusion of long-term loan agreements by which a loan amount in excess of an amount specified in the Articles of Association is drawn by the Establishment;

5. the conclusion of contracts by which the Establishment is to acquire existing or to be constructed facilities or land intended for its business operations on a permanent basis for a consideration exceeding a part of the Establishment's fund specified in the Articles of Association, as well as the amendment of such contracts to the detriment of the Establishment, unless the acquisition of land by way of compulsory auction is concerned

acts. This resolution may only be adopted by a majority of three quarters of the votes cast;

6. the dismissal of members of the administration;

7. Requests for amendments to the statutes of the Establishment.

2) The Articles of Association may also reserve other matters for resolution by the General Meeting.

3) The activities reserved to the Assembly of the Establishment by the law or the Articles of Association shall be performed by resolutions of the Assembly.

2. Management and Auditors Art.

583

a) Order

1) The members of the administration are appointed by the General Assembly of the Establishment, unless the Statutes provide otherwise.

2) The auditors shall consist of authorized representatives of the founding communities in a number not exceeding five as determined by the articles of incorporation.

3) The appointment of the first auditor is valid for the period until the resolution on the first annual balance sheet; subsequently, the period of activity lasts for a maximum of three financial years each and expires with the resolution on the third annual balance sheet of the period of activity.

4) The members of the Establishment Assembly may also not be appointed as members of the Auditors.

Art. 584

b) Duties of the auditors

1) In addition to the duties imposed on the auditors under the general provisions governing companies with personality, the auditors shall be subject to the following duties, unless a deviation is given below:

1. authorizing the taking out of long-term loans in excess of an amount to be determined in the bylaws;

2. authorizing the purchase and sale of land beyond a scope to be determined in the bylaws;

3. approving the proposals of the Administration to the Assembly of the Establishment on the distribution of profits;

4. the dismissal of members of the administration, even against the will of the Establishment Assembly, in cases of abuse of trust, self-serving management, violation of essential provisions of the Articles of Association or exceeding the scope of action granted to the administration, thereby endangering the interests of the Establishment, as well as the convening of the Establishment Assembly for the immediate appointment of a new administration;

5. the dissolution of the Establishment Assembly in the event of persistent gross violation of the duties incumbent upon it under the law and the Articles of Association;

6. to convene the Assembly of the Institution when it seems necessary in the interest of the Institution.

2) The Auditors and their individual members shall have the right to obtain information on the course of business of the Establishment; they may at any time inspect the books and papers of the Establishment in their entirety or through individual members, as well as examine the inventory of the Establishment's treasury and the holdings of securities, debt instruments and goods.

3) The auditors may regulate the exercise of their duties by means of rules of procedure.

Art. 585

c) Audit trust office

1) The Government may, at the expense of the Establishment, commission an expert auditing firm to examine the books of account, business papers, cash transactions and the balance sheet of the Establishment at any time.

2) If complaints arise during the audit, these must be reported to the auditors for the purpose of clarification and rectification of the deficiencies.

IV. Accounting Art. 586

1. Management and accounting

1) The management, in particular the accounting and the financial structure of the public institution shall be established in accordance with commercial principles; its accounting shall be kept separate from the other accounting of the founding corporations and shall be structured in such a way that the respective status of its assets can be determined with certainty at any time.

2) The assets of the Public Establishment shall be managed separately from the assets of the founding entities.

3) The extent to which the results of their operation are to be disclosed in the estimates and financial statements of the founding communities shall be determined by the existing regulations for the financial management of the latter.

Art. 587

2. Use of the proceeds

1) As a rule, the income of the Establishment shall be used as follows:

1. First, the operating expenses including the requirement for interest on the Bonds and for the necessary amortizations are to be disputed.

2. In addition, provisions must be made to a minimum extent determined by the articles of association for the technically and economically necessary design of the company and for any operating losses.

3. Thereafter, the income shares attributable to the fund deposits shall be paid up to the amount of the interest rate customary in the country for the fund deposits.

2) If the Articles of Incorporation do not provide for anything else, the remainder of the earnings shall be used for non-profit and charitable purposes in accordance with the resolution of the General Meeting of the Establishment and, in the absence of such, in accordance with the resolution of the Administration.

Art. 588

V. Resolution

1) The public service establishment shall also be established at the request of the Establishment Assembly,

of the auditors or of one of the founding corporations or institutions, if not triggered on the basis of a liquidation balance sheet, finally dissolved by order of the government.

2) The founders may establish special liquidation regulations.

Art. 589

VI. Referral

In addition, the provisions on establishments in general shall apply to public service establishments.

2. Section

Mortgage institutions and licensed insurance companies Art. 590 to 613

Retrieved

3. Section Other Association Persons

Art. 614 to 648

Repealed

3. Department

Societies without personality (communities under personal law)

7. Title Common provisions

Art. 649

A. Term, forms, etc.

1) Company is the contractual association of two or more natural or legal persons or companies for a common, economic or other purpose with common forces or means.

2) Member benefits may also consist of an omission.

3) No special form is required to establish a company, unless otherwise provided by law.

4) Companies without personality, with the exception of general partnerships and limited partnerships, including general partnerships with limited liability and limited partnerships, have neither legal capacity nor capacity to be parties, and only the partners as such can be parties and plaintiffs or defendants in proceedings.

5) Insofar as no deviation results from the provisions of this Act, the Company shall be governed by the relevant contract.

B. Relationship of the shareholders among themselves

Art. 650

I. Contributions

1) Each shareholder shall make an equal contribution, whether in money, property, research, labor or other assets, unless the partnership agreement or the purpose of the partnership excludes it.

2) A shareholder is not required to make more than the agreed contribution, however, if circumstances change, he or she may, without avoid-

If the contribution is not sufficient to achieve the purpose, the member may be excluded or disqualified.

3) Contributions may be required to be made both by individual shareholders and, in the case of companies with companies, by the company itself for their benefit.

4) With regard to the bearing of the risk and the warranty obligation, the principles of the rental agreement shall apply if the individual shareholder transfers the use and enjoyment, and the principles of the purchase agreement shall apply if he has to transfer ownership.

Art. 651

II. Profit sharing

1) Each shareholder is obliged to share with the other shareholders any profit which, by its nature, belongs to the company.

2) If a share in profits or a share in losses has been agreed, this agreement shall apply to both in case of doubt.

3) The agreement that a shareholder shall have a share in the profits but not in the losses is permissible only if he has to contribute work to the common purpose.

Art. 652

III. Company resolutions

1) Unless otherwise stipulated in the Articles of Association, resolutions are passed with the consent of all shareholders.

2) If a majority of votes is sufficient according to the contract, the majority shall be calculated according to the number of persons, unless the articles of association provide otherwise.

IV. Management Art.

653

1. In general

1) All partners with unlimited liability are entitled to manage the company insofar as

The management of the company is not delegated by contract or resolution.

The Company's management has been extended or limited in a valid form or third parties have been exclusively entrusted with the management of the Company.

2) If management is vested in either all or several shareholders, any one of them may act without the participation of the others, but any other shareholder authorized to manage the company has the right to prevent the action before it is completed by means of his justified objection.

3) In the absence of any other provision of the Articles of Association, the management delegated to individual shareholders or third parties shall not entitle the Company to take any legal action or perform any services of a factual nature relating to the foundations of the Company, such as, in particular, amendments to the Articles of Association, dissolution of the Company, transfer and withdrawal of the right to manage the Company, admission or exclusion of shareholders.

4) Unless there is imminent danger, the consent of all shareholders is required for the appointment of a general representative and for the performance of legal acts which go beyond the ordinary operation of the joint business, unless the articles of association provide otherwise.

5) Unless otherwise provided by law or the articles of association, the management of the company also includes representation, whereby the provisions on the tacit fiduciary relationship shall apply to the legal relationship between the managing directors and the company.

Art. 654

2. Companies and associations

1) The management of the company may also be entrusted to companies or associations individually or collectively with other shareholders.

2) In this case, the management of the company is carried out by those persons who exercise it for the shareholder concerned.

3) They shall no longer be authorized to manage the Company as soon as the company or association person they represent is no longer authorized to manage the Company, or as soon as these persons themselves are no longer authorized to manage the company or association person to which they belong.

3. Responsibility

Art. 655

a) Claims arising from activities for the Company

1) For expenses or liabilities incurred or incurred by a shareholder in the affairs of the company, as well as for losses incurred directly as a result of his management or from the risks inseparably connected therewith

he may demand pro rata compensation from the other shareholders.

2) What cannot be obtained from one partner, all others have to bear according to their shares.

3) He may demand interest at the usual rate from the date of the advance payment.

4) However, in the absence of any other agreement, he shall not be entitled to any special remuneration for personal efforts.

b) Degree of

diligence Art.

656

aa) In general

1) Each shareholder is obligated to exercise the diligence and care in the affairs of the company that he or she would

However, he is not exempt from liability for gross negligence.

2) He shall be liable to the other shareholders for the damage caused by his fault, without being able to set off against it the advantages he has provided to the company in other cases.

3) The managing partner who receives remuneration for his activities shall be liable in accordance with the provisions governing the contract.

4) Both the managing and the non-managing partners may not, to their particular advantage, conclude or engage in any transactions which would frustrate or impair the purpose of the Company.

Art. 657

bb) Default interest and allowances

1) Unless the contract provides otherwise, a shareholder who does not pay his contributions in due time or who does not deliver collected company funds or other assets to the company in due time or who unauthorizedly takes assets, shall be obliged by law to pay default interest or a corresponding remuneration from the day on which the contribution or delivery should have been made or the collection has taken place.

2) The general provisions on default of acceptance in the law of obligations shall apply to default in the acceptance of contributions by a shareholder.

3) This does not exclude the obligation to compensate for any greater damage incurred and the other legal consequences of the action.

Art. 658

4. Withdrawal, restriction and termination of management

1) The power of management granted to a shareholder in the partnership agreement may not be withdrawn or restricted by the other shareholders without good cause.

2) If there are important reasons, it may be withdrawn by any of the other shareholders even if the partnership agreement provides otherwise.

3) Good cause shall be deemed to exist if the managing director is guilty of a gross breach of duty or lacks the ability to manage the business well.

4) Similarly, a managing partner or third party may terminate the management immediately for good cause, even if he has waived the termination.

Art. 659

5. Managing and non-managing partners

1) Unless otherwise provided for in the provisions of this division or in the articles of association, the provisions on tacit trusteeship shall apply to the relationship between the managing partners and the other partners or between a third party as managing director and the partners.

2) If a third party or a shareholder who is not authorized to manage the company's affairs, or if a third party or shareholder who is authorized to manage the company's affairs exceeds his authority, the provisions on management without a mandate shall apply.

3) The shareholder excluded from the management of the company has the right to inform himself personally about the course of the company's affairs, to inspect the company's books of account and business papers and to draw up an overview of the status of the joint assets.

4) Any agreement to the contrary shall be null and void.

5) Permission to inspect the documents may be enforced by the courts in extrajudicial proceedings.

Art. 660

V. Company assets

1) Unless otherwise provided, objects, claims, rights in rem and other rights, such as, in particular, contributions made or outstanding by the shareholders, which have been transferred to the company in due form or acquired for it, shall form part of the joint assets of the shareholders (company assets) and shall belong to them undivided and in their entirety.

2) The company's assets also include what belongs to it by virtue of a

right, such as fruits, accretion or as compensation for the destruction, damage or deprivation of an object belonging to the company's assets is acquired.

Art. 661

VI. Admission of new shareholders and sub-participation

1) In the absence of any other agreement, third parties may be admitted as partners only with the consent of all partners, and the partnership relationship may be transferred under the same condition.

2) If a shareholder is a trustee or unilaterally gives a third party a share in his share or assigns his share to him, the beneficiary or such third party does not thereby become a shareholder of the others and, in particular, does not obtain the right to inspect the affairs of the company.

3) The articles of association may stipulate that the shares in the company are transferable.

4) Insofar as the claims arising from the corporate relationship are not transferable, the creation of limited rights in rem to them and attachment are also excluded.

5) The transfer of the claims to which a shareholder is entitled from the management of the company is reserved, insofar as their satisfaction can be demanded prior to the liquidation, such as the reimbursement of advances, compensation for expenses and damages, as well as claims to a share in the profits or to what the shareholder is entitled to in the liquidation.

C. Relationship of the shareholders to third parties

Art. 662

I. Representation

1) If a shareholder concludes transactions with a third party for the account of the company but in his own name, he alone shall be entitled and obligated vis-à-vis the third party.

2) If a shareholder expressly or tacitly enters into transactions with a third party on behalf of the company or all of its shareholders, the company shall be deemed to have entered into such transactions.

the remaining shareholders shall only be entitled and obligated vis-à-vis the third party to the extent that the provisions on representation entail.

3) An authorization of the individual shareholder to represent the Company or all shareholders vis-à-vis third parties shall be presumed as soon as the management of the Company is entrusted to him.

4) A shareholder authorized to represent the company may enter into transactions with himself on behalf of the company or all shareholders, but is liable for damages if he does not exercise the care of a prudent businessman.

II. Liability

Art. 663

1. Of the company assets

1) The company's creditors are entitled to satisfaction from the company's assets, taking precedence over the special creditors of the individual shareholders.

2) The creditors of a shareholder may, unless the partnership agreement provides otherwise, claim only the liquidation share of their debtor for their satisfaction.

3) Unless otherwise provided by law, execution against the assets of a company without a name shall require an executory title effective against all shareholders or against all managing directors.

Art. 664

2. The shareholder

1) The members of a company are jointly and severally liable to third parties for all their assets, unless a limitation of liability is permitted by law and entered in the Commercial Register or the individual creditor has not consented to the limitation of liability.

2) If the partners have jointly or by proxy entered into obligations towards a third party, they shall be jointly and severally liable to him, subject to any other agreement or regulations.

3) In a lawsuit of the other shareholders as such with third parties, each shareholder may act as an intervening party at his own expense.

Art. 665

III. Offsetting and retention right

1) The debtor may not set off against a claim of the company a claim to which it is entitled against an individual shareholder.

2) Similarly, a shareholder may not set off against his creditor a claim to which the company is entitled against the latter.

3) On the other hand, if a corporate creditor is at the same time a special debtor of a shareholder, offsetting is permitted in favor of both the corporate creditor and the shareholder as soon as the latter could be sued by the latter.

4) For claims which cannot be set off, the creditor may also

not assert a right of retention in respect of the shareholder's or the company's assets.

D. Dissolution and exclusion Art.

666

I. In general

1) The company is dissolved:

1. if the purpose for which it was concluded has been achieved or if its achievement has become impossible;

2. if a partner with unlimited liability dies or, in the case of a company or association, dissolves, and in this case it has not been agreed beforehand that the company is to continue with the heirs or other legal successors, unless the company consisted of only two partners;

3. if the liquidation share of a partner with unlimited liability is subject to compulsory liquidation or if such a partner is declared bankrupt or if a custodian has been appointed for him, whose duties include the management of the legal relationships arising from the company

In the latter case, if the court of guardianship does not order otherwise and if the other shareholders do not exercise their right of exclusion by handing over the liquidation share and do not continue the company among themselves;

4. by corporate resolution;

5. by the expiry of the period for which the company was entered into, the occurrence or non-occurrence of a condition or the like;

6. by termination on the part of a partner, if such termination is reserved in the partnership agreement or if the partnership has been entered into for an indefinite period or for the lifetime of a partner; the notice of termination must be given to all other partners or, if a company name is kept, to the latter;

7. by the judge's decision in case of dissolution for an important reason, such as intentional or grossly negligent failure to fulfill the company's obligations, impossibility of fulfilling such obligations, bitter enmity of the shareholders, serious insults or malicious slander, lack of continuous profitability of the business, misuse of the company for private purposes and the like.

2) For good cause, a shareholder may resign before the expiry of the term of the partnership agreement or, if it has been concluded for an indefinite period, without prior notice.

The member may either resign with immediate effect upon notice of termination or, if the circumstances so warrant, apply to the judge for dissolution.

3) Likewise, the other shareholders may exclude another shareholder by unanimous resolution upon payment of his liquidation share if there are important reasons for doing so.

4) An action for dissolution shall be brought against all other shareholders, even if the company has one name.

5) In the event of dissolution for an important reason, the person who has given others cause for dissolution through his culpable conduct shall be liable for all damages.

Art. 667

II. Company for an indefinite period

1) If the company has been concluded for an indefinite period or for the lifetime of a shareholder, each shareholder may terminate the agreement at six months' notice.

2) However, the termination shall be in good faith and not untimely and, if annual financial statements are provided for, may only be effected at the end of a financial year.

3) If a company is silently continued after the expiry of the period for which it was entered into, it shall be deemed to be renewed for an indefinite period.

Art. 668

III. Effect of the dissolution with regard to the management

1) If the company is dissolved other than by termination, the authority of a shareholder to manage the company, insofar as it has existed hitherto, shall nevertheless be deemed to continue in his favor until he is aware of the dissolution or should be aware of it in the event of due diligence.

2) If the company is dissolved by the death of a partner, the heir of the deceased partner shall immediately notify the others of the death and continue in good faith the business to be attended to by his deceased until other arrangements have been made.

3) This provision shall apply mutatis mutandis to the legal successors if a company or association person as a shareholder dissolves.

4) The other managing partners shall continue the business in the same manner for the time being.

IV. Termination of a creditor or the insolvency administrator

Art. 669

1. In general

1) A shareholder's share in the individual items belonging to the company's assets cannot be attached, but his share in the liquidation result and in the profit can.

2) If a creditor of a shareholder has obtained execution on a shareholder's share in the company's assets, he may terminate the company, whether entered into for a definite or indefinite period, on three months' notice.

3) Similarly, the insolvency administrator may give notice of termination for a shareholder over whose assets insolvency proceedings have been opened.

4) As long as the company exists, the creditor or the insolvency administrator may not assert the rights of the shareholder arising from the corporate relationship, with the exception of the share in the profits.

Art. 670

2. Effect

1) However, the effect of such a judicial or extrajudicial termination can be averted at any time, as long as the dissolution has not been executed, by the company or the other shareholders by satisfying the terminating insolvency administrator, the creditor or by excluding the shareholder with payment of the liquidation share to those and continuing the company among themselves.

2) In enforcement proceedings, the court may authorize the creditor to take all steps to enforce the attached rights of the shareholder on the shareholder's behalf, including, in particular, to enforce the attached right, as well as individual claims arising therefrom, in litigation and enforcement proceedings against third parties.

3) In the insolvency proceedings of a shareholder, the insolvency administrator is authorized by law to take these measures.

V. Liquidation

Art. 671

1. In general

1) After the dissolution of the company, the assets of the company are divided among the partners.

2) For the purpose of terminating pending transactions, entering into new transactions required for this purpose, and maintaining and managing the Company's assets, the Company shall be deemed to continue as a going concern.

3) The following provisions shall apply to the dispute, unless the contract provides otherwise or the circumstances indicate otherwise.

4) Unless otherwise provided by law or the articles of association, a company without a corporate personality may, with the written consent of all shareholders, transform itself without liquidation into another company with a corporate personality or a corporate personality, in all cases reserving the rights of third parties which have accrued up to the time of transformation.

Art. 672

2. Treatment of the insoles

1) In the course of the settlement, which the partners have to carry out among themselves after the dissolution, the objects, which a partner has contributed as property, do not revert to him.

2) However, he is entitled to the value for which they were taken over.

3) In the absence of such a determination of value, his claim shall be based on the value that the items had at the time of contribution.

4) For an object which has been lost or deteriorated by accident and which a shareholder has left to the company only for its use, the shareholder may demand compensation upon its return in accordance with the principles of the rental or lease agreement.

Art. 673

3. Adjustment of debts, distribution of surplus and deficit1165

1) From the assets of the company, the joint debts shall first be adjusted, including those which are divided among the partners with respect to creditors or for which the other partners are liable as debtors.

2) If a debt is not yet due or is disputed, the amount required for repayment shall be deposited or retained.

3) If a surplus remains after deduction of the joint debts, after reimbursement of expenses and disbursements to individual shareholders and after reimbursement of the contributions to assets, it shall be distributed among the shareholders as profit.

4) If, after repayment of debts and reimbursement of expenses and disbursements, the assets of the partnership are insufficient to reimburse the contributions made, the partners shall bear the shortfall as a loss.

5) In the absence of any other provision, the division shall be made in accordance with the provisions on joint ownership and, in addition, in accordance with those on simple community of title, unless the law provides for exceptions.

Art. 674

4. Making the dispute

1) After the dissolution of the company, all shareholders shall jointly deal with the matter, including those who were excluded from the management of the company.

2) If, however, the partnership agreement referred only to certain individual transactions which a partner had to handle in his own name for the joint account, he must handle these transactions alone even after the dissolution of the partnership, provide information to the other partners and render accounts.

Art. 675

VI. Liability and limitation

1) The liabilities to third parties will not be changed by the dissolution of the company.

2) Claims of the shareholders against each other arising from the liquidation carried out or from the withdrawal shall become statute-barred after the expiry of five years from the termination of the liquidation or the date of withdrawal or, in the case of shareholders entered in the Commercial Register, from the date of deletion or, if a claim becomes due at a later date, from the date of maturity, unless there are still undivided partnership assets from which the shareholder seeks satisfaction; in the latter case, the statute of limitations may not be invoked against him.

3) Shorter limitation periods shall remain reserved.

E. International Law Art.
676

I. Domestic companies

1) Domestic companies are those which are organized under domestic law, i.e. which comply with domestic disclosure or registration requirements or, in the absence of such requirements, have organized themselves under domestic law or, in the absence of a recognizable choice of law, have their administration here or conduct a substantial part of their business operations here or of which at least

half of the shareholders are domiciled in Germany. Liechtenstein law applies to them.

2) The provisions on diplomatic protection and the provision of security for the costs of proceedings are reserved.

II. Foreign companies Art. 677

1. Legal capacity, capacity to act and capacity to be a party of foreign companies

1) The legal capacity, capacity to act and capacity to be a party of foreign companies shall be assessed according to the law of the state under whose regulations they are organized, if they are

comply with the disclosure or registration requirements of that law. In the absence of such disclosure or registration requirements and in the absence of a recognizable choice of law, the legal capacity, capacity to act and capacity to be a party of a foreign company shall be governed by the law of the country under which it is organized.

2) However, foreign companies cannot acquire rights in the country to a greater extent than is possible for domestic companies, and they are liable to tort at least to the same extent as domestic companies.

Art. 678

2. Transfer from abroad to the home country

1) A foreign company may subject itself to domestic law without having to re-establish itself or transfer its business activities if it has adapted to domestic law.

2) When registering such a company in the Commercial Register, it must be stated which domestic company form the registered company corresponds to.

Art. 679

F. Scope and referral

1) The provisions of this title shall apply to the following types of companies, unless a deviation results from the special provisions.

2) In the case of companies, an organization may be created in the memorandum and articles of association in accordance with the general provisions on associates.

3) Unless otherwise provided by law, the general provisions laid down for corporate bodies shall apply mutatis mutandis to corporate bodies, whether or not they are specifically regulated hereinafter, as far as they are concerned:

1. the protection of personality;

2. legal capacity, capacity to act and capacity to commit a tort;

3. the place of jurisdiction;

4. the registration of branches;

5. termination on grounds of illegality or immorality of purpose or danger to the state and the use of assets, supplementary liquidation and the assertion of claims against a dissolved association;

6. the power of attorney and signature of the governing bodies and their representatives;

7. the official audit;

8. the socio-political profit rights; and

9. the regulations on the special forms and types of undertakings (with

exception of the provisions on segmented association persons and on one-man association persons) and on international law.

8. Title

The simple company

Art. 680

A. Term

A company is a simple company within the meaning of this title, unless it meets the requirements of another community established by law.

B. Relationship of shareholders among themselves Art. 681

I. Contributions and property

1) Unless otherwise agreed, the partners shall make equal contributions in the manner and to the extent required by the agreed purpose.

2) In the absence of any other agreement, a shareholder is not obliged to increase the agreed contributions or to supplement the contribution reduced by loss.

3) If fungible or consumable items are to be contributed, it is to be assumed in case of doubt that they become the joint property of the partners.

4) The same shall apply to other items if they are to be contributed according to an estimate that is not merely intended for the distribution of profits.

Art. 682

II. Closing of accounts and distribution of profits

1) A shareholder may demand the closing of accounts and the distribution of profit or loss only after the dissolution of the company in the absence of any other agreement.

2) If the company is of longer duration, the closing of accounts and the distribution of profits shall, in case of doubt, take place at the end of each financial year.

3) The articles of association may provide for reserve funds and the like.

Art. 683

III. Shares in profit and loss

1) Unless otherwise agreed, each shareholder has an equal share in the profit and loss, regardless of the type and size of his contribution.

2) The agreement that individual shareholders do not receive a share in the profits, but do receive other compensation, such as salary, wages and the like, is permissible.

3) The profit may not be reduced by arbitrary undervaluation of individual items without the consent of all shareholders.

C. Special species

Art. 684

I. Shareholdings, groups of companies and the like

Forms of organization (such as participations, communities of interest or groups, promotion or utilization communities and similar associations) shall be subject to the provisions on simple partnerships only insofar as they do not have another form of company regulated in this Act or insofar as there is no association person or insofar as the relevant contract does not contain deviating or other provisions with regard to the management of the association, the withdrawal, the participation figure, the profit distribution key and the like.

II. Cartels

Art. 685

1. Transcription and admission of shareholders

1) Associations of entrepreneurs for the purpose of regulating production or sales by limiting or excluding competition may, if they are in the form of a simple partnership, admit new members on the same terms as the existing ones by a majority decision to which two-thirds of all members must give their consent.

2) For admission under lighter conditions, the consent of all members is required.

Art. 686

2. Withdrawal of shareholders

1) Unless otherwise stipulated in the articles of association, the withdrawal of individual members before the end of the contractual period is only permissible if there are important reasons for doing so, such as, for example, if the purpose cannot be achieved.

2) If a shareholder dies or insolvency proceedings are opened against his assets, this does not result in the dissolution of the company.

3) If a member, except in the case of dissolution, resigns prematurely in any way, the remaining members shall also be entitled to resign after giving three months' notice, unless the memorandum of association provides otherwise.

Art. 687

3. In the case of a quasi-corporate organization

If such an association has created an organization similar to a corporation, the internal relationship of the shareholders to each other shall be judged according to the provisions of

about the cooperative with the exception of the provisions concerning the entry and exit of members.

Art. 688

III. Profit-sharing agreements (partial legal transactions)

Contracts by which a person promises to render certain services to another in exchange for a share in the profit made by another, as in the case of a partial lease, a contract for services, a contract for work and labor, a publishing contract and similar contracts with a share in the profit, shall be subject to the provisions governing the contracts in question or to the provisions governing contracts in general and, insofar as no deviations result therefrom, the provisions governing a simple partnership shall apply in addition to the ancillary social agreement, unless a silent partnership is involved.

9. Title

The general partnership

(Open Society)

A. Concept and establishment

Art. 689

I. Concept and form

1) If two or more individuals or associations under private or public law or companies operate a business under a common name for an economic or non-economic purpose in the sense that each partner is personally liable without limitation and jointly and severally, a general partnership is formed as soon as it is entered as such in the Commercial Register.

2) The articles of association, in which the company is to be designated as a general partnership or general partnership or, if it conducts a commercial business, as a general partnership, as well as other agreements relating to the articles of association and the preliminary agreement must be in writing in order to be valid.

3) Prior to registration in the Commercial Register, the actions of the partners and their representatives shall be assessed in accordance with the provisions on simple partnership.

4) If individual shareholders refuse to have the entry made in the commercial register without good cause, despite being requested to do so, this shall constitute grounds for rescission for the other shareholders.

5) If a person has been transferred assets for the purpose of establishing a general partnership

If there is any doubt as to the existence of a fiduciary relationship, it shall be governed by the provisions on the tacit fiduciary relationship.

6) The provisions on general partnerships with limited liability are reserved.

II. Register entry

Art. 690

1. Place, content and meaning

1) The registration of a general partnership in the commercial register must take place where it has its registered office.

2) The registration and publication must include:

1. the surname, first name, status and place of residence or company name and registered office of each shareholder, indicating any legal representative or person acting as a corporate body,

2. the company name, registered office and object of the company or purpose of the company,

3. the data on the representation of the company.

2a) In the case of general partnerships that do not carry on a commercial business, it is sufficient to publish the registration in accordance with Art. 957, para. 1, item 2.

3) The registration and entry of the company in the correct form and with the knowledge of the shareholders shall establish unlimited and joint liability, irrespective of the validity of the partnership agreement.

Art. 691

2. Formal requirements

1) Notifications of facts subject to registration or changes thereto must be signed by all shareholders in person or by representatives before the registration authority or submitted in certified form.

2) They must be registered in the Commercial Register according to their entire content.

B. Relationship of the shareholders among themselves

Art. 692

I. Freedom of contract and referral

1) The legal relationship between the shareholders is initially governed by the partnership agreement.

2) In the absence of an agreement, the provisions on simple partnership and the common provisions shall apply, but with the deviations resulting from the following provisions.

Art. 693

II. Offsetting regulations

1) Retrieved

2) Retrieved

3) Retrieved

4) As far as the profit is sufficient, each shareholder may be credited with interest according to the amount of his capital share, without regard to the reduction of the capital share by the loss from the balance sheet year, according to the contract, in the absence of a contractual agreement at 4%.

5) A contractually fixed fee for the work of a shareholder is treated as a corporate debt when determining profit and loss.

Art. 694

III. Distribution of net profit, receipt of profit and fees

1) If the company's financial statements show a net profit, it shall be distributed among the shareholders on a per capita basis, unless otherwise agreed.

2) Each shareholder has the right to withdraw from the company's treasury the fee for the last business period and, as far as this is possible without reducing the contribution capital (capital share), the interest and profit shares accruing to him.

3) He may draw the fee already during the business period in accordance with the due date provided for in the contract.

4) Any undrawn profits, interest and fees shall be added to its contribution capital after the end of the fiscal period, unless any of the shareholders objects thereto.

Art. 695

IV. Loss coverage

1) If a shareholder's contribution capital has been reduced by losses, he shall be entitled to interest to the extent that this is possible without further reduction of the contribution capital, but shall not be entitled to payment of his share in the profits until his contractual contribution has been replenished.

2) Moreover, no shareholder is obliged to supplement his contribution reduced by loss or to increase it above the amount determined in the agreement.

3) As in the case of cooperatives, an obligation to make additional contributions can be provided for by contract.

Art. 696

V. Non-competition

1) Without the consent of the other shareholders, a shareholder may neither conduct business in the company's line of business for his own account or for the account of a third party, nor participate in another similar enterprise as a shareholder or member with unlimited liability.

2) If a shareholder acts contrary to these provisions, the other shareholders may, without prejudice to the right to dissolve the company in appropriate cases, decide that the claims of the company shall be enforced in accordance with the provisions on non-competition under the general provisions on legal entities.

3) In addition, the other shareholders have a claim to refrain from future acts of competition.

4) Consent to participate in another company shall be deemed to have been given if the other shareholders are aware at the time of entering into the company that the shareholder participates in another company or enterprise and the relinquishment of this participation has not nevertheless been stipulated.

C. Relationship of the Company and the Shareholders with Third Parties

Art. 697

I. Asset and process capability

1) The general partnership may acquire rights and enter into obligations under its name, acquire ownership and other rights in rem to property and real estate, appear before all judicial and administrative authorities and in all related proceedings as a party, intervenor, participant, respondent and in a similar capacity, and obtain entries in public registers such as the land register, commercial register, register of partnerships and the like.

2) In company disputes, each shareholder may, at his own expense, act as an intervening party in the dispute, but not as a witness.

3) Oaths, hand vows and the like shall be taken on behalf of the company by the managing or representing partners or third parties of the same party.

4) Insofar as a decision issued against the company is also binding on a shareholder, the shareholder shall be entitled to object to subsequent proceedings or a subsequent decision on the grounds that the matter has been decided.

II. Representation

relationships Art.

698

1. Power of representation

1) Each shareholder authorized to represent the Company is authorized to perform on behalf of the Company all types of legal acts and transactions that are incumbent upon the

The company's purpose, but not to amend the articles of association, to sell the business as a whole or the like.

2) If the commercial register does not contain any provisions to the contrary regarding the power of representation of the individual shareholders, third parties acting in good faith are entitled to assume that each individual shareholder is authorized to represent the company.

3) If it is a matter of knowledge of facts, as in the case of good or bad faith, the knowledge of a single shareholder is sufficient.

4) If a company or association person represents the general partnership as a partner, the representation shall be exercised by those persons who are authorized to represent the association person or company concerned.

5) If a declaration of intent is to be made to the company, such as summons or other notifications and the like, it shall be sufficient to make such declaration to one of the shareholders or authorized signatories authorized to participate in the representation.

Art. 699

2. Exclusion and limitation

1) By the articles of association and the entry in the commercial register, all shareholders can be excluded from representation and

third parties in accordance with the provisions governing the management of a limited liability company.

2) A limitation of the scope of the power of representation has no legal effect vis-à-vis bona fide third parties without registration; third parties also include associations or companies in which the general partnership is a member.

3) The commercial register may contain the restriction that a shareholder exclusively represents the head office or a branch office or the restriction that only several shareholders jointly (joint representation) or a shareholder with a proxy, who is, however, in this case authorized by law to sell and encumber real estate, may jointly manage the company or, finally, that all shareholders are excluded from representation and third parties are entrusted with the management and representation in accordance with the regulations on the management of a company with personality.

4) Any person whose power of representation is limited to the head office or the branch office shall, in order to make this limitation effective, express this limitation to bona fide third parties in the form of the signature, such as by adding "for the head office" or "for the branch office" and stating the registered office of the same.

Art. 700

3. Withdrawal of the power of representation

1) If there is imminent danger, the judge may, at the request of a shareholder, provisionally order the withdrawal of the power of representation, setting a time limit for action which, if not complied with, will result in the expiry of the provisional withdrawal of management, as soon as good cause is shown for this.

2) The judge may make the order conditional upon the provision of security to which the provisions on the provision of security for legal costs shall apply mutatis mutandis.

3) Conversely, the judge may appoint temporary counsel in the same manner as for associates.

4) Claims for damages remain reserved.

Art. 701

4. Granting and revocation of procuration

1) The consent of all shareholders authorized to represent the company is required for the appointment of an authorized signatory.

2) If there is imminent danger or if there are other important reasons, the judge may also appoint an authorized signatory at the request of an individual shareholder.

3) The revocation of the procuration, on the other hand, can be made by any shareholder with effect against third parties.

4) Any managing partner may grant or revoke a power of attorney, as well as hire or fire employees.

Art. 702

5. Legal transactions and torts

1) The Company shall be authorized and bound by the legal transactions concluded on its behalf by a shareholder authorized to represent it.

2) It is irrelevant whether the transaction was expressly concluded in the name of the company or whether this intention is evident from the circumstances.

3) The company is liable for the unlawful acts committed by the shareholders in the course of their business representation.

4) The personally acting representative and the company are jointly and severally liable for damages resulting from tortious acts, subject to the right of recourse to the shareholder or third party who is responsible for the damage.

III. Legal status of the company's creditors

Art. 703

1. Insolvency proceedings of the company

1) The creditors of the general partnership are entitled to receive from its assets

of the company to be satisfied before the special creditors of the shareholders and may, for the purpose of asserting this

In accordance with the Insolvency Code, the Company may also apply for the opening of insolvency proceedings if it has a preferential right to do so.

2) The special creditors of the individual shareholders are excluded from participation in the insolvency proceedings of the company, with the exception of the interest which should have accrued to the shareholder in the absence of any other contractual agreement.

3) The general partners may not participate as creditors in the insolvency proceedings of the company in respect of their capital contributions, but may, like other creditors, assert those claims to which they are entitled against the company under any other title, such as interest and the like.

Art. 704

2. Traceability of the shareholders

1) The partners are jointly and severally liable for all liabilities of the company with all their assets; a contrary agreement among the partners has no legal effect vis-à-vis third parties.

2) However, the individual shareholder can only be held personally liable for due company debts, even if he has left the company, if the company is dissolved as a result of bankruptcy proceedings or for other reasons, or if execution is unsuccessfully attempted, or if insolvency proceedings have been opened against the assets of the shareholder.

3) In this case, the shareholder may also assert the defences to which the company is entitled, except in the case where a shareholder provides security such as a guarantee or pledge.

4) The partners as such are not liable by way of bill of exchange for debts of the company and liabilities equivalent thereto.

3. Relationship of the various insolvency proceedings and foreclosures to each other.

Art. 705

a) In general

1) The opening of insolvency proceedings against the company does not automatically result in the bankruptcy of the individual shareholders.

2) Similarly, the insolvency proceedings of a shareholder shall not constitute the insolvency proceedings of the company.

3) An enforceable debt instrument directed against the company may only be enforced against a shareholder if the conditions of personal enforceability pursuant to the second paragraph of the preceding article are met.

4) Retrieved

Art. 706

b) Enforcement in particular

1) By means of an enforceable debt instrument obtained against the company, enforcement may be demanded against the assets of a shareholder, subject to challenge in the enforcement proceedings, if the prerequisites of personal enforceability are met, if it is proven to the District Court in the enforcement application by submitting an extract from the Commercial Register that the person against whom enforcement is demanded during the existence of the company is currently still a shareholder.

2) If enforcement is applied for on the basis of such a title only after the dissolution and distribution of the assets of the company against a shareholder who has previously left or been excluded from the company, the decision on the application for enforcement shall be preceded by a hearing of the obligor.

3) If the debtor denies that he is or was a member of the company against which enforcement has been levied, or if he raises objections to which he or the company is otherwise entitled against the creditor, the claim must be asserted by legal action, subject, however, to the provision on the prosecutability of the members.

Art. 707

c) Position of the company's creditors

1) After the dissolution of the company, the creditors of the company may enforce against each shareholder all their claims against the company until they are fully covered, and the provisions of the preceding article shall apply mutatis mutandis.

2) Likewise, they may file their entire claim in the insolvency proceedings of a shareholder even without dissolution of the company.

3) If, however, insolvency proceedings are opened simultaneously against the assets of a company and one or more of its partners, the creditors of the company in the insolvency proceedings of each partner shall only be liable for the remainder of their claim remaining unpaid for any reason in the insolvency proceedings of the company on a pro rata basis.

entitled as soon as the dividend of the company insolvency proceedings has been determined.

4) If the insolvency proceedings of the shareholder are carried out first, the amount attributable to the company creditors shall be deposited until the insolvency proceedings of the shareholder are carried out.

Art. 708

IV. Liability of new shareholders

1) Anyone who joins an existing general partnership as a general partner is also jointly and severally liable for the liabilities incurred prior to his joining, whether the company undergoes a change or not.

2) A contrary agreement has no legal effect vis-à-vis third parties. Art. 709

V. Legal status of special creditors of a shareholder

1) The special creditors of a shareholder are not entitled to claim the objects, claims or rights belonging to the corporate assets for their satisfaction or security.

2) In execution proceedings or insolvency proceedings, they may only claim what is due to their debtor itself in terms of profit, interest and fees and liquidation share from the corporate relationship.

D. Resolution

Art. 710

I. Dissolution through bankruptcy

1) The general partnership shall also be dissolved upon the opening of bankruptcy proceedings against its assets.

2) Even after the dissolution of the general partnership, insolvency proceedings over its assets are admissible as long as the distribution has not been completed.

3) As soon as insolvency proceedings have been opened against the assets of the company, execution may no longer be levied against it, but against its shareholders.

4) If the company has been dissolved by the opening of bankruptcy proceedings against its assets, but the bankruptcy proceedings have been terminated after the conclusion of a reorganization plan or with the consent of the creditors, the shareholders may, as long as the liquidation has not been terminated, resolve to continue the company.

5) The continuation must be filed for entry in the Commercial Register by all shareholders.

Art. 711

II. Termination by special creditor

1) If insolvency proceedings have been opened against the assets of a shareholder, the insolvency administrator may demand the dissolution of the company subject to at least six months' notice, whether the company is entered into for a definite or indefinite period.

2) A special creditor of a shareholder may, without regard to whether the partnership has been entered into for a definite or indefinite period, give notice of termination six months before the end of the financial year for that date, after an unsuccessful attempt has been made within the last six months to foreclose on the shareholder's movable property and he has obtained, on the basis of a title enforceable until satisfaction, enforcement of the claim to that which is due to the shareholder in the dispute.

3) The effects of a termination by the special creditor or the insolvency administrator in accordance with the common provisions shall remain reserved.

III. Withdrawal of shareholders

Art. 712

1. On the basis of agreements

1) The partners may agree in advance that the company shall not be dissolved if a dissolution has occurred.

reason for dissolution does not affect all shareholders, but only one or individual shareholders.

2) In this case, the shareholders affected by this shall leave the company, while the company shall be continued under the others and shall continue in all other respects with all its previous rights and liabilities.

Art. 713

2. Exclusion

1) If the reasons for which the dissolution of the company may be demanded lie predominantly in the person of certain shareholders, their exclusion may be recognized, provided that all other shareholders request this (exclusion).

2) If a partner goes bankrupt or is terminated by a special creditor, the other partners may decide to exclude him and pay him his share of the company's assets.

3) If there are only two partners, the one who did not give cause for the dissolution may, under the same conditions, compensate one of them and take over the business with assets and liabilities without liquidation by the other.

4) The same can be ordered by the judge if the dissolution is required due to another cause lying predominantly in the person (company) of certain partners.

5) Upon the withdrawal of the other partner, the remaining partners shall be deemed to be entitled to the assets of the company without further ado, without a transfer of ownership or the like appearing necessary.

Art. 714

3. Determination of the settlement amount

1) The compensation amount for a withdrawn or excluded shareholder, which represents the value of his share in the company's assets, shall be determined by agreement.

2) If the parties involved cannot agree, the amount shall be decided by the judge at his discretion according to the financial situation at the time of retirement.

3) In no case shall the withdrawn or excluded shareholder have a right to a proportionate share of the individual assets.

4) For the settlement amount, the shareholder is a creditor in the insolvency proceedings of the company with regard to the company liabilities arising after his withdrawal.

4. Continuation with the heirs or universal successors

Art. 715

a) In general

1) If it is stipulated in the partnership agreement that, in the event of the death of a partner, the partnership is to be continued with his heirs, each heir may make his continuation in the partnership conditional upon his being granted the status of a limited partner while retaining his previous share of the profits and upon the portion of the decedent's contribution falling to him being recognized as his limited partner's contribution.

2) If the other shareholders do not accept a request to this effect from the heir, the heir shall be entitled to declare his withdrawal from the company without observing a notice period.

3) The rights referred to may be asserted by the heir only within a limitation period of three months after the date on which he became aware of the accrual of the inheritance.

4) If after the expiry of three months the right to disclaim the inheritance has not yet been lost, the period shall not end before the expiry of the disclaimer period.

5) The heir's right of election may be indicated by a note in the commercial register.

Art. 716

b) Liability of the heir and mandatory law

1) If the heir withdraws from the partnership within the aforementioned period or if the partnership is dissolved within the period or if the heir is granted the status of a com-mandatary and has been registered as such with the Commercial Register in accordance with the provisions governing limited partnerships, he shall be liable for the

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The heirs of the estate shall be liable for the debts of the estate only in accordance with the provisions established for the liability of the heirs for the debts of the estate.

2) The articles of association may not exclude the application of the provisions of the preceding paragraph and the preceding article.

3) However, in the event that the heir makes his remaining in the partnership dependent on the position of a limited partner, his share in the profits may be determined differently from that of the heir.

Art. 717

c) Universal succession in the case of companies or associations

1) The provisions on continuation with heirs shall apply mutatis mutandis to the universal successor of a dissolved company or association if it has been a shareholder.

2) If the partnership agreement contains a provision on continuation with the heirs, it is presumed that it also applies to these universal successors.

Art. 718

IV. Registration

1) The dissolution of the company, the withdrawal or exclusion of a shareholder, as well as the continuation of the business by an individual shareholder or with the heirs must be entered in the Commercial Register.

2) The managing directors shall notify the Office of Justice thereof as soon as possible.

3) Registration must occur even if the company is terminated by the expiration of the time for which it was entered.

E. Liquidation and limitation of actions

I. Liquidation

Art. 719

1. In general

1) After the dissolution of the Company, its liquidation shall be carried out in accordance with the following provisions, unless another method of liquidation has been agreed by the shareholders or insolvency proceedings have been instituted against the assets of the Company.

2) If the company is dissolved by termination of a special creditor or following the opening of insolvency proceedings against the assets of a shareholder without the shareholder having been excluded, the liquidation may only be omitted with the consent of its creditor or the insolvency administrator.

3) If any assets remain after the termination of the insolvency proceedings, they shall also be liquidated unless a resolution is passed to continue the Company.

4) Notwithstanding the dissolution of the company, the other provisions of this title shall apply to the legal relationship of the shareholders among themselves and of the company with third parties, such as, in particular, with regard to the place of jurisdiction, the position of the liquidators, until the liquidation is terminated, unless a deviation arises from the following provisions on liquidation and its nature.

5) However, liquidation may be omitted if there are no assets of the company and the contributions have already been paid in full by the shareholders.

2. Appointment and dismissal of liquidators Art.

720

a) In general

1) The shareholders authorized to manage and represent the company shall continue their activities as liquidators in the event of liquidation, unless otherwise stipulated by a resolution of the shareholders or by the articles of association, or unless an impediment arises in their person.

2) They shall continue to represent the Company vis-à-vis the insolvency administrator and, in particular, provide the latter with the necessary information.

3) At the request of shareholders, of the special creditor seeking enforcement or of the insolvency administrator of a shareholder in respect of whose assets insolvency proceedings have been opened, the court shall, for important reasons, appoint the liquidators, who need not be shareholders, or dismiss the appointed liquidators and replace them by others in the out-of-court proceedings after hearing the parties involved, unless they can otherwise reach agreement.

4) Court-appointed liquidators may only be removed by the court.

Art. 721

b) Registration

1) The names, first names and place of residence or the company name and registered office of the liquidators, as well as any change in the persons of the liquidators or in their power of representation, must be filed jointly by all shareholders for entry in the Commercial Register, even if the previous representation of the company is not changed.

2) In the event of the death of a shareholder, if it can be assumed that the registration corresponds to the facts, the registration can also be made without the heirs cooperating in the registration, provided that there are special obstacles to such cooperation.

3) The same applies if, in the event of the dissolution of a company or association which is a shareholder, the universal successor or the liquidators or the insolvency administrator are prevented from registering.

4) The registration of court-appointed liquidators, as well as the registration of the judicial dismissal of liquidators, shall take place ex officio.

5) The liquidators shall sign the liquidation company together with their name signature for safekeeping at the Office of Justice or submit it in a certified form.

Art. 722

3. Representation of heirs and universal successors

1) The heirs of a shareholder shall designate a joint representative at the time of liquidation and, if for any reason this is not done despite a request by the company, the appointment and registration of the joint representative may be carried out by the Office of Justice in administrative proceedings at the request of this or any heir.

2) The same provision shall apply mutatis mutandis to several universal successors of corporate bodies or corporate companies.

4. Scope of business activity and company drawing

Art. 723

a) In general

1) The liquidators shall terminate the current business, fulfill the obligations of the dissolved company, collect the claims and sell the assets of the company, insofar as this is required by the dispute.

2) The sale of the business as a whole or of real property may not be effected without the consent of all shareholders other than by public auction, unless the Office of Justice, at the request of a shareholder, authorizes the sale in another manner by administrative procedure.

3) If the company has claims against a shareholder (such as claims for damages), both the liquidators and the individual shareholders may sue for payment to the liquidation estate.

4) The liquidators shall prepare a balance sheet at the beginning, as well as at the end of the liquidation and, if the liquidation lasts for a longer period of time, annually for the purpose of determining the assets.

Art. 724

b) Relationship with third parties

1) The liquidators shall represent the Company in the acts pertaining to the liquidation.

They may conduct litigation, enter into settlements and arbitration agreements on their behalf, take oaths, hand vows or the like on their behalf, and may also enter into new transactions to the extent required by the liquidation, but may not appoint representatives with powers exceeding those they themselves have.

2) A transaction concluded by the liquidators shall not be binding on third parties unless it is proven to the third party that it was not in good faith with regard to the liquidators' power of representation.

3) The liquidators shall sign in such a way that they add their name or company name to the company to be designated as the liquidation company.

Art. 725

c) Multiple liquidators

1) If there are several liquidators, they may perform the acts pertaining to liquidation only jointly, unless it is determined by the shareholders or the Office of Justice in administrative proceedings that they may act individually, but such determination shall be recorded in the Commercial Register.

2) The provision of the preceding paragraph shall not preclude the liquidators from authorizing individual ones of them to carry out certain transactions or certain types of transactions.

3) If a declaration of intent is to be made vis-à-vis the company, such as summonses or other notifications, it shall be sufficient to make such declaration vis-à-vis one of the liquidators authorized to participate in the liquidation.

Art. 726

5. Use of funds

1) The funds dispensable during the liquidation shall be distributed among the shareholders on a provisional basis.

2) The necessary funds shall be retained to cover liabilities which are not yet due or which are in dispute, but during liquidation the withdrawal of profits by a shareholder shall be excluded.

Art. 727

6. Distribution

1) The assets remaining after repayment of debts or securing of liabilities not yet due or in dispute shall first be used to repay the capital to the shareholders as shown in the liquidation balance sheet and then to pay interest for the liquidation period.

2) However, any surplus over and above this is initially to be used to pay interest on the

capital contributions and then to distribute them as profit in accordance with the provisions of the articles of association and, in the absence of such provisions, equally among all shareholders.

3) If a surplus remains after the aforementioned uses, it shall be distributed among the shareholders in accordance with the provisions on profit sharing.

4) Disputes among the partners concerning the dispute shall be subject to judicial decision, and the distribution may be suspended until the dispute is settled.

Art. 728

7. Cancellation and storage of books and papers

1) Upon termination of the liquidation, the liquidators shall register the termination of the company with the Commercial Register.

2) The books and papers of the dissolved company shall be kept for ten years at the expense of the liquidation estate after termination of the liquidation at a place to be designated by the shareholders or by the registration authority in the administrative proceedings in accordance with Art. 1059.

3) The partners and their heirs or other universal successors retain the right to inspect the books and papers, which may at most be asserted at the Office of Justice in administrative proceedings.

4) In bankruptcy proceedings and in reorganization proceedings without self-administration, the insolvency administrator shall ensure that the books and business papers are kept at the expense of the estate.

II. Limitation of actions against shareholders

Art. 729

1. Subject and period of limitation

1) Actions against a shareholder arising from claims against the company shall become time-barred five years after the registration of the dissolution of the company or the announcement of the opening of insolvency proceedings against the company or the shareholder's withdrawal from the company, unless a shorter limitation period applies due to the nature of the claim.

2) If the claim does not become due until after registration, the limitation period shall commence on the date on which it becomes due.

3) This limitation period does not apply to claims between the shareholders.

Art. 730

2. Exclusion, interruption and effect

1) If undivided company assets are still available, the creditor may, provided that

The five-year statute of limitations may not be invoked against a person who seeks satisfaction only from that person.

2) If the business with assets and liabilities is transferred to a shareholder as undivided corporate assets, the shareholder cannot invoke the five-year statute of limitations against the creditors.

3) The statute of limitations in favor of a withdrawn shareholder shall not be interrupted by legal actions taken against the continuing company or another shareholder.

4) Before the expiry of the statute of limitations, a withdrawn shareholder shall only be released from his liability for the company's debts if an out-

The creditor shall be deemed to have been discharged by the creditor in a manner that is express or can be inferred from the circumstances.

Art. 731

III. Dissolution without liquidation

If, prior to the dissolution of the company, the business with assets and liabilities is taken over by one or more partners, the provisions on the withdrawal of partners shall apply with regard to the assertion and limitation of the liability of the remaining partners.

Art. 732

F. Conversion

1) If a limited partner joins an existing general partnership or if a former general partner becomes a limited partner, the partnership is registered as a commercial partnership.

2) It is not necessary to take over the assets and liabilities of newly created limited partnerships.

3) The previous general partner who becomes a limited partner can be held liable for the previous debts of the general partnership as of the entry of the limited partnership, as if he had left the partnership.

10. Title

The limited partnership

A. Concept and establishment

Art. 733

I. Commercial and non-commercial company

1) A limited partnership is formed when two or more persons, companies, private or public legal entities, such as municipalities, join as partners under a common name for the operation of a commercial, manufacturing or other commercially managed business or for other purposes by means of a written contract in such a way that at least one member acts as

The limited partner (general partner) is liable without limitation, but one or more limited partners (limited partners) are liable only up to a certain maximum amount, the limited partnership sum, and are entered in the commercial register as a limited partnership.

2) By ordinance, the Government may, if special circumstances so warrant, prescribe a minimum amount for the limited liability sum, as well as the consequences in case of violation of this provision.

3) Unless otherwise provided for in this title, the provisions on general partnerships shall apply to limited partnerships, such as, for example, with regard to the capacity to sue and be sued, the status of partners and the like.

II. Entry in the Commercial Register

Art. 734

1. Place, content and announcement

1) The entry of a limited partnership in the commercial register must take place where it has its registered office.

2) The entry must contain:

1. Surname, first name, status and place of residence or company name and registered office of each partner with unlimited liability,

2. The name, status and place of residence or company name and registered office of each limited partner and the amount of the limited partner's contribution,

3. the company name, registered office, object of the company or purpose of the company,

4. the indication of the limitation of representation.

3) If a limited partner's contribution is not made in cash, this must be expressly stated in the commercial register and included in the entry, together with a specific valuation.

4) When the registration is announced, only the number of limited partners shall be stated; the name, status and place of residence or company name and registered office of the limited partners as well as the amount of their limited partner's capital shall not be disclosed unless specifically requested.

5) These provisions shall apply in the event of a limited partner joining an existing registered partnership without personality and in the case of a

In the event of the withdrawal of a limited partner from a limited partnership, this provision shall apply accordingly.

Art. 735

2. Formal requirements

1) Notifications of facts subject to registration or changes thereto must be signed personally by all partners, including the limited partners, or submitted in certified form to the registration authority.

2) They must be registered in the Commercial Register according to their entire content.

3) The partners with unlimited liability who are to represent the company must sign the name of the company together with their signature in person before the registration authority or submit the signature in certified form.

Art. 736

III. Several partners with unlimited liability

If there are several partners with unlimited liability in a limited partnership, they are subject to the provisions governing general partnerships.

B. Relationship of shareholders among themselves Art. 737

I. Freedom of contract

1) The legal relationship between the shareholders is initially governed by the partnership agreement.

2) If no agreement has been made, the provisions applicable to general partnerships shall apply, but with the deviations resulting from the following provisions, and the limited partners shall have the same status as partners with unlimited liability, except that their liability shall be limited to the limited partnership sum.

3) For limited partners, the non-competition clause only applies if this is provided for in the partnership agreement.

4) A limited partner can only have one limited partner contribution in the same company, which can increase or decrease.

5) If the limited partner is also the trustee for the limited partnership, it may issue trust certificates as securities for the benefit of third parties.

Art. 738

II. Management

1) The general partners are jointly responsible for the management of the company.

The members of the Board of Management and the Supervisory Board are the members of the Board of Management and the Supervisory Board, insofar as the Articles of Association do not assign them to individual members of the Board of Management, the members of the Board of Management or third parties.

2) As such, the limited partner is neither entitled nor obliged to manage the company's business.

3) He is also not authorized to object to the performance of an act of management unless the act goes beyond the ordinary course of business.

4) It is entitled to request a copy of the balance sheet and the profit and loss account and to verify their accuracy by inspecting the books and papers or to have them verified by an uninvolved expert.

5) These rights may be asserted before the judge in the extrajudicial proceedings after hearing the managing directors.

Art. 739

III. Profit and loss sharing

1) A limited partner shall participate in the loss only up to the amount of his paid-in or arrears contribution.

2) The interest and profit accruing to a limited partner shall be attributed to his capital share as long as it does not reach the amount of the conditional contribution, after which they constitute a creditor's claim.

3) If, however, the limited partner's contribution is lost in whole or in part through the fault of the limited partner, the limited partner shall be liable to the limited partner for compensation.

4) In all other respects, the amount of the limited partner's participation in profit and loss shall be determined by the court in the absence of special agreements.

C. Relationship of the Company and the Shareholders with

Third Parties Art. 740

I. Representation

1) The limited partnership is represented by the partner(s) with unlimited liability, unless otherwise agreed.

2) The power of representation is governed by the provisions relating to the general partnership.

II. Contingent liabilities

Art. 741

1. Cases of unlimited liability

1) A limited partner who enters into transactions on behalf of the company without being appointed for this purpose in accordance with the entry in the commercial register or without expressly declaring that he is only

acts as a limited partner, authorized signatory or as a proxy, is obligated from these transactions to bona fide third parties in the same way as a general partner.

2) Each limited partner shall be liable to third parties for the obligations of the partnership entered into up to the time of registration in the same way as a simple limited partner.

Shareholders unless he proves that they were aware of his limited participation with the Company.

3) A limited partner whose name appears in the company's name is liable to the company's creditors in the same way as a general partner, unless the limited partner's name is identical to that of the limited partner or the Office of Justice has granted an exception to the formation of the company.

2. Liability from the limited partnership

Art. 742

a) Scope of liability

1) The limited partner is liable to third parties to the extent of the limited partner's share entered in the commercial register.

2) If he himself or with his knowledge the company has announced to third parties by circu- lar or in any other way a higher sum than the limited partner's contribution, he shall be liable with this sum.

3) The registered value of contributions in kind is subject to the objection of the creditors that it does not correspond to the real value of the contribution at the time of its contribution.

Art. 743

b) Enforcement of liability

1) During the term of the limited partnership, its creditors have no direct right of action against the limited partner.

2) If the partnership is dissolved other than by bankruptcy, the creditors have a direct right of action against the limited partner only to the extent that the limited partnership sum has either not yet been contributed or has been withdrawn.

3) If the partnership is dissolved, its creditors may only demand that the limited liability sum, insofar as it has not yet been contributed or withdrawn, be delivered to the estate or liquidation.

Art. 744

c) Reduction of adhesion

1) If the limited partner exceeds the limited liability amount entered in the Commercial Register or otherwise announced by agreement with the other partners

If the share capital of a company is reduced by a reduction in the share capital of the company or by payments from the company's assets, this change shall in any case only become effective vis-à-vis third parties once it has been entered in the commercial register and published.

2) The undiminished limited partner's share remains liable for liabilities incurred prior to this announcement.

Art. 745

d) Reduction due to loss

1) If a limited partner has acted as managing director of the company, any reduction in the limited partner's capital must be entered in the Commercial Register within six months of the end of the financial year, but not published.

2) If this entry is not made, the managing limited partner shall be liable for the partnership's liabilities incurred by him after the expiry of the six-month period in the amount of the undiminished limited partner's capital, even if he has paid the latter in full, unless the managing limited partner proves that he was not aware of the loss or that he did not receive a balance sheet.

3) The limited partner is entitled on his own initiative to register the reduced commandate sum with the Commercial Register.

4) In this case, the management is obliged to provide such a limited partner with a copy of the balance sheet and the profit and loss account on its own initiative, otherwise it is liable to the bona fide third party and the limited partner for the damage up to the amount of the reduced limited partner's capital, irrespective of any further liability as a partner.

Art. 746

3. Liability of the unlimited liable party

The partner with unlimited liability can only be held personally liable for a company debt if the company has been dissolved or compulsory enforcement has been attempted against it without success.

Art. 747

III. Collection of interest and profit

1) Interest may be paid to the limited partner only on the basis of a proper balance sheet and only to the extent that it does not reduce the limited partner's capital.

2) Until the contribution reduced by losses is replenished, the comman- ditary may not draw interest or profit.

3) The limited partner is liable in excess of his limited partner contribution for the liabilities of the limited partnership.

of the Company, insofar as it has received payments from the Company in contravention of these provisions, but shall not be obliged to repay interest and profits which it has received on the basis of a proper balance sheet and in good faith.

Art. 748

IV. Entry into an existing company

1) Whoever joins an existing limited partnership as a limited partner is also liable with the limited partnership sum for the liabilities entered into prior to his joining, whether or not the firm suffers a change.

2) Agreements contrary to this provision shall have no legal effect vis-à-vis third parties.

Art. 749

V. Entitlement of special creditors

1) The special creditors of both a partner with unlimited liability and a limited partner are excluded from direct access to the assets of the partnership in accordance with the provisions established for the general partnership.

2) The object of the execution against the limited partner or in the insolvency proceedings of the same can be for its special creditor only that which would be due to it in terms of interest, profit and liquidation share.

3) If the limited partner registered in the Commercial Register is merely a trustee, the legal position of the special creditors of the trustee limited partner vis-à-vis him and the settlor or all due beneficiaries shall be governed by the provisions on trusteeship (trustee mandates) unless otherwise provided for in the trust instrument.

4) A corporate creditor who is at the same time a special debtor of the limited partner may claim set-off against the latter only if the conditions for the limited partner's prosecutability are met.

VI. Insolvency proceedings of the company and the shareholders

Art. 750

1. Insolvency proceedings of the company

1) In the insolvency proceedings of the limited partnership, the partnership assets are used to satisfy the partnership creditors, excluding the special creditors of the individual partners.

2) The fully or partially paid-in limited partnership contribution cannot be reported as a receivable, even if it is a trust limited partnership contribution, but the amounts paid in excess of it can.

3) Similarly, the amount not yet paid in may not be offset against claims of the Comman- dity against the Company.

Art. 751

2. Insolvency proceedings of a party with unlimited liability

1) After the dissolution of the company, the company's creditors may assert their entire claim against any partner with unlimited liability until it is fully covered.

2) However, if insolvency proceedings are opened simultaneously against the company and a partner with unlimited liability, the company's creditors in the partner's insolvency proceedings may only claim the balance that remained unpaid in the company's insolvency proceedings.

3) Retrieved

Art. 752

3. Insolvency proceedings of a limited partner

1) In the insolvency proceedings of a limited partner, neither the individual creditors of the partnership nor the partnership or its insolvency estate have a preferential right over the special creditors.

2) However, if the partnership has been dissolved without bankruptcy, the creditors of the partnership may assert the unpaid remainder of their claims, but in total not more than the amount of the limited liability sum, in competition with the special creditors.

3) However, the special circumstances remain reserved if the limited partner is only a trustee.

4) Retrieved

Art. 753

D. Resolution

1) If a limited partner dies or is declared bankrupt, or if a custodian is appointed for him, or if his liquidation share is seized, this shall not result in the dissolution of the partnership.

2) However, in this case, as well as in the other cases in which he is entitled to withdraw, the limited partner may demand that his liquidation share be paid out to him.

Art. 754

E. Participation as a simple shareholder

1) If a person participates in the business of another person by making a contribution and sharing in the profits or losses of the business, or both, and assumes unlimited liability for the debts of this business, without the participation being entered in the commercial register and without the participation being recorded in the commercial register, the participation shall be deemed to be a contribution.

If the name of the company is expressed in the company name, a simple partnership exists between him and the owners of the company, irrespective of any existing obligation to register the company in the Commercial Register.

2) Such participation may be registered in the Commercial Register as a limited partnership or a general partnership, but if the name of such participant is taken into account in the company name, either the registration or the change of the company name shall be made, but in the latter case the provisions on the limited partner's liability shall be reserved if the name (of the company) is mentioned in the company name.

Art. 755

F. Limited partnership and general partnership with limited liability

1) If a partnership is established by means of a written agreement under a common name in such a way that all partners are liable for the liabilities of the partnership to the same extent as limited partners, the provisions of this title shall apply to this partnership (limited partnership), with the following exceptions:

1. The application for registration in the Commercial Register, enclosing the Memorandum and Articles of Association, and its registration must state:

Surname, first name, status and place of residence or company name and registered office of each limited partner together with its limited partner's contribution and the actual contribution made thereon by each partner, as well as the total amount of all limited partner's contributions;

the name of the company, in which the name of a commander may also appear without increasing the liability, the registered office, the object of the company or the purpose of the company;

Surname, first name and place of residence or company name and registered office of the shareholders or third parties who are responsible for the management and representation of the company.

The publication shall be limited to the company name, the object of the company, the total amount of the limited liability sum and information on the name and place of residence or company name and registered office of the managing and representing persons.

These provisions shall also apply mutatis mutandis if the facts or circumstances subject to registration undergo a change.

2. The non-managing partners have the same position vis-à-vis the managing ones as a general partner and a non-competition clause exists in the same way in the absence of any other agreement.

as with general partners, but only for the managing partners,

the managing and representing partners or third parties assume the position of managing directors in the limited liability company vis-à-vis the partners and third parties.

3. If, in the case of a limited liability company, a minimum share capital is provided for by decree, the minimum amount of the contribution of assets made by the members when the company is formed must be equal to that minimum share capital; if, subsequently, the company's net assets fall below that amount, any member or creditors may demand dissolution under the same conditions as in the case of a single-member company.

4. In addition to the limited partner's capital, the partners can commit themselves in the partnership agreement to a limited additional contribution or to recurring, non-monetary payments, as in the case of a registered cooperative.

5. The amount of the paid-in limited liability sums shall be included in the liabilities side; in the absence of any other agreement, the partners shall participate in profit and loss in proportion to their limited liability sums and, if a limited liability sum does not exist, as for example in the case of performance of work, the share shall be determined at the discretion of the court.

6. This company shall be dissolved by the opening of bankruptcy proceedings, and liquidation shall otherwise take place in accordance with the general provisions governing the persons of association, unless the Office of Justice grants an exception.

2) If, however, a company is established by means of a written agreement under a common name by entry in the Commercial Register in such a way that all partners are jointly and severally liable in the same way as general partners, but only up to a certain sum specified in the partnership agreement, the provisions on general partnerships and items 1 to 4 of the preceding paragraph shall apply mutatis mutandis to such a company (general partnership with limited liability).

11. Title

The casual society

A. Term etc.

Art. 756

I. In general

1) When two or more individuals or associations under private or public law or companies contractually combine for the preparation of an economic undertaking or for the execution of the acquisition, purchase or exploitation of any assets for joint account (such as, in particular, consortia, syndicates, groups, founding companies, study companies), without

to establish a joint company or legal entity, they shall form a general partnership.

2) The occasional company does not constitute a special legal entity and cannot sue or be sued independently or appear in any other proceedings.

3) In case of doubt, the partners are co-owners of the things that belong to them jointly.

4) In case of doubt as to whether an occasional company exists, the existence of a simple partnership shall be assumed in the absence of other evidence.

Art. 757

II. formation of several companies

1) A casual partnership may also be formed in such a way that one or more persons, associations or companies acting as managers of the business conclude a contract of the same kind with other persons, among whom there need not be any relationship, for the performance of the business for joint account, in the opinion that all partners shall participate in the success of the business in accordance with their participation and the provisions of the contract.

2) In this case, there are as many occasional companies as there are individual contracts.

Art. 758

B. Referral to the simple partnership

1) Unless otherwise stipulated below, an occasional company shall be governed by the provisions relating to a simple partnership.

2) In particular, the establishment is not bound to any special form.

3) An entry in the commercial register is excluded.

Art. 759

C. Contributions

1) The contributions of the partners depend on the contract and can consist of capital participation or work.

2) They may also contain only the obligation, in accordance with the contractual participation, to take over for its own account that part of the business undertaken for the joint account which could not be settled upon the dissolution of the occasional partnership or upon the settlement of one of several transactions taken over by it.

Art. 760

D. Profit and loss and liability

1) Profit and loss of an occasional company is distributed among the partners according to the contract.

2) Unless otherwise provided, any business contributions shall first bear interest at five percent and any surplus shall be treated as profit.

3) In the case of transactions for the execution of which all participants have to make contributions in money or other fungible items, or have to assume obligations determined in terms of numbers as contributions, this distribution shall be made not according to heads but according to the amount of the contribution or the obligation, unless the contract stipulates otherwise.

4) If the partners jointly or by proxy enter into obligations towards a third party, each of them shall be liable to the third party.

Unless otherwise agreed, the shareholder's share in the company shall be proportionate to his share in the company.

E. Company resolutions and management Art.

761

I. Company resolutions

If the contract provides for a resolution by majority vote, this shall, in the absence of any other contractual provision, be calculated in accordance with the rule applicable to the distribution of profits.

II. Management and representation

Art. 762

1. In general

1) By the articles of association or by unanimous resolution of the shareholders, management and representation may be entrusted to one or more shareholders individually or collectively, to the exclusion of the others, or to one or more third parties who are not shareholders.

2) Likewise, as in the case of so-called management companies, it may be stipulated that the managing partner shall conclude the transactions of the company in his own name but for the account of the company (dormant partnership); in this case, the provisions on indirect representation and, in addition, those on tacit trusteeship shall apply in relation to third parties.

3) The participation in losses in the case of the silent partnership of opportunity can be limited as desired (limited silent partnership of opportunity).

Art. 763

2. Responsibility

1) The shareholders owe each other the care of a prudent businessman in the management and representation of the company.

2) The managing partners shall also be liable under these provisions if they exceed the amount due to them according to their shareholdings.

The members of the Supervisory Board do not receive any special compensation for their activities beyond the proportionate share of operating income.

Art. 764

3. Position of the non-executive

1) The shareholders who are not entrusted with the management of the company are not entitled to request information on the course of the company's affairs and invoicing or to inspect the company's books of account and business documents before the date stipulated in the contract for the settlement of the transaction or before the expiry of a period of time deemed reasonable for the settlement of the transaction.

2) If there are important reasons, the judge may authorize the non-managing partners to make the said request in extrajudicial proceedings.

Art. 765

F. Sub-participation

1) If, after the formation of an occasional company, a joint sub-participation is assigned to a third party by all partners, the latter shall not become a partner unless otherwise agreed and shall not be entitled to participate in the management or in the approval thereof, but shall share in the profit or loss determined by the company.

2) If an individual participant in an occasional company grants a sub-participation to a third party, the latter does not become a partner of the other participants, but the relationship between the two constitutes an occasional company in its own right, whereby the assignor is to be regarded as the managing partner and as such is liable to the unparticipant only for the same diligence that he owes to the main company with regard to his own participation.

Art. 766

G. Resolution

1) The occasional company is terminated by the death of a partner or the death of a participating company or association, or finally by unilateral termination before the end of the business, if

not be dissolved for good cause, unless the dissolution arises from the contract or the nature of the business.

2) If, however, the deceased partner or the deceased company or association person has been the sole managing director, such as, for example, the head of the consortium, the company is dissolved in case of doubt.

Art. 767

H. Liquidation

1) If the nature of the business or the agreement does not indicate otherwise, pending transactions shall be settled by the managing partner(s), such as the head of the consortium.

2) In the absence of any other agreement, goods or securities intended for sale but not sold, as well as goods or securities acquired for a purchasing syndicate, shall accrue to the individual shareholders in proportion to their shareholding.

12. Title

The silent partnership

Art. 768

A. Concept and delimitation

1) If one or more individuals or private or public-law associations or companies participate in an enterprise registered in the Commercial Register, which is operated by another person (general partner) under his own name, with a contribution of assets or with the provision of services or the use of certain assets on a permanent contractual basis, without assuming liability for the debts arising from this enterprise, without the participant(s) being registered in the Commercial Register and without the participation being expressed in the name of the company, they form a dormant partnership with the owner of the company.

2) Such a silent partnership in a company not registered in the Commercial Register is subject to the provisions on profit-sharing agreements in the case of a simple partnership, unless it is an occasional partnership.

3) If an amount is transferred to another person with the declaration that the claim should be liable to a certain third party like a limited partner's contribution, the legal relationship shall be treated as a loan with profit and loss participation, and the liquidation quota shall be deemed to have been assigned in advance to the third party up to the uncovered amount of its claim in the foreclosure or insolvency proceedings against the recipient.

4) In the absence of any other provision, the assets contributed by the silent partner become part of the assets of the owner of the company.

Art. 769

B. Management and representation and liability of the silent

1) The owner of the company is solely responsible for the management and representation of the company and is obliged to exercise the same diligence as in his own affairs.

2) He is solely entitled and obligated from the business transactions concluded in the company.

3) As such, the silent partner is neither entitled nor obliged to manage the company.

4) The name of a silent partner may not be included in the name of the owner of the company, but if it has been used in it with his knowledge, the silent partner shall be liable to the business creditors without limitation and jointly and severally.

5) If the accession as a silent partner has been announced in public gazettes, letters, circulars or the like with the consent of the silent partner, he shall be liable to the creditors jointly and severally with the owner of the enterprise up to the amount of the announced capital contribution, and if the silent partnership has been entered in the commercial register by mistake, he shall be liable to bona fide persons in the same way as a limited partner for the registered limited partnership sum.

C. Relationship of shareholders to each other Art. 770

I. In general

1) The owner of the company may use the contribution only for the purpose agreed in the partnership agreement or otherwise resulting from the circumstances and may neither abandon nor reduce the business without the consent of the silent partner.

2) In case of doubt, the entrepreneur is required to use the contribution as profitably as possible.

3) In the event of a culpable breach of these duties, the silent partner shall be liable for damages and the dissolution of the company may be demanded.

4) In the absence of any other agreement, the provision on non-competition applies only to the owner of the company.

5) The articles of association may stipulate that the silent partner's participation is freely transferable without the holder's consent or that transferable securities equivalent to registered shares are issued in respect of the participation.

II. Share in profit and loss Art. 771

1. In general

1) If the silent partner's share of profit and losses is not determined, the

a proportion of both that is reasonable under the circumstances shall be deemed to have been agreed.

2) The partnership agreement may stipulate that the silent partner shall not participate in losses; his participation in profits may not be excluded.

Art. 772

2. Calculation and payment

1) At the end of each financial year, the profit and loss is calculated and the profit attributable to the silent partner is paid to him.

2) The silent partner participates in the losses only up to the amount of his paid-in or arrears contribution. He is not obliged to repay the profit received because of later losses; however, as long as his contribution is reduced by loss, the annual profit is used to cover the loss.

3) The profit, which is not collected from the silent partner, does not increase his contribution, unless otherwise agreed.

4) Profit participation certificates with the character of securities can be issued via the silent partner's profit participation right.

Art. 773

III. Notification of the balance sheet and review

1) The silent partner is entitled to request a copy of the annual balance sheet and to check its accuracy by inspecting the books and business documents.

2) At the request of the silent partner, the court may, if there are important reasons, order the communication of a balance sheet or other clarifications, as well as the presentation of the books and papers for inspection and transcription in the out-of-court proceedings at any time.

3) If the silent partner does not hold an interest in the company as a whole, but only in individual branches or subsidiaries, his rights shall extend to the extent that he holds an interest.

D. Resolution

Art. 774

I. In general

1) A creditor of a silent partner may terminate the partnership in the same way as a special creditor of a general partnership, unless the silent partner has participated only with trust property.

2) If a silent partner dies or if a custodian is appointed for him or if a company or an association person, if these are silent partners, ceases to exist, the company shall not be dissolved but the relationship shall be maintained with its universal successors.

continued.

3) However, the company may be terminated by either party for a period of six months during one year.

Art. 775

II. Dispute

1) After the dissolution of the company, the owner of the company must pay out his share to the silent partner.

2) The business pending at the time of the dissolution shall be handled by the owner of the company.

3) The silent partner participates in the profit and losses resulting from these transactions.

4) At the end of each financial year, it may demand an account of the transactions completed in the meantime, payment of the amount due to it and information on the status of pending transactions.

Art. 776

III. Bankruptcy

1) If bankruptcy proceedings are instituted against the assets of the owner of the company, the silent partner may assert the paid-in contribution as an insolvency claim to the extent that it exceeds the amount of the share in the losses attributable to him.

2) If the contribution is in arrears, the silent partner shall pay it into the insolvency estate up to the amount required to cover his share of the loss.

Art. 777

E. Contest

1) If, on the basis of an agreement concluded between the owner of the company and the silent partner in the last year before the opening of the insolvency proceedings, the silent partner's contribution has been returned in whole or in part or his share in the losses incurred has been waived in whole or in part free of charge, this agreement may be contested by the insolvency administrator, irrespective of whether or not it took place during the liquidation of the company.

2) In particular, set-off, surrender in lieu of payment, conversion into a loan or into a claim otherwise benefiting from the insolvency proceedings shall be deemed equivalent to restitution.

3) The avoidance is excluded if the silent partner proves that the insolvency proceedings are due to circumstances that occurred after the agreement.

4) Furthermore, the provisions of the Code of Rescission are reserved, the provisions of which on the assertion of rescission and its effect are also applicable to the claim for rescission governed herein.

Art. 778

F. International Law

The legal relationship between the complimentary partner and the silent partner shall be governed by the law in the jurisdiction of which the company has its registered office or domicile.

13. Title

The community

A. Justification

Art. 779

I. Authority

An estate may be joined to a family by relatives either perpetuating all or part of an inheritance as community property or by combining property to form a community (division).

Art. 780

II. Form

1) The contract on the establishment of a community shall be valid only if it is notarized and signed by all the members of the community or their representatives.

2) In the deed, the community must be expressly designated as such, otherwise such community shall not be subject to the provisions established hereunder, but to the otherwise relevant provisions, such as on joint ownership, community, simple partnership and the like.

Art. 781

B. Duration

1) The community may be closed for a definite or indefinite period.

2) If it is concluded for an indefinite period of time, any municipality may terminate it for six months.

3) In the case of agricultural operations of the entire estate, termination is permitted only on a spring or fall date in accordance with local custom.

C. Effect

Art. 782

I. Type of community

1) The community unites the municipalities in joint economic activity.

2) In the absence of any other arrangement, they participate in the community with equal rights and obligations.

3) They can neither claim a division nor dispose of their community shares during the community.

II. Management and representation

Art. 783

1. In general

1) The affairs of the community are ordered jointly by all the community members.

2) Each of them may perform ordinary administrative acts without the participation of the others.

Art. 784

2. Power of the head

1) The community members may designate one of the members as the head of the community.

2) The head of the community has the representation in the scope of its affairs and manages its economic activity.

3) However, the exclusion of others from representation is only effective vis-à-vis third parties acting in good faith if the representative is entered in the Commercial Register, stating his surname, first name and place of residence.

Art. 785

III. Common property and personal property

1) The assets of the community shall be owned jointly by all the community members.

2) The municipalities are jointly and severally liable for the debts.

3) What an individual community member owns in property in addition to the community property or acquires for himself alone during the community by inheritance or otherwise free of charge is his personal property, unless otherwise agreed.

D. Repeal

Art. 786

I. Reasons

1) The abolition of the community takes place:

1. by agreement or notice,

2. with the expiry of the period for which a community has been established, insofar as it is not tacitly continued,

3. if the seized share of a community member in the community property has been realized,

4. when a municipality has gone bankrupt,

5. at the request of a member of the community for important reasons.

2) The reason for cancellation or the legal dispute may be noted in the case of a community entered in the commercial register at the request of one of the parties until the final cancellation.

Art. 787

II. Termination, insolvency, marriage

1) If a member of the community terminates the community, or if one of the members of the community has become bankrupt, or if the attached share of a member of the community is realized, the remaining members of the community may continue the community with each other by compensating the terminating member or his creditors.

2) If a community member marries, he or she may claim severance pay without notice.

Art. 788

III. Death of a parishioner

1) If a commoner dies, the heirs who are not in the common may claim only the settlement.

2) If the deceased leaves descendants entitled to inherit, they may, with the consent of the other members of the community, take the place of the deceased in the community.

Art. 789

IV. Division rule

1) The division of the community property or the compensation of a withdrawing member shall take place according to the property situation as it exists at the time of the occurrence of the reason for dissolution.

2) Their implementation must not be required at an inopportune time.

E. Income municipality Art.

790

I. Content

1) The municipalities may entrust the management of the common property and its representation to one of them, with the provision that the latter shall pay each of the municipalities a share of the net profit on an annual basis.

2) Unless otherwise agreed, this share shall be calculated on the basis of the average yield of the common property for a reasonable longer period of time.

period in an equitable manner, taking into account the performance of the transferee.

3) Unless otherwise agreed, the other members of the community shall be liable for the debts to third parties arising from the community only to the extent of the community's assets, with the exception of the member of the community who has been entrusted with the management and representation of the community.

Art. 791

II. Special reasons for cancellation

1) If the community property is not properly managed by the transferee, or if the transferee fails to fulfill his obligations to the community, the community may be terminated.

2) At the request of a community member, the judge may, for important reasons, order his entry into the business of the transferee in non-contentious proceedings, taking into account the provisions on division under inheritance law.

3) In other respects, the income community is under the rules of the community with common economy.

Art. 792

F. Entry in the Commercial Register

1) At the request of all members of the community, the community shall be registered in the Commercial Register under a common name.

2) The application to the Commercial Register, which shall be signed by all the municipalities or by the principal in a certified form or declared for the record of the Office of Justice, shall contain:

1. the name and seat of the municipality, name and place of residence of each municipality,

2. the indication whether a property community or a revenue community has been established, and the amount of the value of the community assets, together with a list of the individual assets as an enclosure,

3. the duration of the community,

4. any exclusions from representation, indicating the surname, first name, profession and place of residence of the head of the community.

3) The entry and publication in the Official Gazette shall contain the items listed in the preceding paragraph, with the exception of the list of assets.

4) If a community or only the exclusion from representation is entered in the commercial register, all changes made with regard to the registered facts, such as cancellation of the community, change in representation and the like, must also be reported and published by the communities or the head.

5) If, at the discretion of the registry authority, another method of publication, in particular publication on the website of the authority, appears to be sufficient, publication in the Official Gazette may be omitted.

Art. 793

G. International Law

1) In the absence of any other contractual agreement, Liechtenstein law shall apply to the community.

2) If the greater part of the property is located in Switzerland or if the majority of the community resides in Switzerland, domestic law shall apply in all cases with respect to the property located in Switzerland.

4th department

Special property dedications and simple legal community

14. Title

The homesteads and entailed estates

Art. 794

A. Purpose of the home

1) The purpose of the homestead is to enable the owner (homesteader), alone or in conjunction with other persons whose number is to be specified, or his family or third persons designated by the owner, to own an agricultural property or a property serving another trade (commercial homestead) or a residential building or building lease for the construction of a residential building.

(dormitories) against economic hazards and to protect him from loss of the property or house.

2) Unless the law or the government provides for an exception, only natural persons may be homeowners.

B. Foundatio

n Art. 795

I. Requirements and subject

1) An agricultural property or a property serving another business or a residential building including its appurtenances or a building right may be declared a homestead under the following conditions:

2) The property or house or building right (homestead property) may not be larger than is necessary to provide one or more specific persons or, in the case of family homesteads, a family, with their ordinary maintenance without regard to the encumbrance of real property or the other assets of the owner, or to serve them as a dwelling or for the construction of a dwelling house, if necessary together with garden land.

3) The owner or the owner's family or the third parties must themselves farm the property, operate the business or occupy the house, unless for good cause the district court grants an exception.

4) The provisions on home sites shall apply mutatis mutandis to the building right home sites.

II. Procedur

e Art. 796

1. Legal Aid Proceedings. Request for approval

1) The establishment, amendment or dissolution of a home shall, unless otherwise provided hereinafter, be effected with the cooperation of the district court in the proceedings for the settlement of disputes.

2) Any person who wishes to establish a homestead shall submit a request to the district court, which shall include a statement of the reason for establishing a homestead, the property or house according to the land register, the encumbrances on it, any appurtenances, and the beneficiaries of the homestead.

The company is obliged to specify the names, forenames and places of residence of the persons entitled and their entitlements in detail.

3) A person who wishes to establish a home for himself and his family shall expressly designate it as a family home in the application.

4) If the requirements for the establishment of a home are not met after preliminary examination of the same by the district court and possible hearing of the applicant, it shall reject the application by means of a decision.

2. Announcement

Art. 797

a) Publication of the application

1) If, after preliminary examination of the application by the district court, the conditions for the establishment of a home are met, all creditors of the applicant and other persons who may consider their rights to be infringed by the establishment of the home shall be invited in the bidding procedure by official notice in the official gazette to lodge their objections within 14 days from the date of publication, stating the exact amount they claim to be affected by the establishment of the home.

The Client shall notify the Home of the allegedly threatened right or the exact amount of the claim and the reasons for its objection in writing or on the record.

2) In the case of family homesteads, if the members of the family to be benefited are not already specified in the application, the district court shall also identify the blood relatives of the homeowner in the ascending and descending line up to the second degree and his siblings who wish to be admitted to the home, and shall request them to notify its request within 14 days of the notification.

3) The filing deadline may be reasonably extended by the court up to two months.

4) The proclamation shall describe the property or house exactly, contain an unambiguous designation of the applicant and finally refer to the fact that the possible list of the property can be inspected at the district court.

Art. 798

b) Special announcements to interested parties

1) In addition, the court shall send special copies of this request to the lienholders and other persons entitled in rem registered in the land register on the real property envisaged as a home, to the known lienholders to whom titles of lien over the liens attached to the real property have been attached, and, in the case of family homesteads, to the aforementioned blood relatives and siblings, if any.

2) The right to challenge the establishment of the home in accordance with the law on donations, the law on inheritance or the law on avoidance is reserved.

3. Settlement of objections Art.

799

a) Consultation of the applicant

After the expiry of the time limit for the submission of objections, the court shall inform the applicant of the objections received and invite him to submit written or recorded comments.

Art. 800

b) Determination of disputed rights

1) If the applicant claims that the claim or other right of a believer does not exist or does not exist to the extent claimed, the district court shall, if a lawsuit is not already pending, set him a time limit of 14 days within which he may request the judge to disallow the claimed right.

2) If the applicant files an action in due time, the procedure for establishing a

If the applicant fails to bring an action, the right applied for shall be presumed to be recognized in the homestead proceedings.

3) If a creditor whose right is not disputed has not responded in the affirmative to the special notice, the homestead may be established only if the debtor has given the non-consenting creditor notice, without being bound by any existing notice period.

The court shall be informed of the fact that the debtor satisfies or otherwise ensures the debtor's obligation to pay by performance and provides proof of this to the court.

Art. 801

c) Subsequent objections

1) If the proceedings have been discontinued as a result of litigation, the Regional Court shall again check whether no encumbrances in rem have been entered in the land register in the meantime and shall subsequently give any entitled persons the opportunity to lodge objections by special notification.

2) The preceding article shall apply accordingly to the settlement of subsequent objections.

Art. 802

d) Relatives reception

1) In the case of family homesteads, the district court may, if the applicant himself has not designated the family members to be benefited, impose on the owner the obligation to admit his blood relatives up to the second degree in the ascending and descending line and his siblings, as well as the spouse or registered partner living with him, to the homestead, provided they are in urgent need of admission and do not appear unworthy of it.

2) If such persons have applied for admission, the court shall examine whether they are needy and worthy of admission.

Art. 803

4. Decision

1) After the procedure has been carried out, the district court decides whether to grant permission to establish a homestead.

2) The approving decision shall specify the persons involved, the properties intended for the homestead and their appurtenances sharing their fate, the encumbrances resting on the properties, as well as, in the case of family homesteads, the existence of the family which the homestead is intended to serve, and shall state the conditions under which the approval has been granted.

Art. 804

5. Subsequent change for family home sites

1) In the case of family homesteads, the admission of blood relatives and siblings to the homestead may, if the applicant himself did not limit the admission to certain relatives when the homestead was established, and if the need arises only later, also be ordered subsequently upon special request after hearing the owner of the homestead.

2) The judge may order the admission of persons to whom the home owner has a duty of support under family law, provided they are in urgent need of admission and are not unworthy of it, even if the home owner has stipulated otherwise.

Art. 805

6. Land register entry and homestead register

1) The establishment of a home becomes legally valid through registration as a priority notice in the land register.

2) The entry in the land register shall be published in the official gazette at the expense of the applicant if it cannot be omitted altogether at the discretion of the judge.

3) In addition, according to the instructions of the government, a register (Heimstättenregister) shall be kept by the court, which shall be open to public inspection.

C. Withdrawal of approval

I. Requirements

Art. 806

1. At the request of a creditor

At the request of a creditor of the owner of the home, the district court shall revoke the approval order after first hearing the parties involved:

1. If a mortgagee proves that it did not receive a special notice and was not otherwise aware of the proposed establishment of a home

If the debtor had no knowledge of the claim and the debtor does not provide him with other adequate security or does not satisfy him, depending on the maturity of the claim; if the claim is disputed, the rule on the determination of disputed rights shall apply;

2. if it is determined that the owner is renting or leasing the homestead without court authorization or is no longer occupying or managing it without such authorization.

Art. 807

2. At the request of third parties

At the request of other interested parties, the permit shall be withdrawn after prior consultation with the owner:

1. if the owner of the family home does not fulfill or no longer fulfills the obligation imposed on him by the judge by law to accommodate persons entitled to family support, or does so only in such a way as to make their stay in the home unbearable;

2. if a third party, whose objection has been disregarded by the District Court in the out-of-court proceedings, submits a court decision stating that his right has been infringed by the construction of the homestead and that he has not been satisfied or secured from the other assets of the owner of the homestead, depending on the maturity of the claim.

Art. 808

II. Announcement of withdrawal and cancellation

Any subsequent withdrawal of the permit shall be appropriately publicized after it has become legally effective in the same manner as the permit itself, and it shall be ex officio deleted from the land register.

D. Effect of the establishment of the

home Art. 809

I. Belonging

1) The appurtenances of the estate or house listed in the inventory belong to the home, with the exception of those appurtenances that are not the property of the homeowner.

2) An appurtenance becomes free of the homestead property as soon as it ceases to be an appurtenance of the house or estate.

Art. 810

II. Division, divestment and enlargement

1) The division of the homestead and the alienation of individual plots of land or parts of plots of land require judicial approval, which may not be refused:

1. in case of division, when the parts become independent homesteads,

2. in the case of a sale, if it is compatible with the rules of a proper economy and does not substantially endanger or impair the economic existence of the home.

2) With the approval of the judge, another person may be granted a usufruct, a building right, a land lease, or a

The land may be united with the homestead or attributed to it (enlargement) if it is not encumbered by a mortgage or a lien on real property after the bidding procedure has been carried out accordingly.

3) In the case of homesteads established for the benefit of third parties, such third parties must be consulted on the election of their rights prior to the division, sale or enlargement.

Art. 811

III. Loads

1) No new mortgage, usufruct, right of abode or encumbrance may be placed on an estate or house that has become a homestead by means of a legal transaction; this shall not apply to encumbrances arising by operation of law.

2) The existing real estate liens and any new ones that may arise shall, if not otherwise redeemed, be converted into annuity real estate liens.

3) At the request of the owner or the creditor, the district court may determine the annual payments at its discretion and, if the owner is in arrears with more than two payments, order the homestead to be cancelled.

Art. 812

IV. Disposal, etc.

1) The homestead may not be alienated by the owner and may not be rented or leased by the owner or the beneficiary third party without court approval.

2) However, alienation as a whole is permitted, with the approval of the district court, to a spouse or registered partner, to a person related to the owner of the homestead in the direct line or to the third degree in the collateral line or related by marriage to the second degree, or to persons expressly designated at the time of construction or subsequently by public deed and approval of the court.

3) In all cases, the acquirer shall at the same time as the transfer declare to the district court to whom the homestead is to be assigned.

V. Enforcement Art. 813

1. In general

1) The homestead and its appurtenances may be transferred to the homestead owner through foreclosure, insolvency proceedings and similar measures that may

could lead to their alienation, subject to receivership, shall not be withdrawn.

2) If the house or property is free of encumbrances by way of mortgages, usufruct and land charges at the time of the construction of the homestead, the owner may request the inclusion of a provision in the approving decision of the court that forced administration is also excluded (unenforceability clause).

3) The lien rights arising by operation of law or otherwise under public law may also be enforced by way of compulsory administration in the case of a home that is subject to the unenforceability clause.

4) Under the same conditions as in the case of forced administration of a sole proprietorship with limited liability, a forced lease or rental may take place instead of forced administration, and the provisions on the accession of creditors and termination shall apply mutatis mutandis.

5) In all cases, the right of rescission in accordance with the Rescission Ordinance and the right of execution against the remaining assets of the Homeowner shall remain reserved.

2. Receivership

Art. 814

a) Prerequisite

1) If, in the case of a homestead not subject to the indefeasibility clause, the owner becomes insolvent, and the creditors have suffered losses in the execution of his other property or in the insolvency proceedings, receivership shall be permitted, and the house or estate shall be assigned by the district court to a receiver who, while preserving the homestead, shall safeguard the interests of the creditors as directed by the district court.

2) Furthermore, receivership may only be ordered if the district court, on the basis of an investigation of the personal and economic circumstances of the debtor, the family and any third-party beneficiaries, concludes that the income from the homestead, while maintaining its purpose (providing maintenance or housing), would yield a surplus available to the creditor.

3) The appointment of a receiver shall be publicly announced with reference to the first paragraph of the following article and may be recorded in the land register.

Art. 815

b) Position of the administrator

1) Upon the appointment of the receiver, the administration of the homestead shall be transferred to the receiver, and the owner or beneficiary shall be entitled to dispose of the homestead in a manner affecting the income only with the consent of the receiver.

2) However, the owner, his family and the beneficiaries, respectively, have in the

Within the framework of the decision approving the home site, the owner has a right to possession of the home site and to its proceeds to the extent necessary to maintain the purpose of the home site.

3) Each party shall have the right to appeal to the court against the administrator's orders, his rendering of accounts and distribution of the proceeds, and to appeal against the court's decision in accordance with the provisions on compulsory enforcement proceedings, unless other legal remedies are provided against judicial decisions.

Art. 816

c) Accession and satisfaction of creditors

1) The provision on the accession of creditors in the case of a forced sale of a sole proprietorship with limited liability shall apply mutatis mutandis to the accession of creditors to an already pending forced administration.

2) The Heimstätte creditors shall be satisfied in the order of the date of the fruitless foreclosures and, moreover, by applying the order of priority under insolvency law.

Art. 817

d) Termination

1) The receivership shall be terminated by operation of law upon the death of the owner of the homestead.

2) It shall also be set aside by the district court at any time upon the request of the home owner if the legally approved accounts

The assets of the forced administrator have not resulted in an adequate surplus available to the creditors within a period of one year.

3) In the event of a subsequent change in circumstances, it may be ordered again at a later date at the request of a believer, but not more than once within two years.

VI. Repeal

Art. 818

1. During lifetime

1) The owner may have the homestead cancelled during his lifetime by means of a request to the district court for cancellation of the entry, unless otherwise stipulated at the time of creation, as in the case of homesteads for the benefit of third parties.

2) The District Court shall thereupon, by public notice in the Official Gazette or in any other manner it deems appropriate, in particular by delivery of an invitation, invite those who may wish to object to the annulment to state their reasons for doing so in writing or on record within one month.

3) If the home is under receivership, the administrator shall be invited to consult on the application.

4) The district court shall grant and execute the annulment if it does not violate important interests of the family or rights of third parties and if it is not untimely; if the homestead is under forced administration, the annulment shall in any case only take place at the end of a one-year administration period.

5) The cancellation of the home as a result of the demise of the estate or house and the like shall be reserved, unless a replacement takes its place.

Art. 819

2. At death

1) If the owner dies, the homestead may continue to exist only on the condition that a bin-

order has been established or that the court orders it in accordance with the following paragraphs.

2) If there is no such order or if the inheritance or the legacy is rejected or successfully contested, and if there is also no wife or children to whom the district court may grant acceptance individually or jointly in accordance with its discretion, or if the third parties refuse acceptance, the entry in the land register shall be deleted ex officio.

3) In the absence of any other provision, the takeover pursuant to the preceding paragraphs shall be made on the basis of the income value determined, if necessary, at the request of the parties involved in the out-of-court proceedings.

4) The homestead not taken over shall fall into the general division estate upon division or upon liquidation of the estate by the insolvency court.

E. Issuer Homes

Art. 820

I. Requirements

1) The municipalities may, with the consent of the Government, issue land, including building rights on their properties, to homesteaders as residential or business homesteads, or, with their consent and their designation as issuers, land may be issued by others as homesteads.

2) The government may permit other public-law associations, non-profit enterprises, the princely domain administration, companies or other third parties to issue homesteads.

3) The land may not be encumbered with mortgages, encumbrances,

The property shall not be encumbered in rem by any usufruct, right of first refusal, right of redemption, right of lease or right of tenancy if, in the judge's discretion, such encumbrance would be contrary to the purpose of the property.

Art. 821

II. Land register entry

1) The owner of the home is entered in the land register as the owner, and in addition to the name of the issuer, the capacity of the owner of the home is also entered in the land register.

The home is subject to the rules established for the other home sites if the latter designation is missing.

2) The rights of the issuer of such a homestead may be transferred to another person only if the latter is himself entitled to issue it.

3) The contract for the transfer of a homestead shall specify the amount of consideration to the grantor attributable to the land exclusive of any structures erected or other improvements made in the meantime, and such amount shall be stated in the land record note.

Art. 822

III. Division, divestment and enlargement

1) The division of the homestead and the sale of individual plots of land or parts of plots of land require, in addition to the approval of the judge, the consent of the issuer.

2) If, with the consent of the issuer, another piece of land is united with the homestead or is added to it as a component part, the status of homestead shall extend to the entire enlarged piece of land, and an amount shall be stated in the land register entry as remuneration in accordance with the third paragraph of the preceding article.

IV. Pre-emptive right and right of reversion

Art. 823

1. Right of first refusal

1) The issuer of such a homestead has a statutory and temporally unlimited right of first refusal, which can be exercised both in the case of a voluntary sale and in the case of a sale by way of execution or insolvency proceedings.

2) If the homeowner sells his home to a person to whom he may also sell an ordinary home, the exercise of the right of first refusal is also excluded.

3) The entry of the sale into the land register may be made only after the

Office of Justice the non-exercise of the right of first refusal is proven after setting a deadline of one month.

Art. 824

2. Right of reversion

1) The issuer may demand that the homestead be transferred to him if the homesteader does not permanently occupy or manage it without his consent, or if he engages in gross mismanagement.

2) The issuer may be contractually granted a right of reversion for additional cases with the approval of the judge.

3) The claim for reversion shall also extend to the property belonging to the homestead existing at the time of its assertion.

Art. 825

3. exercise

1) The right of first refusal and the right of reversion also have effect vis-à-vis third parties.

2) The exercise of the right of first refusal or right of reversion shall not affect any rights registered on the homestead with the consent of the issuer or within the debt limit.

3) When exercising the right of first refusal or the right of reversion, the issuer shall pay as purchase price at most the amount resulting from the amount determined for the homestead property at the time of construction or enlargement of the homestead, if necessary still taking into account a reduction in value and adding the still existing value for any buildings and improvements, however, without taking into account any assumed services to which the third party purchaser has otherwise committed himself.

4) If the issuer exercises its right of first refusal or right of reversion, it may designate a third party to whom the homesteader must transfer the homestead.

5) The court may, where there are important reasons, order the issuer to reacquire the homestead in extra-judicial proceedings, after hearing the parties involved, in accordance with the two preceding paragraphs.

Art. 826

V. Load

1) Any contractual encumbrance of the home with rights in rem requires the consent of the issuer.

2) Real estate liens, unless the government allows an exception, can only be recorded in non-cancelable amortizing debt.

3) If the grantor refuses to consent to the registration of an easement or land charge, the owner of the homestead may, in extrajudicial proceedings, request that the judge, after hearing the parties involved, grant consent in the place of the grantor if it is compatible with the rules of proper business and does not substantially endanger or impair the economic existence of the homestead.

4) He may require the consent to the recording of a security right over real property in the non-contentious proceedings, after hearing the parties and with the approval of the court, up to two-thirds of the market value, if the recording is compatible with the rules of orderly economy and is carried out:

1. for the repayment of acquisition, production or installation costs,

2. For home improvement uses,

3. for the settlement of co-heirs.

5) In other cases, the debt limit for encumbrances on real property is half the estimate for mortgage notes, but the government may permit a higher encumbrance by decree.

Art. 827

VI. Referral

1) Insofar as the provisions on the issuer homesteads do not provide otherwise, the provisions on the homesteads concerning the extra-contentious proceedings, the application for approval, the land register entry, the redemption, the appurtenances, the division, alienation and enlargement shall apply mutatis mutandis to public-law associations, the domain administration and non-profit enterprises as issuers, but with the amendment that:

1. the person to whom the homestead is to be issued (the homesteader) is to be considered as the petitioner to the district court,

2. the declaration of reversion to the issuer takes the place of the withdrawal of the permit,

3. the cancellation of the homestead may be granted by the judge for important reasons, but otherwise may only be carried out with the consent of the issuer and the latter must pay a purchase price to the homesteader or his heirs in accordance with the provisions on the exercise of the right of reversion.

2) Issuers other than those referred to in the first paragraph shall also be subject to the provisions on the procedure for establishing a home.

3) In particular, such a homestead may also be established with the irrevocability clause, without prejudice to the declaration of reversion and the reversion claim of the issuer and the limited rights in rem existing at the time of establishment, in which case a further encumbrance by way of real estate lien is excluded.

Art. 828

F. International Law

A homestead over an estate or house situated in Liechtenstein is governed exclusively by Liechtenstein law, regardless of whether the homesteader is a national or a foreigner.

G. Entailments

Art. 829

I. Justification

1) Property may be permanently and inalienably connected, subject to the rights of third parties, with a family or other specific group of persons by the establishment of a fideicommissum by means of a public deed or a disposition on death, and its detailed arrangement, in particular the legal succession, is regulated in the deed or in a statute.

2) However, domestic real estate may only be part of a trust to the extent that it appears necessary for the maintenance of a maximum of five persons.

3) The establishment of a entail, insofar as it consists in immovable property, shall require the approval of the Government and the consent of the Diet; this shall also apply to any substantial modification, but not to its cancellation.

4) In the case of real property and rights recorded in the land register, the entailment must be noted in the land register as a restriction on disposal, but in the case of other rights recorded in public registers, it must be noted in the relevant entry.

5) The provisions of the law on avoidance, gifts and inheritance are reserved.

6) A trust may also be established in accordance with the provisions governing trust enterprises (trust enterprise).

II. Position of the parties

Art. 830

1. In general

1) Unless the law, the instrument of incorporation or the statute provide otherwise or the purpose permits, the provisions on the silent trust relationship, in particular also with regard to the investment of assets, shall apply mutatis mutandis to the entail, with the proviso that the entail judge shall assume the position of the settlor, the respective entail holder that of the trustee and the claimants that of the beneficiary.

2) However, the provisions on transactions in one's own favor shall apply only to the extent permitted by the rights of the entailed estate owner.

3) According to the deed of entail, the owner has the possession, the administration and the use, but on the other hand also bears all burdens, the other members of the family or persons have an indefeasible expectant right in rem, which can express itself in the authority to supervise, furthermore according to the deed of entail in the participation in legal transactions, as well as in special benefits, such as severance payments, maintenance, annuities and the like.

4) The holder of the entailed estate shall not be liable for the reduction in value that occurred without his fault.

5) If the deed of entail does not specify the order of succession, the customary intestate succession shall apply.

6) Unknown applicants for entailed estates may, at the request of the parties concerned, be called upon by the judge to assert their claims by means of a summons to appear.

Art. 831

2. Disposal and encumbrance

1) If the entail deed does not stipulate otherwise, the respective entail owner shall be authorized to dispose of the entail property, if it does not concern the income accruing to him, only to the extent that the court permits it for important reasons in extrajudicial proceedings after hearing the next claimants.

2) The owner of the entailed estate may establish rights in rem in the entailed estate only in such a way that they expire with his rights themselves and do not contradict the rights of bona fide third parties existing at the time of the establishment of the entailed estate or at the time of the establishment of the former or the orders of the entailed estate judge.

3) A lien created by the owner of an entailed estate on entailed property shall, subject to the protection of good faith, extend only to the proceeds accruing to him and the creditors may proceed by way of compulsory execution only to that extent.

4) For important reasons relating to the entailed estate itself, in particular for the maintenance or improvement thereof, the judge may, notwithstanding an order of the entail commissioner to the contrary, at the request of the entailed estate owner and after hearing the claimants, grant the creation of liens in extrajudicial proceedings, which, in the case of real property, must consist of redemption liens, on the entailed property itself with the proviso that the entailed owner establishing the debt and the entailed successors shall be liable only with the property together with its proceeds.

Art. 832

III. Resolution

1) If a family participating in a family entailed estate or the group of persons entitled thereto dies, the property shall, upon the death of the last to die, pass to the country as universal successor, unless otherwise provided in the deed, and it shall, if it has served any purposes

The assets shall be used as far as possible in accordance with the provisions on the implicit trust relationship, otherwise the State shall establish a charitable foundation or donate the assets to such a foundation.

2) The Land shall be liable for the entailment debts as in the case of accrual of the assets of a federated person.

3) A entail shall be terminated by the loss of the entailed property, unless it is replaced by a substitute, by a resolution of the respective members of the family or of the persons otherwise entitled, unless the deed of establishment provides otherwise, as well as by the opening of insolvency proceedings.

Art. 833

IV. International Law

1) Domestic law applies exclusively to entailments in Switzerland.

2) Foreign entailments may acquire real property in the same way as domestic entailments, and the provision on the extinction of the beneficiary in respect of domestic property shall apply to them if necessary.

3) If necessary, they shall appoint a representative.

4) The provisions on trusteeships under foreign law shall apply to entrusts under foreign law with the proviso that Liechtenstein law shall apply exclusively with regard to the acquisition of real estate in Liechtenstein.

15. Title

The sole proprietorship with limited liability Art. 834 to 896a

Retrieved

16. Title

The Trusteeships (The Salmanni Law)

1. Section

The trusteeships in general

A. Paraphrase

Art. 897

I. The trust relationship

For the purposes of this Act, a trustee or salman is an individual, company or association to whom another person (the settlor) transfers movable or immovable property or a right (as trust property), of whatever kind, with the obligation to manage or use this as trust property in his own name as an independent legal entity for the benefit of one or more third parties (beneficiaries) with effect against any person.

Art. 898

II. The presumed fiduciary relationship

1) Wherever anyone holds assets or rights of any kind in his own name but for the benefit of the previous owner or a third party by virtue of the law or an official order or in any other way without being expressly appointed trustee, the legal relationship existing between him and the third party shall be treated as a fiduciary relationship in the absence of any other provision.

2) Insofar as the law does not lay down special rules for such legal relationships or nothing to the contrary follows from the special circumstances, the provisions relating to the fiduciary relationship, in particular those relating to the status of the trust property in the event of execution and insolvency proceedings, shall apply mutatis mutandis to the legal relationships between the owner of the property or rights and the third party.

B. Establishment and termination of the trust relationship

I. Establishment

Art. 899

1. Trust deed

1) A trust relationship is established by written agreement between the trustor and the trustee. It is not necessary to specify the legal basis.

2) If the appointment of a trustee is made by unilateral declaration of the settlor, a written declaration of acceptance by the trustee is required to establish a trust relationship.

3) In all cases, a fiduciary relationship must be expressly designated as such and

with a designation distinguishable to the trustee.

4) The formal requirements applicable to the transfer of property and other assets are reserved.

2. Registration in public registers Art. 900

a) In general

1) Every trust relationship that is established for a period of more than twelve months must be filed for entry in the Commercial Register within twelve months of its establishment, subject to the following provisions, if the settlor or, in the case of co-trustees, at least one of them is domiciled or has its registered office in Switzerland.[1321]

2) The application for registration in the Commercial Register shall contain:

a) Designation of the trust relationship;

b) Date of establishment of the trust relationship;

c) Duration of the trust relationship;

d) Surname, first name and place of residence or company and registered office of the trustee.

3) Any change in a registered fact must also be applied for registration.

Art. 901

b) Exceptions

If the object of a trusteeship is property that is entered in other public registers, such as the land register, patent register and the like, and if the trust relationship is entered in these public registers, an additional entry of the trust relationship in the commercial register may be waived with the consent of the Office of Justice.

Art. 902

c) Deposit

There shall be no obligation to register a trust in the Commercial Register if a copy or a certified copy of the deed of substantiation is deposited with the Office of Justice within the period of twelve months in accordance with the provisions on the deposit of documents. In this case, a copy or a certified copy of each document amending the certificate of incorporation shall also be deposited with the Office of Justice.

Art. 903

3. Notification of the order

1) If a trustee has not been appointed by an inter vivos contract but by a trust instrument or will, the trustee shall be notified of the appointment by the Office of Justice or by the probate authority, upon notice of interest or ex officio, unless the settlor has notified the trustee of the appointment and the latter has accepted it.

2) Within the period of 14 days from the receipt of the notification, which may be reasonably extended, the designated trustee shall notify the Office of Justice or the probate authority, as the case may be, of the acceptance of the trust, otherwise he shall be deemed to refuse the office.

3) A rejection shall also be assumed if, contrary to the trust deed, the acceptance was conditional, limited in time or subject to a condition or other restriction.

4) In all other respects, the provisions governing entry in the Commercial Register shall apply mutatis mutandis.

4. Judicial and public trustee and representative Art. 904

a) Judicial and public trustee

1) In addition to the cases provided for by law, the district court shall appoint a judicial trustee in extrajudicial proceedings if a trust, such as an endowment, has been ordered in accordance with a unilateral deed of creation inter vivos or a disposition upon death, but a trustee is not designated by name or otherwise in a recognizable manner, or the designated person refuses to accept the office, or if an otherwise appointed trustee ceases to exist for any reason and it is not evident from the trust instrument in what manner another trustee is to be appointed or what is otherwise to be done with the trust property.

2) The Office of Justice or the probate authority, as well as other judicial and administrative bodies, shall notify the district court of such grounds for appointment.

3) The District Court shall appoint a judicial trustee, if possible after having obtained the views of the interested parties, taking into account first and foremost any wishes of the settlor and, where such wishes are lacking, the interests of the trust property.

4) As a rule, the Liechtensteinische Landesbank shall be appointed as judicial trustee, and if the latter refuses the office and important reasons do not justify an exception, only Liechtenstein citizens shall be appointed who meet the personal requirements for appointment as representatives in the case of association persons.

5) The Liechtensteinische Landesbank is deemed to be the public trustee, and in this position it is responsible for those tasks which the law, the authorities or a trustee commission directs.

Art. 905

b) Representative

If, in the case of a trusteeship, no persons domiciled in Switzerland or no persons with a registered office in Switzerland have been appointed as trustees, a representative must be appointed in accordance with Art. 239.

II. Termination

Art. 906

1. In general

1) The trust relationship shall terminate in accordance with the provisions of the trust instrument and also if the trust property ceases to exist and no substitute takes its place.

2) The dissolution of a trust relationship may be effected by the District Court in extrajudicial proceedings under the same conditions as the dissolution of a foundation by the District Court.

3) Unless otherwise provided in the trust instrument, the trustee or the trustee's successor in title shall, upon termination of the trust, render accounts and provide information about the trust property in the same manner as during the existence of the trust.

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4) Unless the trust instrument or the above provisions provide otherwise, the trust property shall be transferred to the settlor or his legal successors and, in the absence thereof, to the beneficiary.

beneficiary, and if there is no such beneficiary, to a foundation with as similar a purpose as possible.

5) The trustee or his legal successors shall be obliged to carry out the dispositions and administrative acts necessary for the surrender.

6) If the termination of the trust relationship would endanger the interests of the trust property, the settlor, his heir, his representative or other universal successor in title in the case of companies or legal entities shall be obliged to continue the trust business until the settlor, his heir or representative or, upon notification, the District Court has ordered the necessary for this.

Art. 907

2. Reasons for termination in the person of the trustor

1) The settlor may withdraw from the trust agreement or revoke it only insofar as the agreement or the trust instrument expressly provides for such withdrawal or insofar as revocation is permitted under the provisions governing foundations, testamentary dispositions or inheritance contracts.

2) In all other cases, the trust transaction shall be irrevocable, subject to avoidance on the part of the settlor or third parties in accordance with the provisions governing defects in the

contracting, the law of succession or the order of rescission and, if applicable, according to gift law.

3) In the case of fiduciary relationships established by testamentary disposition or by statute through a fiduciary, the resignation or revocation is also subject to the special order of the legal relationship.

4) The death of the settlor or, in the case of companies, firms, association persons and the like, their termination, as well as incapacity to act and insolvency proceedings, shall not terminate the trust relationship, unless the trust instrument or the circumstances indicate otherwise.

3. Termination in the person of the trustee

Art. 908

a) Termination of the trustee

1) In the absence of any other provision in the trust instrument, a person who has accepted a trust is obliged to exercise the trust business for at least one administration year, provided that he remains capable of acting during this period.

2) If the trust instrument does not stipulate otherwise, the trustee is authorized to terminate the trust at the end of each calendar year with three months' notice, unless important reasons justify a shorter notice period.

3) In the absence of any other direction in the trust instrument, or if there is neither a settlor nor a co-trustee, nor an eligible beneficiary, notice of termination shall be given to the Office of Justice.

4) The latter shall notify the subsequent trustee according to the trust instrument thereof, and if a subsequent trustee is not named or does not wish or is unable to take office, the Office of Justice shall report to the District Court, which shall appoint a trustee in the same way as in all other cases in which trust property has remained without a trustee.

Art. 909

b) Death or termination, incapacity and insolvency proceedings of the trustee

1) If the trust instrument does not provide for the appointment of a replacement in the event of the death, incapacity or other cause of termination (Art. 23 et seq. TrHG) of the trustee first appointed, every heir of a trustee and, in the event of incapacity, his representative, shall be obliged to notify the District Court thereof.

2) If the trustee is a company, a firm or an association person, the partners, the representatives or successors of the firm or the organs of the association person or the insolvency administrator shall notify the district court of the termination upon its termination.

3) In addition, any beneficiary shall be entitled to give such notice to the district court

for the purpose of appointing another trustee.

4) The procedure in case of appointment is the same as in case of withdrawal.

5) In the absence of any other provision in the trust instrument, the trustee shall not withdraw from the legal relationship if insolvency proceedings have been opened in respect of his assets, unless the trust property appears to be endangered and the judge orders his withdrawal; on the other hand, the judge may appoint a co-trustee at the request of the parties involved or of the insolvency administrator.

C. Content and effect of the trust relationship

Art. 910

I. In general

1) The contents of the trust instrument, such as namely the contract, the trust deed, the disposition upon death, the statute, shall be binding on the

The interpretation of the trust relationship between settlor, trustee and beneficiary is primarily decisive.

2) If the contents of any such instrument are contrary to the mandatory provisions or public policy of the country, it shall be construed to be in conformity therewith, unless otherwise provided by law or the instrument.

3) If the content and effect of the trust relationship between the parties and third parties cannot be assessed from the trust deed, the provisions contained in this title shall apply, whereby the trust entered in the land register shall be effective vis-à-vis everyone, whereas the trustee shall have the position of a self-entitled person (right in rem) in the case of other rights.

4) The provisions on the amendment of a trust shall also apply mutatis mutandis to the amendment of a trust by the Regional Court in extrajudicial proceedings.

5) Insofar as nothing to the contrary results from the operation of a business conducted in a commercial manner or from the entry in the register of trustees, the provisions concerning the trust enterprise shall apply in addition.

6) The interpretation and application of all provisions relating to trusts and all other trust regulations shall be governed by the principle of equity.

II. The trust property Art. 911

1. In general

1) The trust property (trust property, trust fund or for sale) includes all assets designated by the settlor or by operation of law for this purpose, as well as all assets acquired through their management, whether they are included in a register or

Inventory have been included or not.

2) If items are included in a list or inventory, they are presumed to belong to the trust assets.

3) Trust property shall also include any property which, on the basis of a right appertaining thereto, is to be used as compensation for the destruction, damage or deprivation of an object belonging to the trust property or which is otherwise connected with the trust property.

The trust assets are acquired by means of the trust property or by a legal transaction relating to the trust property.

4) Unless otherwise provided by law or other trust instrument, the provisions on joint ownership, but excluding those on partition, shall apply to the trust property as special property, with the proviso that the trustees shall be entitled and obligated jointly and severally and that, upon the departure of a trustee or the entry of a new trustee, the rights and obligations shall accrue to the respective trustees without further ado, unless special formal requirements have been established for the transfer and except for the obligation to appoint new trustees.

Art. 912

2. Individual trust properties

1) If real property or rights registered in the land register form the subject of a trust relationship, these shall, in the absence of any other provision in the trust instrument and for the effect of the trust vis-à-vis third parties, be transferred to the name of the trustee, whether with or without restriction on disposal as a priority notice or by notation of the trusteeship in the land register.

2) If a company registered in the Commercial Register under a company name or an asset belonging to the trust property is registered in another public register, such as the Patent Register and the like, the company or the asset shall, in the absence of any other arrangement in the trust instrument, be transcribed in the public registers at the request of the parties concerned with an express designation as trust property.

3) If third parties have acquired property or rights belonging to the trust property from the trustee in the knowledge of their trusteeship without the trustee being entitled to dispose of them, the settlor, a co-trustee or a beneficiary or, finally, a trustee appointed by the District Court may, either individually or as a joint litigant with others, assert the claim for restitution or enrichment in favor of the trust property.

4) The debtor shall not accept that a claim belongs to the trust property until he has become aware of the fact that it belongs to the trust property.

5) In the event of the granting of claims by the trustor or in his stead by

third party to the trustee, the debtor may not, in the absence of other provisions in the trust instrument, assert any defences to which he is entitled against the trustee, but may assert all defences to which he is or was entitled against the settlor.

Art. 913

3. Fiduciary safe investments

1) Unless otherwise stipulated in the trust instrument, the trustee may, if he is to invest trust assets, invest them in the Liechtenstein Landesbank or in securities issued by the latter, or in bonds or in uncertificated claims for which interest is guaranteed by domestic public authorities, or in loans from Liechtenstein public authorities, or in mortgages in accordance with the load limit established for assets.

2) The investment of trust assets through the purchase of land or the construction of homes or participation in enterprises is permitted only if the trust instrument so directs or permits or if the judge in extrajudicial proceedings so grants and if at the same time the provisions on the dead hand are not circumvented.

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3) Exceptionally, in other cases, if there are important reasons and if the trust instrument does not prohibit it, the investment of the assets or of individual parts thereof may also be permitted by the District Court in extrajudicial proceedings in other securities or in another form.

4) These restrictions do not apply to trusteeships which have as their object assets belonging to persons resident abroad or to such associates or companies which have their registered office abroad (domiciliary trusteeships).

4. Enforcement and insolvency proceedings Art.

914

a) Creditor of the settlor and beneficiary

1) The creditors of the settlor or his successors in title may assert a claim against the trust property only if and to the extent that the prerequisites for this under the avoidance order or otherwise under

the type of donation, as in the case of a gift or according to inheritance rights.

2) The beneficiary's creditors may assert any claims against the trust property by way of compulsory execution or insolvency proceedings only to the extent that the beneficiary himself has claims against the trust property and there is no provision for irrevocability as in the case of family foundations.

3) If the beneficiary is also the trustee, the preceding provisions shall apply mutatis mutandis.

Art. 915

b) Creditor of the trustee

1) In the legal protection proceedings, in the execution and in the insolvency proceedings of the trustee, the trust assets are to be regarded as third-party assets and therefore the creditors of the trustee have no claim thereto, insofar as it does not concern his claims for compensation and indemnification.

2) If the trust property consists of real estate, movables or other segregable assets, it shall be segregated insofar as this can be reasonably expected under the circumstances, and shall pass to the next trustee or to a trustee to be appointed by the court in the ordinary course of business, as in the event of the cessation of a trustee, whereby the dispositions relating thereto, such as entries in public registers, shall be arranged ex officio by the Regional Court.

3) Insofar as trust assets should be so mixed with the debtor's assets that immediate official segregation is not possible, segregation shall be effected by the District Court as soon as possible.

4) If it is not possible to segregate the trust property during the compulsory enforcement or insolvency proceedings, the claim for the surrender of the trust property shall take precedence over all other creditors, whereby several settlors or beneficiaries entitled to claim shall rank equally among themselves.

5) The settlor or the settlor's successors in title, the co-trustee or the beneficiary may, unless the trust instrument otherwise provides, bring claims for segregation or for compensation, whether individually or as joint litigants, against the trustee or against the insolvency administrator.

and they shall be allowed to inspect all books of account and business documents of the debtor.

6) The creditors of the trustee, for their part, may, within a period of time to be set by the court, contest the claims for segregation or compensation, insofar as they are unjustified, in whole or in part by legal action, in particular asserting that a mixed trusteeship exists and that therefore their debtor is entitled to a partial claim to the trust assets for money, but not to other assets.

Art. 916

c) Creditor of the trust property

1) The trustee shall be personally liable without limitation and jointly and severally with any co-trustees for the debts of the trust property incurred by him at the expense of the trust property, insofar as they are not covered by the trust property, but, unless the trust instrument provides otherwise, subject to the right of recourse against the settlor and, insofar as the prerequisites for a challenge or unjust enrichment are met, against the beneficiary. However, the trustee's liability and right of recourse shall exist only to the extent that the third party is not proven to have

is that he has not relied on any further liability.

2) Retrieved

3) If the trustee participates in a company or association, the trustee's creditors may only claim against the trustee to the extent permitted by the regulations governing the relevant undertaking.1355

4) Special insolvency proceedings may be instituted in respect of the trust property in accordance with the provisions of the Insolvency Code, in which case the creditors of the trust property may assert their claim for the loss with the trustee, unless such assertion is excluded in accordance with the preceding paragraphs.

III. Rights and duties of the settlor Art.

917

1. Right

1) The settlor is entitled to place any part of his property under the trusteeship of a trustee designated by him by means of a trust agreement, trust instrument, will or articles of association and, subject to the mandatory provisions of the law, to define the conditions of the trust relationship in more detail therein; in particular, he may make dispositions whereby the trust property is to revert to him or accrue to his legal successors or to third parties such as foundations or institutions under certain conditions or after a certain period of time.

2) He shall be entitled to establish by the instrument the conditions under which any trustee appointed by him shall be removed and any future trustees shall be appointed.

3) Furthermore, he shall be entitled to determine the conditions under which a beneficiary under the trust instrument shall cease to be such and another beneficiary shall be appointed in his place, as well as to establish the conditions under which trust property shall pass to other beneficiaries due to the death or passing away of beneficiaries or the like.

4) If the disposition in question establishes a entail, they may not contradict its mandatory provisions.

Art. 918

2. Duties and other position

1) The settlor may not, moreover, draw up any provisions binding the trustee to ongoing instructions from the settlor.

2) Insofar as such provisions are established, there is an ordinary order within the meaning of the Code of Obligations, unless another legal relationship, such as a service contract, results from the circumstances.

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3) The settlor shall be bound by the established rules upon acceptance of the trust agreement or of the office on the basis of any other trust instrument by the trustee.

4) However, the Trustee shall not become liable to the Settlor for acts performed on the Settlor's behalf but in breach of the Trust Instrument.

5) In a proceeding concerning the trust property, the settlor may not be examined as a witness, but only in the same manner as a party, and the plea of the decided case shall operate for and against him and his successors in title.

IV. Fiduciary Power and Fiduciary Duty of the Trustee (Salmann)

1. Faithful Power

Art. 919

a) In general

1) The trustee may demand performance of the contract by the settlor after the contract has been concluded, unless the trust instrument states otherwise.

2) If the trust instrument or the particular circumstances do not indicate otherwise, the trustee may, after accepting the office, demand the fulfillment of the trust transaction from the settlor or other obligated third parties such as heirs or the like.

3) Subject to his obligations under the trust instrument, the trustee shall be entitled to dispose of the trust property in the same way as an independent holder of rights and obligations, such as, in particular, an owner, creditor, member or body of an association or company or the like, to act for the trust property before all authorities and

to appear in all proceedings in its own name as a party, participant, respondent, intervenor and the like, to manage and exercise the rights belonging to it against all third parties in accordance with the trust deed and, if necessary, to sell and reinvest them, unless the purpose of the trust dictates otherwise.

4) Unless otherwise provided in the trust instrument, the trustee may advance to the beneficiary an appropriate part of the assets subsequently accruing to the latter.

5) Insofar as the personal fulfillment of the fiduciary duties is not important, the trustee may have all administrative acts performed by third parties.

6) If the trustee is in doubt as to the admissibility or appropriateness of an administrative act or of a disposition of the trust property or of a non-ordinary obligatory transaction to the detriment of the trust property, or if one of the co-trustees refuses to cooperate, he shall, to the extent necessary, apply to the District Court for binding information in the non-contentious proceedings, and the District Court may, for the purpose of finding a legal solution

involve suitable persons.

7) In accordance with the provisions governing the management of partnerships with personality, the trustee shall be entitled to discharge for his activities in accordance with the last two paragraphs of the following article.

b) Replacement, loyalty wage, etc.

Art. 920

aa) Claims

1) The trustee shall be entitled to reimbursement of all necessary expenses, of expenditures in the interest of the trust property, to compensation for the loss incurred by him in connection with the trust property, to release from liabilities entered into or otherwise incurred in the interest of the trust property, and to appropriate compensation (trust remuneration) for his efforts, unless the trust instrument or the other legal relationship between the parties involved provides otherwise.

2) Since the day of the expenses or the utilization, the trustee can demand the usual national interest (utilization interest).

3) Unless the trust instrument provides otherwise or the legal relationship between the trustee and the settlor provides otherwise, the claims shall be directed first against the settlor and then against the beneficiary who is entitled to the trust property or its income.

4) The claims may instead be directed directly against the trust property under the designation to which it is entitled in accordance with the trust instrument or against it and against the obligors as joint litigants in accordance with the preceding paragraph.

Art. 921

bb) Enforcement

1) The trustee may, without prejudice to any subsequent claim in litigation, have the compensation for his efforts determined by the District Court in non-contentious proceedings after hearing the parties.

2) He may satisfy his claims from the trust property before the beneficiary and, in addition, assert the right of set-off against the settlor or the beneficiary and the right of retention in respect of the objects belonging to the trust property.

2. Fiduciary duties

Art. 922

a) In general

1) The Trustee shall faithfully comply with the provisions of the Trust Instrument and the provisions hereof not inconsistent therewith, and shall hold the Trust Property with the diligence of a prudent businessman,

and, where it is customary or appropriate, to insure the assets against risks.

2) He may not make any dispositions of the trust property that could impair or frustrate the special purpose of the trusteeship.

3) Co-trustees (consal- mants) shall act jointly (collectively) in the absence of other instructions from the trustee, or if it is not a matter of urgent measures.

4) Trustees who conduct deposit business on a commercial basis, such as banks, are obliged to strictly segregate the trust property from the other assets, unless the trust relationship provides otherwise (trust deposits).

5) Anyone who engages in fiduciary business on a professional basis must keep a special register of such business.

Art. 923

b) List of assets and accounting

1) If he has not already done so, the trustee shall keep a special inventory of the trust property in accordance with Art. 1045, para. 3, and shall correct it annually. He shall ensure that the records and vouchers are available within a reasonable time at the domestic domicile. Art. 1059 shall apply mutatis mutandis to the keeping and storage of records and vouchers.

2) The trustee shall be obliged to render an annual account to the auditors stated in the trust instrument or, in the absence of such auditors, to the settlor or, if the settlor is deceased or otherwise unavailable, to the beneficiary who is entitled to a claim and, in the absence of such a claim or if no deviation results from the circumstances, such as in the case of bank trusts, smaller trusts or the like, to the district court and to provide information on the status of the trusteeship at any given time.

3) If the beneficiary entitled to claim is a company or an association person, the invoices shall be filed and the information provided to the representing shareholders or organs of the association person.

4) If the beneficiary or beneficiaries are minors or if a guardian has been appointed for them, or if the filing of accounts proves to be impracticable for any other reason, the trustee shall file accounts with the district court.

5) Retrieved

6) If the object of the fiduciary hand is an enterprise subject to the provisions of this Act on commercial clearing, the fiduciary shall be obliged to comply with them.

7) If the trust instrument does not stipulate otherwise, the judge may, for important reasons and at the request of an entitled party, decide in the out-of-court proceedings to

In the case of persons involved in a legal dispute, an official audit with the obligation to report to the court may be ordered, as is the case with persons involved in a legal dispute.

c) Responsibility

Art. 924

aa) Breach of trust, etc.

1) If the trustee acts contrary to the provisions of the trust instrument or other relevant provisions of this title (breach of trust), he shall be liable personally and with all his assets to the settlor and, if there is no longer such a settlor, to the beneficiary, in accordance with the principles of contract law, but the third party in bad faith shall be liable for compensation for the damage in accordance with the provisions established for torts, but to the settlor and the beneficiary only insofar as they have not themselves given rise to the breach.

2) In the event of a breach of trust, co-trustees shall be liable without limitation and jointly and severally, subject to their right of recourse against the party at fault, unless the trust instrument provides otherwise, unless they are able to prove that they exercised the care of a prudent businessman in supervising the co-trustee.

3) The trustee shall also be liable, subject to the right of recourse or insofar as the circumstances of the individual trust do not indicate otherwise, for acts and omissions of a third party to whom he has entrusted the management of trust business or whom he has otherwise used for this purpose, such as, for example, authorized signatories, authorized agents and the like.

Art. 925

bb) For transactions for own benefit

1) The Trustee shall not be entitled to derive any benefit from the trust relationship unless otherwise provided for in the trust instrument and with the exception of the right to compensation and indemnification.

2) Unless the trust instrument provides otherwise, he is therefore entitled to enter into legal transactions with the trust property for his own account, such as renting or leasing trust property for himself, using funds of the trust property for his own business purposes, himself

The trustor is only entitled to make advances, to take over assets of the trust property for his own account or to transfer them to close relatives or friends insofar as these are legal transactions which do not go beyond ordinary administration.

3) Any other transaction, to the extent that it cannot be rescinded, shall make the Trustee-

who is liable to pay damages to the settlor or the beneficiaries, with reservation of the claims against the third party acting in bad faith.

4) If it turns out that the trustee has mixed funds from the trust property with his own funds, he shall be obliged to pay interest on these funds at one-and-a-half times the customary rate of interest per annum and, if he has made beneficial transactions with the help of these funds, he shall be obliged to give an account of these transactions and to provide information and to surrender in full the share of the profit accruing to the trust property; if the amount of the profit (acquisition) cannot be determined, the trustee shall be obliged to pay interest on such funds at a higher rate, depending on the circumstances (interest on remuneration).

5) The foregoing claims may, unless the trust instrument otherwise provides, be asserted by the settlor and, if the settlor is no longer living or otherwise incapable, by the beneficiary, and, if such beneficiary does not do so, by a trustee appointed by the District Court in extrajudicial proceedings for the benefit of the trust property.

Art. 926

3. Referral, etc.

1) The legal relationship between settlor and trustee shall be governed mutatis mutandis by the provisions relating to the mandate, unless the provisions of this title or the special purpose of the trusteeships give rise to deviations or the provisions of another legal relationship, such as the publishing agreement, service agreement, partnership agreement, junk contract and the like, are to be applied in addition.

2) The provisions governing changes in the organization and purpose of family foundations shall apply mutatis mutandis to trusts.

3) Insofar as the trustee simultaneously provides a guarantee for the fulfillment of his fiduciary duties (salary guarantee), the provisions on the guarantee shall also apply to this.

4) There is no statute of limitations or prescription with respect to the trust property in favor of the trustee during the existence of the trust.

V. Position of the beneficiary

Art. 927

1. In general

1) The beneficiary (settlor, beneficiary) is entitled to demand the execution of the trust provisions, unless otherwise provided by the trust instrument or unless such execution is subject to the free discretion of the trustee with respect to individual or all beneficiaries.

2) Any beneficiary entitled thereto who considers his rights or interests adversely affected by any disposition or administrative action of the trustee may, in the absence of any other provision of the trust instrument, require the district court in the disputes procedure to make the necessary dispositions to remedy the defect.

3) If the appeal to the district court is unjustified, the beneficiary shall be liable to the fiduciary for costs and damages in accordance with the rules on tort.

4) Whether and to what extent a person is a beneficiary shall be determined in court proceedings, unless the question is to be decided as a preliminary or interlocutory question in other proceedings.

5) Unknown beneficiaries may be called upon by the judge to assert their claims in the same way as in the case of establishments.

6) The beneficiaries of a trust can also include the settlor, but not exclusively the trustee himself, as in the case of obligations in favor of the testator after his death.

7) In the case of charitable or similar trusts, where there are no beneficiaries entitled to claim and it does not follow otherwise from the trust instrument, the claims granted to the beneficiaries in other trusts may be exercised by the representative of public law at the expense of the trust property or, if at fault, at the expense of the beneficiaries.

of the guilty party upon request or ex officio.

Art. 928

2. Fiduciary certificate

1) The trust instrument may provide that trust certificates shall be issued to the beneficiaries as securities over the trust property.

2) The certificates confer on the beneficiary, unless otherwise provided by the trust instrument or by the nature of the trust relationship, such as in the case of trust certificates relating to membership rights, a creditor's right to the enjoyment of the trust property, such as a share in the income, in the dissolution result and the like.

3) The trust certificates must be registered, are transferable like registered shares and a register must be kept of them by the trustee in the same way as the share register.

4) The trust certificate shall detail the trustee and the authorizations, with reference to the trust instrument and the law.

5) The community of creditors in the case of bonds shall apply to the rights of the holders of fiduciary certificates, provided that, for the purpose of adopting resolutions, the following shall apply

of the entitled persons, a simple majority of all certificates is sufficient, unless otherwise specified in the text of the certificates when they are issued.

6) The special provisions on fiduciary certificates, as in the case of association persons and companies, to which the above provisions are to be applied in a supplementary manner, shall remain reserved.

Art. 929

D. Supervision and other measures for trusteeships

1) The supervisory authority over trusts recorded in public registers shall be the District Court, unless they are family trusts or the trust instrument designates another authority or excludes a supervisory authority altogether or if, in the discretion of the court, such authority does not appear necessary or is precluded by the circumstances.

2) The District Court shall serve in this capacity in the non-contentious proceedings and may from time to time, in its discretion, exercise control over the existence and management of the trust assets and shall keep a record of the trusts under its supervision (Trust Record).

3) If any trustee fails to fulfill his duties, the District Court may, on the basis of a complaint by a trustee or beneficiary or ex officio, after hearing the parties concerned and after prior admonition, but in the case of important reasons inherent in the trustee relationship itself, without further ado, remove the trustee from his office and arrange for the appointment of another trustee or appoint such a trustee himself, subject to the right of appeal of the decision.

4) Claims for damages by the participants against the trustee, as well as those of the trustee and his claim against the participants for breach of personal relationships, shall remain reserved.

E. International law and trusts under foreign law

Art. 930

I. International Law

1) The trust relationship shall be governed by the law of the country specified in the trust instrument. If no express choice of law is apparent, the law of the country in which the trustee or the majority of trustees have their habitual residence or registered office and, subsidiarily, the law of the country in which the fiduciary functions are effectively exercised shall apply to the trust relationship.

2) Trusts not subject to domestic law may not claim a better legal position in Germany than that enjoyed by domestic trusts.

Art. 931

II. Trusteeships under foreign law

Trusts under foreign law may be established in Switzerland subject to the following provisions:

1. that, to the extent necessary in the individual case, the trust provisions of foreign law, which are to be included in detail in the trust instrument, shall apply to the relationship between settlor, trustee and beneficiary, and the provisions of domestic law shall apply to the relationship of the trusteeship vis-à-vis third parties,

2. that disputes between the settlor, trustee and beneficiary shall be decided by a compulsory arbitration court.

Art. 932

F. Business trustee

The statutory provisions on the businesslike exercise of fiduciary activity remain reserved.

2. Section

The trust company (The business trust)

Art. 932a

A trust enterprise (a business trust) may be established and operated in accordance with the following provisions:

A. In general

I. Special trust companies

1. Transcription

§ 1

a) Trust company without and with personality

1) A trust enterprise as an actual business trust according to the law is an enterprise which is legally independent, organized, serving economic or other purposes, managed or continued on the basis of the trust articles by one or more trustees (as fiduciary owners) under their own name or company name, and which is endowed with its own assets, without personality, and for whose liabilities there is liability in accordance with this law ("trust enterprise without personality"), and which has neither public law character nor any other legal form under private law.

2) If, applying the preceding paragraph mutatis mutandis, a trust enterprise is expressly established as a trust enterprise with personality in the trust instrument drawn up in accordance with the provisions of this Act, the provisions on ordinary business trusts, in particular those on liability for obligations, shall apply mutatis mutandis to this non-proper trust enterprise ("trust enterprise with personality").

§ 2

b) With segments, fiduciary funds or the like.

1) Several trust enterprises under this Act with the same or different participants may be combined in one and the same trust instrument in such a way that each individual trust constitutes a segment, provided that it is a trust enterprise with legal personality within the meaning of § 1, para. 2, and the subsequent provisions of this Act (on the trust enterprise), in particular those relating to liability, registration or notification to the Office of Justice and, in addition, Art. 243 et seq. apply mutatis mutandis to the individual segments ("trust enterprise with segments").

2) In addition, a trust enterprise may designate other trusts under a special name or company name without the aforementioned types of designation in accordance with the provisions governing trusts in general.

trustee with the proviso that the trust assets of the individual trusteeship transferred to the trust enterprise or one of its segments are solely liable for liabilities arising from legal transactions of this trust and that the trust enterprise also acts in legal transactions on behalf of these trusteeships, which are to be listed under their name or company name.

3) In the absence of any other provision in the trust articles, the establishment of a "trust enterprise without personality" and without segments, hereinafter referred to as trust enterprise for short, is irrefutably presumed.

§ 3

2. Purpose or object

1) A trust enterprise may be established for any specific, reasonable and possible purpose that is not unlawful, immoral or dangerous to the state, and in particular for the purpose of

Investment of assets, distribution of proceeds, consolidation of companies by transfer of shares in trust or for acquisition, for family welfare, charitable, benevolent, other personal, impersonal or similar purposes.

2) A fiduciary company managed in a commercial manner can only be operated as a trust company with the exclusion or limitation of the liability of the parties involved, unless another form of company subject to registration in accordance with the provisions on trusts in general or this law is chosen or an exclusion of liability or its limitation is agreed with the third party in each case.

3) Trust enterprises with the purpose of family welfare or public utility or charity may in particular also establish homes of any kind for beneficiaries.

4) If a trust is established for a purpose other than the operation of a trade (business) conducted in a commercial manner, such as for the purpose of satisfying creditors without a commercial operation, any special provisions and the provisions on trusts in general shall also remain reserved.

§ 4[1383]

II. Other fiduciary companies

Retrieved

§ 5

III. Referral, etc.

1) The general regulations concerning the members of the association, in particular those concerning the personality, shall be applied to the trust enterprise without and with personality in a supplementary and corresponding manner, unless deviations arise from the absence of membership, from the nature of the trust enterprise and from the law.

2) The provisions concerning companies with personality which carry on a commercial, manufacturing or other business conducted in a commercial manner shall in particular apply mutatis mutandis to trust enterprises with commercial operations pursuant to the preceding paragraph.

3) The right and obligation to register facts and circumstances with the Commercial Register as a register of trustees, as well as the registration and publication thereof, shall be governed in addition by the provisions established for establishments.

4) Unless deviations result from the provisions of the Act, the other provisions on trusteeships shall generally apply with the proviso that the Office of Justice shall act in the administrative proceedings instead of the District Court in the non-contentious proceedings.

5) Insofar as the Office of Justice is competent and does not have to proceed in accordance with the provisions on the commercial register, those on administrative proceedings shall apply in addition, with the proviso that decisions may be appealed to the district court and the higher courts.

6) In official proceedings, a trust enterprise may be designated as a party such as an association per- son represented by its administration or in such a way that the managing trustees are listed as such with their surnames, first names and places of residence or with company (name) and registered office and in their capacity as trustees of the enterprise.

§ 6

IV. Relationship between the law and the loyalty order

1) Provisions of the law, the application of which is mandatory by law or otherwise, shall take precedence over any deviating trust arrangement, unless exceptions are permitted for trust enterprises under foreign law or approved foreign trust enterprises or otherwise.

2) Other statutory provisions shall only apply in the absence of a deviating provision in the loyalty arrangement.

3) By registration in the trust register, the intended legal form for a trust enterprise is obtained, subject to compensation for damages or other legal consequences against the persons acting, even if the requirements for this are not met.

4) Moreover, the defectiveness of a provision contrary to the mandatory provisions of the law shall be cured by the registration only to the extent provided by the law.

5) Unless otherwise provided by law, the term "trust instrument" shall mean a trust deed, trust articles, regulations, by-laws or the like, and the term "trust articles" shall also mean a declaration of trust or trust instrument for a trust enterprise.

B. Origin

I. Trust Register

§ 71389

1. Registration

1) Each trust enterprise comes into existence only upon registration in the Commercial Register as a trust.

2) Unless otherwise provided by law, the provisions on the formation of a trust enterprise shall apply in addition to the general provisions on legal entities.

§ 8

2. Absence of the same

1) If, prior to the creation of the trust enterprise, action is taken on behalf of the trust enterprise, then, unless otherwise provided by the provisions on trusteeships in general, the persons acting shall be liable by law to third parties acting in good faith without limitation and jointly and severally, subject to the right of recourse of the persons acting against those who induced them to act in this capacity and to claims for enrichment against the trust enterprise subsequently created.

2) If a person has taken over property for the purposes of a trust enterprise prior to its establishment and it turns out that the trust enterprise is invalid or does not come into existence, he shall, subject to his claims, nevertheless be treated in accordance with the rules governing trusts in general as an implied trustee with respect to the property received, but in particular with respect to the rendering of accounts and the provision of information.

3) He shall be obliged to reimburse the trustors together with statutory interest or other corresponding payments or in accordance with the

The assets shall be transferred to those who made the assets available to the latter or, unless otherwise provided by law, to their legal successors or to the trust company established at a later date.

3. Articles of Incorporation

§ 9

a) Necessary content

1) The trust instrument (declaration of trust) may be contained in the trust deed itself, drawn up in accordance with the provisions relating to trusts in general, or in a deed provided for or authorized by the trust deed and signed in execution thereof by the settlor and the trustee or a third party or by one or other of them in a special manner.

2) The trust statutes shall state:

1. Company name, registered office, duration, purpose of the trust enterprise or the object of the enterprise and the express designation as "trust enterprise", "trust foundation" or "business trust", or a similar expression;

2. the trust fund, if any, its procurement, listing the individual assets, at a reasonable appraised value, if any, in the articles of incorporation itself or in a schedule attached thereto and signed by a notary public, with an assurance that the information is correct;

3. the number and manner of appointment of the trustees, as well as a statement as to how the future appointment of trustees is to be effected in the event of their ceasing to exist for any reason, unless the company is to be dissolved after the first trustees or individual trustees cease to exist, and finally

4. the form of announcement to third parties.

3) Unless otherwise indicated in the foregoing, or except as provided in paragraphs 3 and 4, they shall be deemed to be material, with the same effect, in accordance with the provisions on the destruction procedure under the general rules on association persons.

4) Retrieved

§ 10

b) Further information and implementing provisions

1) In accordance with this law, the trust articles themselves may also contain further details, such as with regard to other trusts or segments, the organization, in particular the appointment of a supervisory or auditing body, more detailed regulations on remuneration or the like, or the further regulation may be reserved for regulations (by-laws) provided for by the trust articles.

2) Provisions contained in the trust instrument or in the regulations or the like, which have been drawn up without the consent of the settlor, may not contradict the trust instrument or the regulations drawn up by the latter, otherwise the contradictory provisions shall be invalid, subject to the claims of bona fide third parties, insofar as the Office of Justice for important reasons

not exceptions allowed.

4. Statement in the event of the trustor ceasing to exist

a) In general

§ 11

aa) After the death of the settlor

1) If a testamentary disposition provides for the establishment of a trust, stating the purpose and amount of the trust fund, but not including other necessary information, or if the settlor dies after the trust instrument is established but before the trust instrument is established and is not someone else, such as
e.g. If the executor or guardian of the estate is obliged to draw up and execute the articles of trust, then, subject to the rights of the heirs and creditors, the heirs, legatees, executors or guardians of the estate or, at the request of other legally interested parties or, in the case of charitable or similar purposes, the representative of public law shall, after hearing the legally interested parties, draw up and execute the articles of trust, charitable or similar purposes, the representative of public law shall, after hearing the legally interested parties, arrange for the drawing up of appropriate articles of trust, the transfer of the assets to the company, the appointment of trustees and, if necessary, the registration or notification at the expense of the estate.

2) At the request of legally interested parties, the Office of Justice may, after hearing other interested parties, order the establishment of the trust enterprise.

3) The establishment shall be omitted if the settlor or his estate is over-indebted or insolvent and he himself has not received a corresponding payment from others for the trust fund to be dedicated.

4) These provisions shall also apply mutatis mutandis if, after the creation of a trust instrument specifying the purpose and the trust fund, the settlors or one of them have died or become incapable of acting before the execution of the trust instrument by an inter vivos transaction, unless the living settlor or the heirs, executors or the like would permissibly withdraw from the trust instrument, unless the trust instrument has a charitable, benevolent or similar purpose.

§ 12[1397]

bb) In case of termination of companies or association persons

In the event of the termination of a company or association, the liquidators or, if applicable, the Office of Justice shall be obliged under the same conditions and to take the same measures as in the case of a disposition upon death for the purpose of establishing a trust enterprise at the expense of the liquidation estate, if such an enterprise is to be created from the same in accordance with the articles of association of the dissolved company or association.

association person, its bylaws or the like is to be established.

§ 13

cc) Legal authorization

1) If a trust exists in general, the trustees shall, after the death of the settlors or after the termination of the settlor's company or person, be authorized by operation of law, without prejudice to the liability to third parties for the obligations incurred until the conversion, for the purpose of excluding or limiting their liability, to convert this trust into a trust company with or without personality, following as closely as possible the trust instrument, and to perform all legal acts necessary for this purpose at the latter's expense.

2) If, according to the trust instrument, a trust enterprise is to be established for members of a family or otherwise a trust enterprise is to be established for the benefit of certain third parties and if these third parties waive the establishment of the trust enterprise, whether against or without compensation, the establishment shall be omitted in the absence of an order to the contrary.

3) In this case, the provisions on the distribution of assets in the event of liquidation shall apply mutatis mutandis in the absence of any other order of the trust instrument or of the persons appointed as beneficiaries.

§ 14

b) Establishment procedure

1) Prior to the establishment of a trust enterprise by the Office of Justice in the administrative procedure, the parties legally interested in the establishment, in particular those to whom the assets are to be allocated in the event that the trust enterprise is not established, may be heard by the Office of Justice, and they shall have the right of appeal against the establishment, and, if necessary, the right of challenge by legal action.

2) The provisions on the involvement of beneficiaries for consultation shall also apply to the involvement of legally interested parties in the establishment procedure described here.

3) If the decision to establish the company or the trust instrument is contested, the establishment shall be suspended until the relevant decision permitting the establishment has become final.

II. Application, registration and publication or notification

§ 15

1. Duty, right and content

1) Each trust enterprise must be filed for registration in the Commercial Register as a trust enterprise by at least one trustee or a party involved in the establishment. If the Office of Justice carries out the establishment of the trust enterprise itself,

the entry in the commercial register must be made officially.

2) The application for registration in the Commercial Register, the registration and the announcement shall contain:

1. Company (name), registered office, duration and purpose or object of the company;

2. the amount of the trust fund or an indication of the amount of its estimated value, if it is not in money, with a further brief indication of its composition and, if it has not been fully paid, an indication of how the remaining payments are to be fulfilled;

3. the indication of the surname, first name, profession and place of residence or company (name) and registered office of the trustees who are to exercise the trustee power;

4. an indication of the form of notices to third parties.

3) The application must be accompanied by a copy or a certified copy of the articles of association, if necessary also by a certified extract from the same, which must reflect the contents of the articles of association necessary for the registration.

4) In the case of trust enterprises which do not carry on a commercial business, it shall be sufficient to publish the registration in accordance with Art. 957 (1) item 2. In all other respects, the provisions on publication in accordance with the general provisions for legal entities shall apply mutatis mutandis.

§ 16

2. Changes and other information

1) Any change in the facts and circumstances subject to registration or notification must be subsequently registered by the managing trustees or notified to the Office of Justice, if necessary enclosing the trust articles or a certified extract.

2) In the absence of managing trustees, the Office of Justice may, upon notification by interested parties or on its own initiative, proceed in accordance with the provisions governing the commercial register.

3) By decree, the Government may order the filing, registration or publication or notification of further facts and circumstances or the production of documents relating to the establishment or amendment or termination of the trust enterprise.

C. Termination (dissolution and lapse)

§ 17

I. In general

1) In addition to the provisions of this Act, the relevant provisions under the general provisions on association persons and those on trusteeships in general shall apply mutatis mutandis to the termination.

2) There is a dissolution or annulment in particular:

1. By the opening of bankruptcy proceedings, by annulment proceedings on the grounds of illegality, immorality or danger to the state of the purpose or activity, and by annulment proceedings on the grounds of substantial defects in the Articles of Association, in accordance with the rules established under this Act and under the general provisions on legal entities;

2. unless the trust instrument provides otherwise, by the consent of all trustees, beneficiaries and, if applicable, all prospective beneficiaries to a request for dissolution and, if according to the trust instrument the beneficiary right has been acquired free of charge, also with the consent of the settlor himself, or

of its immediate universal successors, which consent may be replaced by the Office of Justice for important reasons;

3. after the expiration of a maximum period which may be fixed by decree of the Government, applying mutatis mutandis the provisions on the limitation in time of inheritance for all or certain types of trusts which do not pursue a public utility, charitable or similar purpose;

4. Unless otherwise provided by law or the trust instrument, in accordance with the rules established for the dissolution of a foundation.

3) In the case referred to in item 2, the unknown or uncertain beneficiaries shall be summoned in the bidding procedure in accordance with the provisions on the determination of beneficiaries, and a special trustee shall be appointed by the Office of Justice to represent them in accordance with the provisions of the Code of Civil Procedure on the process trustee at the expense of the applicants, who may grant or refuse consent on behalf of the unknown or uncertain beneficiaries.

4) The provisions on the amendment of the trust instrument, conversion or merger of trust enterprises and those on the amendment of the organization or purpose ex officio or the like and the claims of a beneficiary whose rights have been infringed pursuant to these provisions shall remain reserved.

§ 18

II. Insolvency proceedings

1) If a petition for commencement of insolvency proceedings is not filed by all managing trustees, the remaining trustees shall be consulted and, if there is no agreement on the petition or if timely consultation is not possible, the insolvency proceedings shall be commenced only if the insolvency or overindebtedness is shown to be credible.

2) Trustees shall be fully and solida- rily liable to bona fide parties or third parties for the damage caused by the fact that the petition for commencement of insolvency proceedings was not filed in due time in accordance with the foregoing provisions.

III. Liquidation

§ 19

1. In general

1) If the company is dissolved for reasons other than the initiation of bankruptcy proceedings, in particular as a result of a challenge for any reason, or if no other procedure is provided for by law, then in addition to the following provisions, those relating to the liquidation of legal entities shall also apply.

2) If undistributed assets remain after the termination of the insolvency proceedings, no liquidation shall take place unless other conditions for this exist, but the trust enterprise shall be continued and the relevant entries shall be made in the register of trustees at the request of the parties concerned or, if necessary, ex officio.

3) In the case of trust enterprises without liabilities to non-participants, the liquidation may be limited to the collection of any required settlement amounts among the participants and to defraying the costs, as well as to the distribution or granting of the assets to the persons entitled to seizure, without calling upon the creditors or waiting for the time limit, and to the filing of the cancellation, if necessary.

4) However, in the case of the preceding paragraph, the filing of a distribution or grant list of the property may be required by the Office of Justice.

5) Other provisions on the exclusion of liquidation are also reserved, such as in the case of gradual distribution of assets, conversion or merger.

§ 20

2. Liquidators, deadline and call to creditors

1) The managing trustees shall act as liquidators, unless the trust instrument provides otherwise, or a supreme body formed by all trustees decides otherwise, or the Office of Justice, whether at the request of the parties or ex officio, orders otherwise for important reasons in the administrative proceedings, or unless an official liquidation or a liquidation under official supervision has to take place.

2) The period of time after which the assets may be distributed among or given to the beneficiaries of the trust enterprise after all liabilities of the trust enterprise have been settled or secured may be reduced with the consent of the Office of Justice or may be waived altogether for important reasons.

3) Under the same conditions, the call to creditors may also be omitted.

4) At the request of the liquidators, the call on creditors (debt call) may be made by the Office of Justice at the expense of the trust enterprise, setting a deadline for filing and with the threat and effect that the assets will be distributed to the filed or otherwise known creditors and other creditors will be disregarded.

§ 21

3. Wealth distribution

1) If certain claims to the assets have been granted in accordance with the trust instrument or the law, the assets shall be distributed among the beneficiaries or their joint and several successors and, if possible, without silvering; otherwise, in the event of a lacking or defective instrument, the provisions on beneficiaries and, in addition, those on the use of assets in the case of legal entities shall apply mutatis mutandis.

2) In the case of family trusts with a special order of succession, in the event of the termination of the trust or the extinction of the trust, the following provisions shall apply

Otherwise, the provisions of the law on entailed estates concerning the transfer of property to the state shall apply mutatis mutandis.

3) For the purpose of implementing the termination and the provision on the accrual of property to the country, the representative of public law may, in case of doubt as to the existence of beneficiaries, apply to the Office of Justice for the procedure for identifying beneficiaries.

4) After termination of the trust enterprise, the three-year statute of limitations which has occurred since the distribution or allocation of the assets cannot be held against a person entitled to seizure if satisfaction is sought from assets which are still undistributed.

D. Treufonds

§ 22

I. In general

1) The value of the trust fund must be at least 30,000 Swiss francs. If the entry in the commercial register is made in euros or US dollars, the value of the trust fund must be at least 30,000 euros or 30,000 US dollars.

2) The trust fund may, if the trust articles do not exclude it, be increased by successive contributions made in whole or in part by the old or new settlors joining the trust enterprise against a written declaration of accession, or it may be decreased by gradual distribution.

3) Every year, after the end of a calendar year, the managing trustees of the companies entered in the register of trustees, if an increase or decrease of the trust fund as such has taken place in this manner, shall submit to the Office of Justice a statement of the changes in the trust fund that have occurred during the year for the purpose of correcting the relevant entry, without this entry having to be made public.

4) If all the trustees have unlimited joint and several liability for all the trust enterprise's obligations under the relevant provisions in the case of registered cooperatives, this provision may be included in the trust instrument and application to the trust register instead of the information on the trust fund itself.

§ 23

II. Securities in particular

1) If securities are to be issued for payments to the trust fund via the beneficiary, the trust articles must contain a provision to this effect in order to avoid the consequences of the improper issue of securities.

2) If securities are to be issued below par or otherwise in such a way that their total issue amount does not equal the total estimated value of the trust fund, the approval of the Office of Justice shall be required for this purpose and the provisions on the issue of shares below par shall apply mutatis mutandis.

3) In all other respects, the provisions relating to securities in trust, in particular with regard to default, shall apply mutatis mutandis to the securities and their holders.

§ 24

III. Liability and default

1) Unless otherwise provided for in the trust instrument and subject to tort or special agreements, several settlors as such shall not be jointly and severally liable for their obligations entered into as a result of the establishment of the trust enterprise.

2) If obligations for benefits associated with a beneficiary are assumed for the benefit of the trust fund by someone of whom the transferors, but not the managing trustees as such, know that he is insolvent at the time of the assumption, the transferors shall be liable for the defaulting benefit without limitation and jointly and severally with the transferee.

3) Retrieved

4) To the extent that the settlor's payments to the trust fund or other funds have not been fulfilled in full, the settlors shall be liable in the event of default, without prejudice to the admissibility of

Provisions concerning the forfeiture clause, the forfeiture of all rights as beneficiary or the like, equal to a debtor under the Bond Law.

5) The provisions on default in performance in the case of fidelity shall otherwise apply in a supplementary manner.

E. Trust assets

§ 25

I. In general

1) The provisions governing trust property among trusteeships shall generally apply to trust property as special property in a supplementary manner, insofar as no deviations arise from the provisions governing the trust enterprise.

2) In addition, the rules applicable to foundations shall apply to the donation of assets before and after the creation of the trust.

3) If, under certain conditions, the settlor has reserved the right for the trust property to revert to himself or his descendants or to accrue to a third party, such property may, if the reverting or accruing trust property forms a part of the trust fund, only be transferred to a third party without prejudice to

The company's liability for its obligations to bona fide third parties (right of reversion or right of accrual).

4) However, the right of reversion or the right of accrual in respect of real property or rights in rem in respect of such property may, at the request of the parties concerned, be recorded in the land register or, insofar as entries similar to entries in the land register are permissible for other items of property, in other public registers.

5) The provisions governing the trust fund shall remain reserved in all other respects.

II. Separation and distribution of assets and income

§ 26

1. In general

1) Retrieved

2) If, according to the trust instrument, the net income or a part thereof or the assets are to be distributed to the beneficiaries as income annually or in shorter or longer periods, the managing trustees shall, in the absence of other instructions, determine in their reasonable discretion on the basis of the rules of ordinary income management and in addition to those on usufruct, what is to be allocated to the income statement (profit and loss account) as benefits, charges, expenses or the like and what is to be allocated to the account of the trust assets including the growth and, if applicable, after which period of time the net income is to be distributed.

3) If trust enterprises are operated exclusively on a commercial basis, in the absence of any other arrangement the distribution of profits to the beneficiaries shall be made at the end of each calendar year on the basis of an annual balance sheet and, in case of doubt, in equal shares to be determined by the managing trustees.

4) If, in the case of a trust enterprise, one of the beneficiaries is entitled to the income and the other to the trust property to be distributed, or if a succession order to the trust property has been established, it shall in particular not be permissible to pay income to the beneficiaries in lieu of portions of the property or, conversely, to pay portions of the property to the beneficiaries in lieu of income, as in the case of fictitious income, purely calculatory

added values on permanent investments belonging to the trust assets or the like.

5) If, in the case of trust enterprises with certain preferential claims, the income or assets to be distributed have been determined by the trustees or other competent bodies without appeal, the beneficiaries shall acquire an unconditional creditor's right.

§ 27

2. Gradual distribution

1) A gradual distribution (allocation) of trust assets among beneficiaries, such as payment of redemption sums as a result of termination, exclusion or the like, or payment of interest or amortization or reacquisition of beneficiaries by means of trust assets without liquidation, may be made with otherwise unlimited and solid liability of the acting trustees and beneficiaries of assets, and with reservation of the obligation of the latter to reimburse the possibly damaged creditors and beneficiaries or the trustees claimed for this purpose, only to the extent that the liabilities of the trust enterprise against third parties and other beneficiaries are still secured by the available assets, unless someone has become a creditor or beneficiary with knowledge of the improper distribution.

2) If, as a result of amortization, repurchase, declaration of forfeiture or otherwise, all benefits accrue to the continuing trust enterprise, the trust instrument shall further specify who, if any, is to receive the income and property result; otherwise, the provisions on the accrual of the property to the province under the general provisions on association persons shall apply mutatis mutandis.

3) If a person has been authorized to dissolve the company by the trust instrument, he is also authorized, unless the circumstances indicate otherwise, to dissolve the company partially by ordering the gradual distribution of the assets to those entitled to seizure in accordance with the trust instrument or the law.

III. Asset Management

§ 28

1. In general

1) Within the framework of the law and the trust instrument, the trustees shall ensure the proper administration and preservation of the trust assets in their legal and economic condition and, in particular, that the trust assets, to the extent permitted by the nature of the business, the circumstances or the achievement of the purpose, are in the possession of the

The company's assets are not commingled with its own assets, and assets invested in an unsecure manner are collected and invested accordingly.

2) A duty to maintain, improve and insure trust assets exists, moreover, insofar as the proper execution of the purpose of the trust enterprise or the object of the enterprise in accordance with the law or the trust instrument or, even contrary to the trust instrument by operation of law, the principles of good management require it in view of the circumstances.

3) The trustees may, at their discretion, advance portions of assets to beneficiaries entitled to the trust property to be distributed at a later time, against or without security in their capacity as debtors, up to the time when the delivery of assets to them is to take place, but, if there are several beneficiaries, only to the extent that claims of other beneficiaries or third parties are not thereby infringed or jeopardized in the absence of their consent.

4) In the case of family trusts for maintenance, education, training or the like, the Office of Justice may, at the request of parties for important reasons, order the payment of advances accordingly, unless otherwise provided for in the trust order.

5) Retrieved

§ 29

2. Disposals and encumbrances

1) If, in accordance with the trust instrument, the trust assets and income of trust enterprises without a business operation cannot be sold or can only be sold within a certain family or group of persons to a limited extent or can be encumbered with such restrictions, such restriction may be noted or prerecorded as a restriction on disposal in the trust register and in the assets entered in the land register or in other public registers whose entries have the same effect as entries in the land register.

2) Retrieved

3) The trustees are authorized to dispose of or encumber trust assets, including the proceeds, within the scope of the purpose or object of the company and out-

In the case of rapidly consumable or perishable goods, the proceeds of which are to be used in place of the goods

for the payment of debts of the parties involved, insofar as trust property can be used for this purpose; if the trust property is not gratuitous in accordance with the trust instrument, with the consent of all beneficiaries and, if applicable, also of the beneficiaries of the trust property, but otherwise also with the consent of the settlors or their immediate universal successors; or with the consent of the Office of Justice for important reasons, such as dispositions serving public purposes or for the maintenance or improvement of trust property, provided that the rights arising from the beneficiary arrangement must, according to the order of the Office of Justice, be subordinate to the rights of the creditors concerned.

4) The trustees may only make pure and mixed gifts or other similar gratuitous donations, as well as the recognition without legal grounds of the existence of a liability to the detriment of the trust enterprise or of the non-existence of a claim to the detriment of the trust enterprise, to the extent that this is permitted by the trust regulations or to the extent that it usually appears necessary due to a moral duty or a consideration to be given to decency.

5) In addition, claims for damages and other measures permitted by law against the trustees and other wrongdoers, as well as the provisions on bona fide acquisition against payment, on the limitation of liability and on encumbrance by operation of law, shall remain reserved.

§ 30

3. Claim for restitution and enrichment

1) If a trustee or representative of the trust enterprise has unlawfully disposed of trust property in violation of the trust instrument or the law, any other trustee or beneficiary shall have the right to trace the trust property and, after notifying the managing trustees, may claim the same on behalf of and for the benefit of the trust enterprise in accordance with the rules of possession, unless the trust property was acquired for a reasonable consideration by a third party who had no knowledge of the trust property at the time of acquisition.

2) Whoever is obliged to surrender in accordance with the preceding paragraph shall, in accordance with the rules of possession, if he is no longer able to do so, in the case of his bad faith, surrender everything that has taken its place to

to surrender the trust enterprise against reimbursement of its performance or value, but the bona fide person who has acquired free of charge only insofar as he is still enriched.

3) Any trustee, beneficiary or prospective beneficiary may, if trust property is wrongfully included in foreclosure or insolvency proceedings, in accordance with the foregoing and other provisions, demand the surrender of the trust property to

or of the substitute in favor of the trust enterprise and take the admissible measures, in particular the action of opposition.

4) The foregoing provisions shall apply mutatis mutandis to the unlawful encumbrance of the trust property or the unlawful obligation to the detriment of the trust enterprise; in addition, the provisions on the limitation of the trust enterprise's liability, as well as those on transactions for the trust enterprise's own benefit and other provisions, such as those on responsibility, shall remain reserved.

5) In the event of unsuccessful execution (issuance of a certificate of loss) against the trust enterprise, the aggrieved creditors, and in the event of insolvency proceedings the insolvency administrator, shall be entitled to assert the claim for restitution or the claim for recovery, provided that the relevant creditors did not participate in the unlawful sale.

§ 31

4. Asset investment

1) If the purpose of the trust enterprise does not provide otherwise, or if the trust instrument does not contain an express provision on the investment or deposit of trust property (investment clause), the trustees may decide by a simple majority that they shall invest the trust property, including in particular available income, in a safe and fruitful manner until it is distributed in accordance with the provisions governing trusts in general.

2) The trustees may convert an investment that is impermissible by law or trust ordinance into a permissible one at any time unless all beneficiaries or an otherwise competent authority approve it.

3) The Office of Justice may, if the requirements for the appointment of a fiduciary counsel are met or for other important reasons, at the request of the parties, or ex officio, order that the

trustees are required to invest or deposit the trust assets or individual parts thereof with the Landesbank or another suitable agency, or that debtors of the trust enterprise can legally discharge their obligations only by paying them to the same agency or to another agency designated by the Office of Justice.

4) If a debtor of the trust enterprise has good cause to believe that the trustees are committing a breach of trust with the money to be paid by him, he may legally effect payment of this debt also to the Landesbank in favor of the trust enterprise.

§ 32

IV. Costs

1) The costs arising from the establishment and termination of a trust enterprise, the management of trust business, trust supervision, trust monitoring and from the activities of other persons or bodies appointed for this purpose in accordance with the law or trust regulations are

Unless otherwise stipulated by law or by the trust instrument, the trustor shall pay the costs from the income of the trust property or, if necessary, from the property itself.

2) If there is culpable conduct on the part of a person or body, in particular if an act or omission is demanded without cause by a person authorized to do so, the costs shall be borne by the person who is at fault, unless otherwise ordered.

3) Where an authority intervenes at the request of or ex officio in accordance with the law or the trust instrument, without anyone being at fault or otherwise being ordered to do so, the costs themselves are charged to the income statement and, where there is no income or insufficient income, to the trust assets statement.

§ 33

V. Reserve fund and other reserves

1) The trustees are authorized, in the absence of an order to the contrary or if the purpose of the company does not dictate otherwise, such as in the case of liquidation trusts, to set up appropriate reserve funds to safeguard against losses, devaluation or sustainable earning capacity or the like and to enter a corresponding item on the liabilities side of the balance sheet.

2) Insofar as the preservation of the assets requires it, as in the case of devaluation or deregulation, as well as in the case of companies with commercial operations, they are obligated to appropriate reserves, unless important reasons justify an exception.

3) In the case of trust enterprises with commercial operations, they shall, in the absence of any other provision, allocate one tenth of the net income to the reserve fund for balance sheet losses each year until the latter has reached the amount of one tenth of the trust assets.

4) The reserve fund for balance sheet losses or, in the case of companies without commercial operations, for accounting losses, shall be allocated for distribution to existing beneficiaries income due but not repaired within three years from the due date and also income which becomes due during an interim period until the new legally binding award (trust fund intercalars).

5) Likewise, any fines or the like to be paid by the participants in the Articles of Association for missing meetings or appearing too late at the same or for other reasons, which in case of doubt are subject to the provisions on contractual penalties, as well as, in the absence of any other arrangement, other parts of the assets which become free as a result of the loss of individual beneficiaries, shall be added to the reserve fund.

6) In all other respects, the provisions governing the reserve fund of stock corporations shall apply mutatis mutandis, with the proviso that the reserve fund for balance sheet-related accounting losses shall, as far as possible, be invested in safe assets that are easy to liquidate.

§ 34

VI. Accounting

1) Unless otherwise provided for a trust enterprise managed in a commercial manner, managing trustees shall, from the time of their creation, comply with the provisions of this Act and the provisions on trusts in general concerning the list of assets and the rendering of accounts and shall keep or, if they are unable to do so, have others keep, a correct, regular, clear and adequate account, if necessary accompanied by supporting documents and kept separate from other records.

2) If a commercial enterprise (trade) is operated, the provisions of this Act and, in addition, those on commercial accounting shall be applied in the same way as in the case of a

The company is a commercial establishment and the managing trustees are otherwise responsible for the company's operations from the time of its establishment.

3) The provisions on official auditing remain reserved.

§ 35

F. Rescission and redemption right

1) The provisions on the avoidance of trusts shall generally apply to the avoidance of the establishment or amendment of a trust enterprise, but in all cases the claims of third parties acting in good faith against the trust enterprise which have accrued up to the time of the legally effective annulment shall take precedence over the claims of the contesting parties.

2) If, on the basis of the trust instrument, the settlors are at the same time the sole beneficiaries of the alienable and transferable benefits, with or without membership, any challenge on the part of the settlors or their creditors or of the bankruptcy or estate administration after the establishment shall be admissible only in accordance with the provisions on membership under the general provisions on association persons.

3) If a trust enterprise has been established free of charge for the benefit of third parties within the last five years prior to the opening of insolvency proceedings against the settlor's assets or prior to the execution of an unsuccessful foreclosure order against the settlor's assets, or if assets have otherwise been transferred to the trust enterprise in this manner, then, if the creditor of the settlor or the insolvency administrator proves that the relevant settlor was insolvent after the assets dedicated to the trust enterprise had been segregated, the trust enterprise shall be deemed to have been insolvent, that the settlor in question was insolvent after the assets dedicated to the trust enterprise had been segregated, the trust enterprise shall be liquidated for the benefit of the settlor's creditors by order of the executing authority only if the creditor cannot be satisfied in any other appropriate manner on the basis of a liquidation balance sheet drawn up for this purpose, without prejudice to the rights of participants or third parties acquired in good faith and for consideration in the meantime.

4) If someone has become a creditor of the trustee on the basis of a legal transaction,

even though he was aware of the insolvency at the time of the establishment, the challenge by him or instead by his insolvency administrator is excluded.

5) The spouse, registered partner or descendants of the settlor may, within a period to be determined by the Office of Justice

and, if necessary, in a manner ordered by it, assert the right of redemption against the creditors or the insolvency administrator after payment of the relevant debt, but not more than a reasonable amount determined on the basis of a liquidation balance sheet.

6) This provision on the right of redemption shall be applied accordingly if one or more settlors were insolvent, with the proviso that, in addition to the spouse or registered partner or the descendants, the beneficiaries shall also be entitled to the right of redemption within a period to be set by the Office of Justice and, if necessary, in a manner prescribed by the latter.

7) If a settlor has established the trust enterprise in his capacity as trustee of another trust or in fulfillment of another obligation towards a third party who has placed property at his disposal free of charge for this purpose, the preceding provisions concerning the creditors or the insolvency administrator or concerning the redemption right shall apply mutatis mutandis to the settlor of the other trust or to the third party concerned (indirect settlor) or to their spouses, registered partners or descendants.

8) The provisions on the revocation of the benefit and on the breach of the obligation to provide support shall also remain reserved.

G. Liability for the trust company's liabilities

§ 36

I. By law

1) Only the trust fund specified in the trust articles and any other assets of the trust enterprise shall be liable for the trust enterprise's obligations to third parties, and the participants shall not be personally liable unless the law provides otherwise, unless the trust enterprise's obligations are also those of all or individual participants.

2) Where trustees, in the exercise of their trust powers, have damaged a bona fide third party by intentional deception under the pretense that a liability or obligation to make additional contributions in excess of the trust property, or a liability or obligation to make additional contributions in excess of the trust property in violation of the trust instrument, or a liability or obligation to make additional contributions in excess of the actual

assets or the like, the acting trustees shall be liable to the

The trustor shall be liable to the third party for any damage incurred in connection therewith without limitation and on a solid basis, subject to its right of recourse against the trustor or other persons, insofar as the trustor or they have been enriched or have otherwise benefited.

3) In the case of a trust enterprise with commercial operations, the managing trustees shall also be jointly and severally liable, in the absence of any other arrangement, for half a year from the due date of the salaries and wages of workers and employees for the shortfall not received by the trust enterprise thereon.

4) The trustees or a body or other representative appointed in accordance with the articles of trust shall be jointly and severally liable without limitation for unlawful acts and omissions committed by them in the exercise of their powers as trustees or by a representative appointed in accordance with the articles of trust in the exercise of their powers as representatives, in addition to the trust enterprise, applying the relevant provisions mutatis mutandis in the case of legal entities.

5) Unless otherwise provided for in the provisions relating to the trust enterprise, the provisions relating to trusts shall generally apply mutatis mutandis to the legal position of the trust enterprise's creditors in security, compulsory enforcement or insolvency proceedings.

6) In the case of trust enterprises with segments or with specially segregated trust funds, each segment or each fund, as the case may be, shall, in the absence of any other provision of the law and unless mutual claims require otherwise, have a special status in such proceedings equal to an independent trust enterprise.

II. By virtue of trust and other legal transactions

§ 37

1. Extension of liability

1) It may be stipulated in the trust articles that other trust assets not included in the company as trust fund or otherwise arising from a trust, which includes the company itself, shall also be liable for its liabilities.

2) If assets are transferred to the company for the trust property with which obligations to third parties are associated, such as in the case of shares that are not fully paid up, the trust instrument or the relevant declaration of accession may provide that the transferors remain personally liable for the obligations alongside the company or alone, unless the legal relationship with the third party indicates otherwise.

3) The trust articles may also stipulate that individual or all participants or third parties have limited liability or limited liability to make additional contributions for the company's liabilities to third parties, for the settlement amounts among the liable parties or parties liable to make additional contributions, and for the defraying of costs, without this giving rise to membership unless exceptions are permitted,

or that any or all of the trustees have unlimited and joint and several liability or a duty to make additional contributions to the companies managed in accordance with commercial principles.

4) The provisions on the assertion of liability or the obligation to make additional contributions in the apportionment procedure may also be declared applicable by the articles of association outside the cases provided for by law.

5) In the case of a commercially managed company, the provisions concerning liability or the obligation to make additional contributions, as well as any change thereto in the event of other invalidity, must be notified in extracts to the register of trustees, entered therein and published.

6) The provisions on the list of cooperative members with liability or obligation to pay arrears and those on the list of cooperative members in the case of registered cooperatives shall apply mutatis mutandis in the case of trust enterprises with commercial operations to the list of participants, which may be combined with the list of beneficiaries, and to the list of participants in the sense mentioned here.

§ 38

2. Limitation of liability

1) In the case of a trust enterprise which does not have a commercial business and does not carry on any other trade, the trust articles may include the provision, to be filed with the register of trustees for the purpose of entry in the register, that after the establishment of the trust enterprise, private insurance policies valid for the enterprise shall apply.

The trust enterprise may only enter into liabilities, apart from claims arising from tortious acts, with the consent of a special body or of the next claimants or third parties, or that a private creditor may only seek satisfaction from the assets not belonging to the trust fund or only from the income or neither from the trust property nor from the income as long as the trust enterprise has not been terminated.

2) In the case of trust property entered in the land register or in another public register whose entries have similar effect to entries in the land register, such a restriction may be entered as a note or reservation, or a debt limit or a mortgage with a restriction on the income from the relevant trust property may be entered in the land register.

3) If neither the trust property nor the income can be legally encumbered or if no valid liabilities can be entered into by the managing trustees, other bodies or persons to the detriment of the company, the trustees exercising the trust power or other representatives of the trust enterprise shall be liable to the latter without limitation and jointly and severally if they do not expressly draw the attention of the third party in good faith dealing with the latter to such limitations,

with reservation of the claim for possible enrichment against the trust company.

4) Retrieved

H. Involved

I. Common provisions

§ 39

1. Types and regulation of legal status

1) In the absence of any other provision of the law or the trust instrument, the settlors, trustees and beneficiaries, including the claimants, shall be deemed to be participants, without distinction of sex, and, unless otherwise provided by the law or the trust instrument, the respective participants holding the legal position or individual types thereof shall be understood to be single or plural.

2) Insofar as, within the meaning of individual provisions, persons other than settlors, trustees or beneficiaries are members of bodies or organs or have rights and obligations, in particular a liability or obligation to make additional contributions for liabilities of the trust enterprise, they are also to be regarded in this respect as participants (irregular participants).

3) The trust instrument or the trust instrument may provide for the regulation of the legal relationship of the participants to the trust enterprise, among themselves and to third parties within the framework of the law in special regulations (by-laws) to be signed by the managing trustees or other competent bodies, which, insofar as it contains facts or relationships subject to notification, must be submitted to the trust register in a certified extract or in the original.

4) If and insofar as the relevant documents have not been deposited with the Public Register Office, each party shall be granted access to the trust order, insofar as it has a right, in particular an entitlement, and may obtain copies of the documents (statutes, regulations and the like) at its own expense or, if they have been reproduced, demand that copies be sent to it against reasonable reimbursement of the reproduction costs.

§ 40

2. Rights and obligations in particular

1) Within the framework of the law, the provisions of the Trust Instrument shall apply first and foremost to their rights and duties in relation to the trust enterprise, among themselves and in relation to third parties, then those relating to trusteeships in general, and in addition, insofar as the lack of membership, the nature of the trusteeship and the position of the participants do not indicate otherwise, those relating to membership under the general provisions relating to legal entities.

2) Where someone simultaneously takes the place of a trustee (co-trustee) and beneficiary (co-beneficiary), the trustee duties prevail.

3) If one or more Participants, apart from any payments to the Trust Fund or liability or obligation to make additional contributions, undertake to make recurring payments or other payments (acts or omissions), in particular also to make cartel or group payments, in the Trust Instrument or otherwise in writing, the following shall apply to such payments or omissions in the Trust Instrument.

In addition, the relevant provisions apply accordingly to a limited liability company.

4) Insofar as the prerequisites for this are met, enforceable deeds may also be drawn up in respect of the obligations of the participants or third parties to the trust enterprise, such as payments to the trust fund or the like, or in respect of obligations of the trust enterprise to participants, while reserving the rights of the creditors.

5) If the timely exercise of a right by a party is jeopardized, the competent authority may, at the request of the party entitled thereto, also proceed by means of protective measures.

6) If, in accordance with the law or the trust instrument, rights are granted to one party or obligations are imposed on another, the latter shall have corresponding obligations or rights against the former in the absence of any provision to the contrary.

3. Organization

§ 41

a) In general

1) The trust instrument may regulate the legal relationship among the participants or among individual groups of participants, such as among the trustees or beneficiaries, in more detail by creating an organization and may regulate the rights and obligations of these organized participants, such as the joint assertion of rights against the trust enterprise or other participants or the like.

2) If such an organization is provided for without further elaboration or inadequately, then in case of doubt the provisions on the supreme body under the general provisions on the persons of the association, in particular the provisions on minority rights, shall be applied in addition, unless a deviation results from the nature of the trusteeship or the absence of membership.

3) Even if the trust instrument does not provide for an organization, groups of participants in the same legal position may create such an organization by means of beista- tutes or the like signed by them or under any other legal form provided for in the law, but such provisions, if otherwise void, may not be compulsorily enforced.

The trustor shall not be liable for any loss or damage caused by the trustor's actions or for any loss or damage caused by the trustor's actions or for any loss or damage caused by the trustor's actions.

4) Insofar as, according to the applicable provisions, decisions of bodies may be appealed or set aside ex officio, the proceedings shall be conducted in an expedited manner.

§ 42

b) Resolutions and membership

1) Where, according to law or the Articles of Association, the participants or third parties have the right to vote or to be elected, or both, and unless otherwise provided, each person entitled to vote and, if securities have been issued, each security shall have one vote in elections and resolutions, the provisions on voting rights and resolutions under the general provisions on legal entities being applicable in addition.

2) If a different result of the resolution could have been achieved through the participation of as many parties as had registered to take part in the adoption of a resolution by a supreme body or had deposited voting securities in this manner and for this purpose, but were prevented from taking part as a result of an unforeseen or unavoidable event, these parties may, within ten days of the adoption of the resolution, by submitting their vote by means of a reasoned submission to the trust enterprise and the Office of Justice, request from the latter the proposed amendment of the resolution in the administrative procedure after hearing the trust enterprise, the relevant supreme body or the like, at their expense (subsequent amendment of the resolution).

3) However, legal acts performed in the meantime by the competent party in accordance with the earlier resolution shall remain legally effective vis-à-vis third parties acting in good faith, without prejudice to any claims of the prevented persons arising from the responsibility or the performance of other permissible measures.

4) In the case of an organization with voting rights which adopts its resolutions by majority vote, the majority of the relevant participants may exercise their powers only in such a way that, in their position as tacit trustees vis-à-vis the minority, they do not act against the in terests of the trust enterprise and to the detriment of the minority or against good morals.

5) Decisions to the contrary may be annulled in accordance with the provisions governing the supreme body in the case of legal entities, and the participants participating in the majority shall be liable as joint and several debtors to the trust enterprise or to the participants belonging to the minority and injured in accordance with the provisions governing tortious acts for all damage incurred by the trust enterprise or the individual participants.

6) Membership in the same way as for associates with members may be validly granted to associates only with the consent of the Office of Justice.

§ 43

c) Supervisory Trust

1) To the extent prescribed by the general provisions governing the persons of the association or if specifically provided for by the trust instrument, an auditing body shall be established, to which the provisions governing the auditing body, any members of which may not at the same time be managing trustees, shall apply mutatis mutandis under the general provisions governing the persons of the association in the absence of any provision to the contrary.

2) Their members may be notified for entry in the register of trustees by the trustees or other bodies or persons responsible by virtue of the trust instrument, stating their surname, first name, profession and place of residence or company (name) and registered office.

3) However, a supervisory board consisting of one or more participants or third parties may also be provided for in the trust instrument as a supervisory trustee body. Insofar as an auditing body is obligatory according to the general regulations on the fiduciary persons, such a supervisory board may additionally be provided for in addition to the auditing body.

4) The provisions on the responsibility of the auditors under the general provisions on association persons shall also apply mutatis mutandis to the members of the supervisory trust agency, unless the law itself provides otherwise.

5) The order of an official fiduciary monitoring body and an official audit remains reserved.

§ 44

4. Limitation

1) Unless otherwise provided by law or unless the law as a whole is affected, individual claims of the trust enterprise against parties who are not or no longer trustees shall become statute-barred three years after they fall due.

2) Individual claims of the participants as such against the trust enterprise shall become time-barred after three years from their due date in favor of the trust enterprise, unless the law as a whole is concerned or otherwise provided.

3) Claims of the participants among themselves arising from the trust relationship, insofar as they are not against active trustees and subject to the provisions on liability, shall become statute-barred in the same period since the due date.

4) Shorter limitation periods remain reserved, the possible longer limitation period

in the event of a criminal offense and special provisions of this Act.

5) The provisions on the statute of limitations shall apply mutatis mutandis to the irregular participants as such.

5. Jurisdiction, Arbitration and Procedural Status of Parties

§ 45

a) In general

1) The provisions on the registered office and place of jurisdiction shall apply mutatis mutandis to the place of jurisdiction and administration with regard to the participants as such under the general provisions on the association persons.

2) The trust instrument may provide for an impartial arbitral tribunal or a mediation body in accordance with domestic or foreign law for all disputes between the participants and with respect to the trust enterprise or with respect to one or the other, unless the law has established mandatory provisions, whether or not the parties concerned have signed the trust instrument.

3) The final decisions of such an arbitral tribunal shall be enforceable in the same manner as a judgment of a domestic court, provided that they are not contrary to public policy and morality.

b) Procedural position of the parties

§ 46

aa) In general

1) In legal and administrative disputes, including administrative disputes of the trust enterprise, as well as of all or groups (classes) of participants as such, any other legally interested party, including the beneficiaries, may, in the absence of a further order, appear at his own expense or, where there are no beneficiaries or beneficiaries, the representative of the public law, at the expense of the trust enterprise, as an intervenor or in a similar capacity alongside one of the parties, the representative of public law may appear as intervenor or in such a capacity next to one of the parties at the expense of the trust enterprise, but where the law allows minorities of participants to be parties in the same way as minorities of members of associations, the participant belonging to this minority may appear on one side or the other at his own expense.

2) For all or some of the parties to be considered in official proceedings whose life or whereabouts or name is unknown or uncertain, the Office of Justice may, after conducting the bidding procedure or without such procedure, at the request of parties or legally interested third parties or ex officio, appoint a litigation trustee (Prozesskurator) to safeguard the interests of the relevant parties, who may appear or be prosecuted alone or alongside other parties.

3) If one of the parties ceases to exist, the other parties or the trustee in the proceedings appointed by the Office of Justice in accordance with the preceding paragraph may

Proceedings or other official proceedings may continue without, as a rule, being interrupted.

4) Insofar as a decision rendered against the trust enterprise or against all or groups of participants is also binding for or against a participant, he or the relevant opponent shall be entitled to the defense of the decided matter against later proceedings or a later decision in the same matter, unless the law provides otherwise.

5) Where the Office of Justice has to intervene at the request of parties, third parties or ex officio, it shall, except where there are important reasons, such as imminent danger or the like, hear the managing trustees and other legally interested parties or, if necessary, an officially appointed trustee or representative before issuing an order or taking a decision.

§ 47

bb) Virtual representation

1) Moreover, with the consent of the authority concerned, one or more parties may institute or appear in official proceedings on behalf of other parties who, for any reason, are unknown or uncertain and have a common legal interest, if the unknown or uncertain parties are numerous.

2) These latter parties may rely on the final decision rendered, unless there is any prejudicial intention or agreement between the parties involved in the proceedings and the other party, or the interests of the party involved do not conflict with those of the others who may derive rights from the decision.

§ 48

6. Position of interested party

1) If the provisions on the supreme body for all or groups of participants or the trust regulations or the provisions on virtual representation or other provisions of the law do not provide otherwise for the assertion of rights of the trust enterprise or of all or groups of participants as permitted by law, and if such a right has not been asserted by all entitled persons and not to the full extent for the trust enterprise or for all of them, If such right has not been asserted by all the entitled persons and not in full for the trust enterprise or for all of them, or if the right has not or could not be fully realized for a reason inherent in the person (firm or legal entity) who has acted as claimant in the proceedings, such as an acknowledgment, waiver, default, set-off or the like, or if the right itself has not been denied in respect of all of them, the trust enterprise may assert its or the other entitled persons who have not acted as claimants' right in full for the trust enterprise or for all of them, as the case may be.

assert their rights in their entirety or to the remaining extent independently and independently of earlier proceedings, provided they have not acknowledged or waived the claim for themselves in other proceedings as intervening parties or the like.

2) If the same rights are asserted in whole or in part by different claimants in the same but separate proceedings, the proceedings may, at the request of one of the parties or ex officio, be joined for simultaneous hearing and decision at the discretion of the competent office.

3) At the request of a party, a right not raised by all the beneficiaries, as well as the date of any hearing, may be announced in the manner provided for in the trust articles or, if this is not possible, in the manner provided for official notices or in any other manner ordered at the discretion of the competent official body, in addition, if necessary, to be noted in the register of trustees.

4) If there are only individual claimants, the claimant may also apply to the competent official body, in accordance with the provisions on the identification of beneficiaries, for an order and the appointment of an official trustee for the other claimants to make good and supplement the right not asserted or not fully asserted by the claimant, at the expense of the claimants and with the threat and effect that the other claimants may only assert a further claim if the claimant, as a result of his intentionally damaging conduct, does not fully satisfy the right asserted, that the other claimants may only assert a further claim if the claimant, as a result of his intentionally damaging conduct, does not fully comply with the asserted right.

§ 49

II. Trustor

1) In case of doubt, the trustor is deemed to be the person who makes or guarantees an asset payment to the trust fund.

2) The settlors as such (founders, trustees, trustors) or their successors in title may be granted rights against the trust enterprise or the other participants as such by the trust instrument under the law, without prejudice to their other and concurrent status as trustees or beneficiaries, only to the extent that, apart from the right of supervision in the case of charitable or similar trust enterprises, they are not in a continuous and exclusive relationship with the trust enterprise.

influence on the organization or trust management of the trust enterprise.

3) Insofar as the settlors who have donated the trust fund free of charge and, on the basis of this donation, have provided the benefit to others free of charge, do not also have the legal status of trustee, they may, to the same extent as beneficiaries, demand compliance with the trust arrangement vis-à-vis other participants or third parties in accordance with the law.

4) Unless otherwise provided for in the provisions governing the trust fund, the provisions governing default in the case of beneficiaries shall apply mutatis mutandis to the settlor's default in respect of other obligations.

5) The provisions concerning the settlor's other rights and obligations under the law or the trust instrument, in particular those concerning the settlor's creditors, shall remain reserved.

III. Trustee

1. Appointment, dismissal, termination, etc.

a) In general

§ 50

aa) For trust companies without segments

1) The trust instrument shall regulate the appointment and replacement of a trustor (trust beneficiary) in the event of his ceasing to exist for any reason (such as death, incapacity, dismissal, termination or the like), unless otherwise provided for.

2) If there are only certain beneficiaries of the trust, they may unanimously, if necessary with the assistance of a trustee appointed by the registry office for the unknown or uncertain beneficiaries, appoint or remove trustees at the expense of the company by means of a written resolution passed at a meeting or by circulation, or the like.

TrUG

3) The right to appoint or dismiss or to propose (presentation right) may be left to all or individual participants or third parties in accordance with the trust order for all or individual trustees, or

the Office of Justice may be generally designated for this purpose, but it shall not be obligated to execute such an order.

§ 511451

bb) With segments and with multiple trusteeships, etc.

1) If a trust enterprise consists of several segments, or if a person is appointed as a trustee for several trusts at the same enterprise or only for a branch office, it must be stated precisely for which segment, other trust or branch office he is appointed, dismissed or proposed, unless otherwise ordered.

2) In case of doubt, a person may accept or reject the position of a trustee only in the case of all segments, special trusteeships or the like, provided that he was appointed trustee in accordance with the same order.

b) Order

§ 52

aa) Right to this

1) The right of reappointment of trustees shall, in the absence of any other order, accrue to the person having a right of removal, subject to the appointment of a registrar or public trustee in accordance with the provisions relating to trusteeships in general and the provisions otherwise established.

2) If fewer than three trustees have been appointed in accordance with the trust instrument, the trustees may, at the expense of the trust enterprise, appoint new trustees in addition to the existing ones (additional trustees) or appoint substitute trustees in the event of an impediment or the like with the same rights and obligations as they have themselves.

3) For important reasons, the Office of Justice may, for the whole trust enterprise, for a part of the trust assets to be withdrawn or for a part of the trust assets to be withdrawn, a fund, a branch or, if the conditions for the appointment of a judicial trustee under the provisions on trusteeships in general are met, in accordance with these provisions, at the request of parties involved or ex officio

Appoint or remove trustees, additional trustees or the like with or without observing the trust order.

§ 53

bb) Selection and duty of notification

1) If a trustee ceases to exist, the person who has the right or duty to appoint trustees may also appoint himself as trustee, unless he himself would have been removed as trustee or there are otherwise important reasons against his appointment.

2) In any subsequent appointment of trustees, consideration shall be given as far as possible to the expertise in commercial, financial, technical or similar matters and to the personal relationships of the trustees with the other participants, in view of the purpose of the trust enterprise.

3) Legal representatives, universal successors, legatees, executors, guardians of estates, liquidators, insolvency administrators or the like shall, as soon as they are aware of the trustee status and the reason for the appointment of a trustee for the person represented or who has ceased to exist or is a debtor, be obliged at the expense of the company to notify the persons authorized or obliged to make the appointment, They shall be liable for any damage suffered by the trust enterprise or other parties due to gross negligence or intentional breach of this duty in accordance with the provisions on tort.

c) Recall

§ 54

aa) In general

1) In case of doubt, the right of removal shall not include the right to deprive the persons removed of the power to appoint or propose other suitable trustees, the trust property or other rights not vested in them as trustees.

2) For important reasons, such as conflict of interest, unsuitability or incapacity for the position of trustee or the like, a trustee may be excluded from the other trustees, all-

be dismissed by the Office of Justice with immediate effect at the request of parties involved and ex officio in urgent cases, without prejudice to any claims of the dismissed party against the dismissing parties, if it does not concern the head of the Office of Justice, or against the requesting parties on the grounds of contract, tort or breach of personal relationships and subject to the right to proceed with the dismissal decision.

3) Trustees appointed by the Office of Justice or other authorities may only be removed with the consent of the relevant authority.

4) The provisional withdrawal (suspension) of the right to manage a trust may, at the discretion of the Office of Justice, also be effected at the request of the parties concerned by applying mutatis mutandis the provisions on the withdrawal of the power of representation in the case of a general partnership, subject, however, to claims under the second paragraph.

§ 55

bb) In case of third party security

1) If a person has provided security or otherwise guaranteed the performance of the duties of a trustee in accordance with the law or other orders vis-à-vis the trust enterprise or all parties involved, he shall be entitled, if his security or guarantee is endangered as a result of the conduct of the trustee, to demand from the authority empowered to dismiss him, if necessary from the Office of Justice, the dismissal of the trustee endangering his security or guarantee or the ordering of other measures to protect him.

2) If his request is not complied with, he may, in the absence of any further agreement, terminate his relationship with immediate effect from the date of the notified request in such a way that his security may not be used for future obligations, and may also, insofar as claims have not already arisen, demand the return or cancellation of the security provided and, if necessary, in case of doubt, claim damages in accordance with the principles of contract law.

3) The other rights to which third parties are entitled under a guarantee or other legal relationship shall remain unaffected.

d) Cancellation

§ 56

aa) In general

1) A trustee may at any time give notice to the other trustees, or to the Office of Justice, at his own expense, but he shall continue to perform his duty until a replacement has been appointed at the expense of the trust property in accordance with the trust order or the law.

2) For important reasons, a trustee may resign from his position with immediate effect by notifying the other trustees or the competent bodies, if applicable the Office of Justice.

3) If there are only certain beneficiaries, a trustee may give up his position at any time with their consent, even if the trust instrument provides otherwise; the same shall apply in all cases with the consent of the Office of Justice.

§ 57

bb) Meaning

1) If a person is a trustee of several interrelated trusts or of several segments or branches of a trust, the termination shall apply to all trusts, segments or branches in the absence of other trust regulations, unless all beneficiaries determine otherwise or unless important reasons justify an exception with the approval of the Office of Justice.

2) If a trustee, irrespective of his position as such, has been granted the right to appoint or propose or remove trustees in the same trust enterprise or other related trusts, it shall be presumed that the termination does not also extend to this right.

§ 58

e) Form

1) Any appointment, removal or termination or any proposal shall be made by those authorized or required to do so, if otherwise invalid, in writing and, in the absence of any other provision of law, upon notice to the Trust Company, or to the Office of the Judiciary, as the case may be.

2) The appointment shall be made with the written consent of the person to be appointed; however, it may be replaced by submitting his signature to the Office of Justice in due form.

3) These transactions shall be reported to the trust enterprises entered in the register of trustees, specifying the facts and circumstances to be entered.

f) Effect

§ 59

aa) For those appointed, recalled, terminated, etc.

1) Trustees shall continue to perform their duties until a successor has been appointed in the correct form and, if applicable, has also been registered with the Register Office, unless the law, the trust instrument, all the

trust beneficiary or the Office of Justice determine otherwise, or it would result otherwise from the circumstances.

2) Trustees appointed as substitutes or otherwise subsequently or remaining trustees shall, in the absence of an order to the contrary, such as, for example, where a special form is provided for the transfer of rights and obligations or on the subscription, or a provision is made for the protection of the bona fide third party, without further ado enter into the same legal position as their predecessors, but not into the legal relationships of their predecessors or co-trustees arising from responsibility, personal liability or obligation to make additional contributions or otherwise purely personal legal relationships.

3) Dismissal, termination or similar events shall not affect the liabilities entered into by the trustees or those arising from the employment itself.

4) Wherever the law or the trust instrument refers to trustees, this shall in case of doubt also include additional or substitute trustees or the like.

§ 60

bb) In case of default or non-exercise of the right or duty to appoint, dismiss, propose or the like.

1) If someone alone is entitled or obliged to the appointment or dismissal or to the proposal and he does not exercise his right or the assumed duty or does not exercise it in time, then in the absence of any other order, the appointment or dismissal or the proposal may also be made by the beneficiary owners, if necessary together with the next living beneficiaries according to the rules on the organization of beneficiaries.

2) In the case of other fiduciary undertakings and in other cases, the appointment, dismissal or exercise of the proposal, if someone is appointed to do so alone but does not, cannot or does not wish to exercise the right or duty, shall be made by the Office of Justice at the request of the parties involved in the absence of any other order.

3) If several persons are called to participate in the exercise of the same rights or duties, and if some of the called persons do not want to or cannot participate in the exercise of the right or duty, the others shall be entitled or obligated to exercise it and, if all of them do so, they shall be entitled or obligated to participate in the exercise of the right or duty.

If the appointed persons cannot or do not wish to participate, the preceding provisions shall apply mutatis mutandis.

4) For important reasons, the Office of Justice may, at the request of the parties concerned, temporarily or completely withdraw or suspend the right or duty to appoint, dismiss or propose, or entrust the right to do so to someone else, subject to any claims of the party concerned against the applicants liable in contract or tort or for breach of personal relationships.

5) If a person culpably fails to fulfill or fails to timely fulfill the assumed obligation to appoint, dismiss or propose, he shall be liable in accordance with the principles of contract law to the trust enterprise and to all others who have suffered damage as a result, for the latter without limitation and, if applicable, jointly and severally.

§ 61

2. Organization

1) In the absence of other provisions, co-trustees appointed in accordance with the trust instrument shall form a board of trustees (board of trustees, a trust committee, a board of trustees or the like), applying mutatis mutandis the provisions governing the board of directors of joint-stock companies, which may appoint and remove from among its members a chairman, treasurer, secretary (actuary) or the like, specifying their powers and duties.

2) In case of doubt, the chairman, treasurer, secretary or the like shall have the same powers and duties in this position as are usually assigned to persons in a similar position with association persons of a similar type of business.

3) Within the framework of the law on the legal relationship of co-trustees vis-à-vis the trust enterprise, vis-à-vis each other and vis-à-vis other participants, the trust instrument may provide for a more detailed regulation, in particular an organization of the trustees in the sense that, within the framework of the trust instrument, they form an advisory and decision-making body equal to the supreme body under the general provisions on the legal entities, the decisions of which are to be executed by the managing trustee council in the same way as by the administration of a legal entity.

3. Trust Management

§ 62

a) In general

1) If the trust instrument or the law does not provide otherwise, all trustees shall be jointly responsible for the management of the trust and shall be obliged to act and decide jointly in good faith; however, in the case of non-profit or similar trusts, in the absence of any other provision, a decision of the majority shall also be binding on the minority of trustees.

2) The trust instrument may not stipulate that all trustees are excluded from management, otherwise the rule of the preceding paragraph shall apply.

3) Unless otherwise provided by the trust instrument or by the nature of the trusteeship and by law, the management of the trustees shall be governed by the relevant provisions on management under the general provisions on legal entities.

4) The trustees are authorized within the framework of the trust regulations and the law to perform all business acts in execution of the purpose of the trust or the object of the company and are obliged to do so with all due care.

§ 63

b) Position of non-executive trustees

1) If, in addition to the trustees entrusted with the management and exercise of the trusteeship, other trustees exist, the latter shall be entitled to the same rights and duties as a substitute, unless it is a question of the trusteeship power similar to the representation by the administration in the case of a legal entity, or unless the law or the trusteeship regulations provide otherwise.

2) Non-executive trustees have the right and, depending on the circumstances, the duty by law at any time within the framework of the trust instrument, either individually or jointly or with the assistance of suitable, impartial and disinterested experts, to inspect the course of business at the expense of the trust enterprise, to inspect all books of account and papers, to demand information from the managing directors and, within a reasonable period of time or, if important reasons justify it, to demand the rendering of accounts at any time.

3) They may object in good faith to the performance of uncompleted transactions with the effect that they must be refrained from, provided that the acting trustees are otherwise liable vis-à-vis the Company and, if applicable, also the other parties involved.

§ 64

c) Regulations (by-laws) and transfer of management

1) The trustees may, within the limits of the law and the trust instrument, delegate the management of the business to individual trustees or third parties or, to the extent that they lack expertise or it is customary for them to do so, to assist persons.

and issue regulations on the management of the company with the proviso that individual trustees or third parties may also be entrusted with the execution of individual branches of the company or individual fiduciary transactions with or without compensation.

The trustees may be entrusted with the selection and monitoring of the trustees under the supervision and responsibility of all trustees.

2) If co-trustees are jointly responsible for the management of the company at their own discretion, they may not transfer this responsibility to one trustee alone.

3) A delegated management may be revoked by law by the managing trustees and, in case of imminent danger, by any trustee at any time, subject to the obligations of the trust enterprise or the trustees liable under the contract, tort or breach of personal relationship towards the other party.

d) Fiduciary duties

§ 65

aa) In general

1) The fiduciary duties are governed, within the framework of the law and the trust regulations, by the provisions on fiduciary duties in trusts in general.

2) In the exercise of their management duties, trustees and representatives shall exercise the care of a prudent businessman as he would exercise in his own business affairs and shall be liable for any culpable breach of their duties.

3) Trustees shall thoroughly acquaint themselves with the Trust Ordinance and may not plead ignorance of its provisions as an excuse.

4) Unless otherwise provided by law or by the trust instrument, the trustees shall comply with the written instructions of all beneficiaries, including any prospective beneficiaries, drawn up in accordance with the rules governing the organization of beneficiaries.

5) If a person has been invalidly appointed as a trustee through no fault of his own and acts in that capacity, he shall nevertheless be treated as a trustee in relation to bona fide persons and shall be already

responsible from the day of his appointment, even if he is not entered in the register of trustees.

6) A non-competition clause exists for the trustees insofar as the trust order stipulates it or it is in accordance with equity.

bb) Own interest

§ 66

aaa) In general

1) Each trustee shall be obligated to avoid any conflict of its interests with those of

of the trust enterprise or the participants as such and, if such a situation has already arisen, to eliminate it.

2) If a trustee derives personal benefits from the trust enterprise or in connection with the management of the trust enterprise in contravention of the law or the trust instrument or, as the case may be, of decisions and instructions of competent bodies, and if the benefits are not customary occasional gifts, he shall be obliged as a constructive trustee, like an implicit trustee, to render accounts, to provide information and to surrender the benefits or the compensation in lieu thereof.

3) The provisions on transactions in one's own favor among trusteeships in general shall apply mutatis mutandis, whereby the claims shall primarily accrue to the injured company, then to the injured creditors in the event of fruitless compulsory enforcement or, in insolvency proceedings, to the insolvency administrator, and finally to the parties involved if the relevant creditors or parties involved have not themselves cooperated in this.

4) If a trustee is at the same time the sole beneficiary, he may, in the absence of other instructions, conclude transactions with himself or as the representative or organ of others under the same conditions as in the case of single-member trustees.

§ 67

bbb) Acquisition of trust property and beneficiary rights

1) The trustees may, within the meaning of the foregoing provisions and in the absence of any other order, take trust property from themselves or a co-trustee or the trust company only in the fullest openness of the

The Company shall not acquire, lease, rent or similar rights in a public transaction or with the consent of other beneficiaries or authorized bodies or the Office of Justice, unless it is a matter of acquiring freely transferable beneficiary rights or such rights that are to be sold at the instigation of third parties or if business practice would indicate otherwise.

2) The circumvention of this provision, in particular the sale of trust property to a third party for the purpose of reacquiring this trust property before the sale transaction has been executed, is not permitted.

3) If fiduciaries acquire, rent or lease rights from beneficiaries that are not embodied in a freely transferable security, they must, at the beneficiary's request, provide the beneficiary with information in good faith prior to the acquisition about all facts and circumstances affecting the sale price, otherwise they are liable to pay damages to the seller in accordance with the principles of contract law during a limitation period of three years from the sale.

4) The preceding provisions shall be applied mutatis mutandis if trustee

sell, rent or lease to beneficiaries trust property or beneficiaries or individual claims thereunder or the like.

5) Furthermore, the provisions on the claim for restitution and enrichment in the event of unjustified sale or encumbrance of trust property remain reserved.

cc) Duty to provide information

§ 68

aaa) Towards beneficiaries

1) Trustees shall, unless otherwise provided by law or by the trust instrument or by the circumstances, upon request give information in a reasonable manner to any beneficiary, including the prospective beneficiaries insofar as their rights are concerned, about all facts and circumstances, in particular about the status and investment of the trust assets, to report and render accounts at reasonable intervals and also to explain why they have not actually received or realized assets, including income, which they would have received or realized in the ordinary course of events or in accordance with the law.

or could have obtained or obtained under other circumstances.

2) Unless otherwise provided by law or by the trust instrument, trustees are obliged to allow the beneficiaries, including any prospective beneficiaries, as far as their rights are concerned, to inspect and transcribe all books of account and papers at their expense, and to examine and investigate all facts and circumstances, in particular the accounts, either personally or through a representative.

3) If not all beneficiaries, including all prospective beneficiaries, assert the aforementioned rights jointly, the assertion may, in the absence of other instructions, only be made to the extent that it is not demanded with unfair intent, not in an abusive manner or not in a manner contrary to the interests of the trust enterprise or other beneficiaries or prospective beneficiaries, or otherwise in good faith.

§ 69

bbb) Towards co-trustees, etc.

1) Trustees must provide each other with information in the same way as they provide information to beneficiaries, both about individual transactions they have concluded and about all other facts and circumstances.

2) Trustees who cease to exist for any reason or their universal successors in title shall, as far as possible, provide the subsequent trustees with unrestricted information on all facts and circumstances and surrender all books of account, papers or assets relating to the trust enterprise, insofar as they are not entitled to a right of set-off or retention in respect of the latter.

3) Subsequent trustees shall examine the management of ceased trustees as required by the circumstances and assert any claims of the trust enterprise against them or their legal successors.

e) Treubefugnisse

§ 70

aa) In general

1) In case of doubt, the powers of the trustees shall be governed, within the framework of the law and the trust ordinance, by the provisions on trusteeship in general, or, if applicable, by the instructions of the Office of Justice.

2) If the managing trustees deem it necessary and the trust instrument does not provide otherwise, they may conclude arbitration and conciliation agreements for the trust enterprise and establish branches, if necessary with special trustees.

3) If branches of registered companies are established, they and the relevant trustees or representatives must be notified to the trust register for registration and publication, stating the facts and circumstances subject to notification.

bb) Claims for compensation and fidelity

§ 71

aaa) In general

1) Within the framework of the law and the trust instrument, trustees may demand satisfaction for their claims (reimbursement of expenses and expenditures for the trust enterprise and damages incurred by them as a result of the enterprise, furthermore release from obligations entered into in the interest of the enterprise or otherwise incurred at their expense, as well as for trust remuneration and reimbursement of interest customary in the country) as creditors only to the extent that they have not arisen through their fault and appear justified by the circumstances.

2) If the trust order does not provide for a trust wage, or does not provide for a fair wage, and the legal relationship between the parties does not indicate otherwise, the Office of Justice may, subject to other permissible orders, determine a trust wage appropriate to the circumstances in a legally binding manner after hearing the parties.

3) If claims of the trustees as such have been satisfied by another person who was obliged to do so in addition to the trust enterprise, the right to satisfaction against the enterprise shall, in the absence of any other agreement, pass to this other person by operation of law insofar as the claims were justified and the right to compensation is not excluded under the underlying legal relationship.

4) The claims of the trustees as such shall take precedence over the claims against the trust enterprise arising from the beneficiary status, unless otherwise provided by law or the trust instrument.

§ 72

bbb) Assertion

1) The claims of the trustees arising from the management of the trust shall, subject to the right of set-off and retention, be directed in the first instance against the trust enterprise, whereupon first the income shall be claimed for this purpose and then the trust property itself, and in the second instance, in the absence of any other arrangement, the claims shall be directed against those beneficiaries who in the individual case have been enriched or have derived benefit from the trust enterprise or from the management action free of charge.

2) If several beneficiaries have been enriched or have received benefits free of charge, the claim for compensation shall be governed by the provisions of the law.

holds of their benefit, how they have benefited or are enriched.

3) If a claim can be made against trustees for liabilities of the trust enterprise, they may also surrender trust property in lieu of performance, unless the enterprise is entitled to compensation from them or unless otherwise provided.

4) A trustee forfeits his or her claims up to the amount of the loss suffered as a result of a breach of trust, subject to any further claims by the company and other injured parties.

4. Faithful Power

§ 73

a) In general

1) The scope, duration, effect, exercise and the like of the trustees' power of attorney shall be governed by the provisions on representation by the administration under the general provisions on legal entities and, in addition, by the provisions on the power of attorney among trustees in general and the provisions on the management of trusts.

2) The trustees appointed to exercise the power of trusteeship, as well as other authorized signatories and the termination or a change of the power of trusteeship or the power of representation must be notified to the companies entered in the register of trustees without delay, enclosing proof of their appointment and stating the relevant registrable facts and circumstances, unless a reappointment has been made.

3) A transfer of the trust power as a whole or in individual parts is permitted within the framework of the trust regulations, if applicable according to the law or the regulations on the transfer of trust management.

§ 74

b) Appointment of representatives by the Office of Justice

1) In case of imminent danger or if there are other important reasons, the Office of Justice may also, except for the admissibility of the appointment of advisers, at the request of parties or ex officio and after or without hearing parties, appoint authorized representatives or other representatives for

appoint and remove the trust enterprise or a department or a special trusteeship or finally a branch.

2) However, the dismissal may only take place without prejudice to any claims of the dismissed persons against the offending parties based on contract, tort or personal injury.

§ 75

c) Minimum power of representation and minimum power of representation by operation of law

1) Managing trustees and other organs or representatives of the trust enterprise shall by law accordingly have at least such powers and be subject to such duties as are provided for representation in the administration under the general provisions governing the persons of the association, subject to any deviating provisions of the law.

2) Managing trustees must exercise their fiduciary power jointly, unless otherwise ordered and, if applicable, also notified to the register of trustees, or in case of urgency.

3) If co-trustees have not acted collectively, such an act shall, in the absence of any other arrangement, require the approval of the others in order to be effective vis-à-vis the trust enterprise, without prejudice to any claims of the injured third party acting in good faith against the person acting.

4) However, a declaration or notification to the trust enterprise may also be made with legal effect to one of the managing trustees or a representative as well as to a member of the administration of a legal entity.

§ 76

d) Drawing

1) The trustees appointed to exercise the power of trusteeship, as well as other authorized signatories, shall, in the case of trust enterprises subject to registration or in the case of such enterprises registering voluntarily, at the time of the first registration and, if later in the composition of such trustees or authorized signatories or in the power of trusteeship or power of representation

a change occurs, the subsequently appointed persons shall, in the same way as in the case of administration as a body of a company with personality or its representative, sign their signature before the Head of the Office of Justice or submit it in a certified form.

2) In the case of co-trustees, in the absence of any other trust order and, if applicable, entry in the register of trustees, the signature for the trust enterprise vis-à-vis third parties shall be made by all trustees in the same way as by the members of the administration of an association person for effectiveness vis-à-vis the enterprise and third parties, whereby seals or the like may also be used for the preprint of the company (name).

3) If the subscription is not made in the prescribed manner, the traders shall be liable for the damage to the trust enterprise and bona fide third parties without limitation and jointly and severally in the event that the trust enterprise does not recognize the validity of the legal act.

4) If action is taken on behalf of the trust company without a subscription, such as verbally or in a similar manner, this must be made apparent to third parties in order to avoid the above-mentioned consequences and, if necessary, must be done collectively.

§ 77

e) Legitimation (ID card)

1) The relevant provisions shall apply mutatis mutandis to the legitimation vis-à-vis public authorities and private individuals, with the proviso that the authority appointing a trustee or a competent third party may also issue a legitimation certificate.

2) If the trustee has been issued a deed of legitimation, he is obliged to return or deposit the deed with the Office of Justice for the free disposal of the trust enterprise after his trust power has been extinguished.

3) If the trust enterprise or, as the case may be, its universal successor fails to do so, the trust enterprise or, as the case may be, its universal successor shall be liable for the damage to the bona fide third party, subject to the right of recourse against the trustee, unless the third party had otherwise obtained knowledge of the termination of the trust property.

IV. Faithful beneficiary

1. Favoritism in general

§ 78

a) Types

1) Unless otherwise provided by law, the beneficiary of the trust (beneficiaries, beneficiaries, beneficiaries or the like) shall be understood as the person who, in accordance with the trust instrument, derives any present or future benefit from the trust.

The beneficiary is entitled to a share of the income or of the trust assets or of both, irrespective of whether he has a claim to them or not, or whether securities have been issued in respect of the beneficiary or whether there is a charitable or similar trust enterprise, and subject to his simultaneous claims as another participant or third party.

2) Beneficiaries (beneficiary owners) are, if the beneficiary of persons is not excluded, those who actually receive a certain benefit in a prescribed manner according to a fiduciary rule or law and, if they also have a legal claim to it, they are the beneficiaries of the benefit.

are to be understood as beneficiaries (trust beneficiaries).

3) If the right of beneficial ownership is generally restricted to a defined group of persons (companies or persons belonging to associations) and if, after the owner of the beneficial ownership has ceased to exist, other persons are appointed as beneficiaries by virtue of a legal claim to succeed to the beneficial ownership on the basis of the trust arrangement in accordance with a certain order, the latter shall have expectant rights (Anwartschaftsberechtigte).

4) Unless otherwise specified, the term beneficiary or trust beneficiary or trust beneficiary also includes the claimant with and without entitlement, in particular also the accrual beneficiary, and the beneficiary also includes the accrued entitlement.

§ 79

b) Legal nature of the benefit, etc.

1) The trust benefit may be conditional, limited in time, subject to a condition or similar restrictions, or intended for impersonal purposes.

2) The right of the owner of the beneficiary based on the trust order is limited within the framework of the law only by this and by the expectant right, if any, of others.

3) If the trust instrument allows for preferential or expectant rights (trust beneficial or expectant rights), they are, in case of doubt, to be treated only as such limited creditor rights which may be realized, asserted and transferred to others in accordance with the law and the trust instrument.

4) A decree may provide that, if the trust instrument is otherwise invalid, the determination of the beneficiaries shall not be postponed for longer than the period during which the appointment of the successor is admissible, or that the income or other benefits from the trust enterprise shall be left undistributed, or that the non-disposal of trust property or beneficiary rights shall also not be determined for longer than the period during which the appointment of the successor is admissible, unless important reasons justify an exception, as in the case of non-profit enterprises or in the case of inalienable trust property or the like.

c) Acquisition and loss (origination and demise)

§ 80

aa) In general

1) The trust beneficiary may be a beneficiary with or without consideration, such as purchase money, current contributions or the like on the part of the settlors for the beneficiaries or on the part of the latter as settlors to the trust enterprise and with or without issuance of securities on the beneficiary, provided that the trust instrument does not provide for a charitable trust or a trust with a similar purpose with beneficiaries not determined for the purpose of the trust or with impersonal beneficiaries or the like.

2) Rights and obligations arising from the beneficiary status may, in particular, in accordance with the trust instrument, continue to exist after the trust enterprise has been established.

are established by original beneficiaries, other parties or third parties as new beneficiaries in the same or different ways or gradually (successively established beneficiaries).

3) Certain organs or bodies or third parties may be granted the power to grant the trust fund or to withdraw it at their discretion or due to the cessation of certain preconditions, or a right of prior acquisition or redemption of the trust fund against payment of a redemption sum in the event of its sale or the like, which shall be effective against anyone and may be recorded in the trust register at the request of the managing trustees or other competent bodies.

4) The acceptance of the rights arising from the benefit by beneficiaries shall be presumed, provided that only benefits are connected therewith and it is not otherwise evident from the circumstances.

5) The accrual and expiry of the benefit can also be arranged without the existence of a membership in deviation and analogously according to the rules established for the acquisition and loss of the same in the case of registered cooperatives.

§ 81

bb) Tax allowances and socio-political benefits

1) In particular, benefits may also be granted without any contribution of the beneficiaries to the trust fund or otherwise to the trust enterprise (free benefits including free entitlements) and socio-political benefits.

2) In case of doubt, the provisions on the socio-political share and profit rights of the persons belonging to the association shall be applied accordingly to the latter type of benefits.

3) The provision on gradual distribution from the trust assets remains reserved.

§ 82

cc) Special ability

1) If, in accordance with the trust order, the acquisition (conferral) or loss of the benefit is conditional on the existence or non-existence of a certain property (ability), such as membership in a certain profession or group of persons or a

If it is presupposed that the beneficiary has a family, a residence in the country or in a certain municipality, or the like, this characteristic must, in case of doubt, be present or absent at the time of the accrual of the beneficiary's residence to the candidate.

2) If the favored position can only be occupied during the existence of such a property, then this property must, in case of doubt, have persisted through the relevant time.

§ 83

dd) Convertible creditor and beneficiary rights

1) In particular, the creditors of a trust enterprise may also be granted the right to convert their creditors' rights into ordinary or preferential benefits which may be associated with the ownership of a security (convertible bonds).

2) Conversely, the beneficiaries may be granted the right to convert their beneficiary rights into unconditional creditor rights (conversion beneficiaries) in the same way.

3) The application of the provision on the gradual distribution of assets to the conversion of conversion benefits is reserved.

§ 84

ee) Termination etc.

1) The trust instrument may grant the beneficiaries a right of termination for the withdrawal from the beneficiary relationship, to which, in the absence of a more detailed provision, the provisions on termination in the case of registered cooperatives shall be applied as a supplement.

2) If the trust instrument also grants a beneficiary the right to withdraw from the beneficiary relationship under certain conditions, such as termination or the like, together with the right to receive part of the trust fund or the like, the withdrawal shall only be effective if the provisions on the gradual distribution of trust assets are complied with.

§ 85

ff) Exclusion

1) The trust instrument may also determine the grounds on which a beneficiary may be excluded from the trust by the trustees or another body.

2) After notification of the exclusion by the trustees or the competent body, the beneficiary may no longer act as trustee except in case of imminent danger and is excluded from that time on from exercising any voting rights or the like.

3) The exclusion is void if the provisions on the gradual distribution of trust assets have not been complied with.

4) The claims of the excluded party against the defective party arising from another legal relationship, such as contract, tort or breach of personal relationships, are also reserved.

gg) Revocation

§ 86

aaa) Due to lack of good faith

1) If, in accordance with the settlor's instructions, the trust beneficiary has been granted the trust property free of charge, the settlor or his legal heir, if he is not himself unfaithful, has the right to revoke the trust property or the entitlement on the grounds of unfaithfulness with effect against the wrongdoer:

1. if the relevant beneficiary or prospective beneficiary has committed or attempted to commit a serious crime against the settlor or against a person closely associated with the settlor,

2. if the relevant beneficiary or prospective beneficiary has seriously violated the family law obligation incumbent upon him/her vis-à-vis the settlor or one of his/her relatives, or

3. if the aforementioned beneficiaries unjustifiably fail to comply with the conditions or other obligations associated with the trust property or the entitlement.

2) If the settlor, in the performance of his duty as trustee, has provided the gratuitous benefit to another trust, the settlor of the other trust or his heirs, as the case may be, shall be considered as settlor or heirs, as the case may be, with respect to the breach of trust.

3) If a settlor, in the performance of another obligation towards a third party who has made or promised him a consideration therefor free of charge, has procured the free benefit for someone else, the preceding provisions regarding the lack of good faith shall apply to the third party or his successors in title.

4) The trustor's pardon or the pardon of the relevant third party shall remove the breach of trust.

§ 87

bbb) For other reasons

1) The revocation of the order of a promise to transfer the trust property free of charge and the refusal to fulfill it may also be made by the settlor or his heirs who have assumed the fulfillment of the promise:

1. if, since the promise to transfer assets to the trust enterprise free of charge for the purpose of gratuitous benefit, the financial circumstances of the settlor or his or her heirs have changed in such a way that the continued fulfillment of the promise to the trust enterprise without the settlor or his or her heirs enjoying the benefit would impose an extraordinarily heavy burden on him or her,

2. if, since the aforementioned promise, the Settlor or the relevant heirs have incurred family support obligations which did not exist before or which existed to a considerably lesser extent.

2) If a settlor has established a trust enterprise in his capacity as trustee of another trust, or if he has procured the trust property free of charge for another person on the basis of an obligation to a third party who has made or promised a consideration in return, the conditions for revocation must have arisen in the person of the first trustee or the third party concerned or their heirs.

3) The right to challenge the trust by the settlor's creditors or his heirs is reserved.

§ 88

ccc) Assertion of revocation and referral

1) The revocation of the beneficial ownership or the expectancy shall be effected by the beneficiary for the benefit of the settlor or the third party concerned and, if it concerns their heirs or other legal successors, for their benefit, with notification to the trust enterprise and to the party against whom there is a reason for revocation.

2) If a claimant has committed a serious crime against life or limb against his predecessor in the beneficial possession in order to obtain this possession, the person succeeding him in the beneficial possession may make the revocation valid in his favor.

3) The revocation can be made within a period of one year, starting from the point in time at which the person entitled to revocation became aware of the reason for revocation.

4) Revocation shall be excluded if five years have already elapsed since the occurrence of the reason for revocation, unless the reason for revocation is in a severe

crime would exist and the prosecution or execution has not yet lapsed.

5) The provisions applicable to the statute of limitations shall apply mutatis mutandis to the running of the time limit, and the legal relationship between the settlor and the relevant beneficiary or their heirs shall be governed by the provisions applicable to the gift.

§ 89

hh) Violation of the duty to support

1) If a settlor has deprived himself of the possibility to provide for his necessary maintenance or to meet his legal support obligation by means of a gratuitous donation, the judge may oblige the trust enterprise to provide support to the person in need of support or to the person entitled to support, offsetting these benefits against what the trust enterprise has to pay gratuitously to the possible trust beneficiary according to the trust instrument and that donation.

2) If a settlor has established a trust enterprise in his capacity as trustee of another trust, or if he has procured the trust benefit free of charge in the performance of another obligation towards a third party who has made or promised him a consideration free of charge, the prerequisites for the need or obligation for support must have arisen in the person of the first settlor or the third party concerned.

3) In the case of mixed gratuitous donations, the preceding provisions apply accordingly.

4) The action of the heirs for a reduction due to a breach of the compulsory portion, the contestation by the creditors and the claim for enrichment of the person in need of support or entitled to support against the enriched person who is no longer the beneficiary are reserved.

i) Division and union

§ 90

aaa) In general

1) The division of beneficiaries in their entirety, the alienation or encumbrance of such part and the unification in one hand of several independent beneficiaries or parts of such beneficiaries constituting more than one entire beneficiary shall, in the absence of any other fiduciary regulation or provision of the law, be permitted only with the consent of the managing trustees, without prejudice to the rights of other beneficiaries.

2) If there are important reasons, the consent, if it does not concern trustee companies with special succession regulations, can, upon request of beneficiaries, be granted by the Office of Justice after hearing the managing trustees and, if necessary

of other legally interested parties.

3) If a list of beneficiaries or participants in the case of liability or obligation to pay arrears is kept and accordingly also a list of participants, the changes resulting from the division or merger, in particular also the common representative, must be entered in the list.

§ 91

bbb) Effect

1) If several such parts of beneficiaries are united in a sufficient number in one hand, they grant by law the same rights as an undivided beneficiary, and in the case of unification of several hitherto independent beneficiaries, in the absence of any other arrangement, a corresponding increase of rights takes place.

2) If obligations are associated with the benefits, the partial beneficiaries shall be jointly and severally liable for the obligations after the division, including the outstanding amounts, only to the extent that these comprise pecuniary benefits to the trust fund or a joint and several liability or obligation to make additional contributions is involved, and without prejudice to any rights of recourse.

3) In the event of a combination of several independent beneficiaries, the obligations shall also increase accordingly, whereby the relevant provisions on several shares in the case of registered cooperatives shall apply with regard to the liability or obligation to make additional contributions.

4) At the request of the trust enterprise, such beneficiaries with partial claims shall provide a common representative, otherwise it may make all wil- lness declarations and other legal acts with effect for and against all of them to one of them, or the Office of Justice may appoint one at the request of the managing trustees and at the expense of the relevant beneficiaries.

§ 92

kk) Limitation

1) The limitation of the entitlement or of the beneficial ownership can only take place for the benefit of the reserve fund for balance sheet or accounting losses of the trust enterprise, subject to the provisions on the accrual of the assets to the country and the like.

2) The statute of limitations for the entitlement as such shall not begin to run until the time when the rights associated with the trust property could have been exercised as a result of accrual to the relevant beneficiary, but were not exercised.

3) The trust property as a whole is otherwise subject to the ordinary statute of limitations, unless the law allows exceptions.

§ 93

ll) Trigger amount

1) If, as a result of termination, exclusion or similar reasons, a beneficiary of a trust enterprise without commercial operations is entitled to payment of a redemption sum for his trust property, and if no securities have been issued, the claim shall, in case of doubt, consist of the cash amount with which the performance of the trust enterprise could be acquired in terms of value in a sound pension enterprise in the form of a relevant annuity.

2) In the case of a trust enterprise with commercial operations or with securities, the determination of the redemption sum is, in case of doubt, based on a liquidation balance sheet, without a liquidation having to take place for this reason.

3) However, the judge may determine the settlement in a different manner if there are important reasons.

d) Rights and obligations arising from the beneficiary

§ 94

aa) In general

1) The rights and obligations of the beneficiaries are generally determined by law or trust regulations, if applicable by the content of the securities issued on the beneficiary's behalf and, in addition, by the provisions governing trusteeships in general.

2) In case of equal conditions and equal benefits of the beneficiaries, their rights and obligations may only be treated in the same way, in particular modified, limited or cancelled, without their consent, and individual beneficiaries may not be favored to the disadvantage of others.

3) In the absence of any other arrangement, beneficiaries have no right to dissolve the trust, to individual pieces of the trust assets or to divide them.

4) To the extent that a beneficiary makes contributions to the trust fund or has undertaken to make such contributions, and unless otherwise provided by law, he shall, as settlor, be subject to the provisions applicable to the trust fund.

§ 95

bb) Beneficiary allocation and claims for compensation

1) If sums are paid to a beneficiary entitled to income and assets without further indication of their nature, they shall be presumed to be income, subject to the obligation to make any restitution in accordance with the principles of unjust enrichment or, if applicable, in accordance with the rules on the gradual distribution of trust assets.

2) If a beneficiary loses the right of beneficiary during an administrative period or ceases to exist in such a period, after the end of which the regular income or other beneficiary has been distributed and no securities have been issued, the benefits from the beneficial interest shall be distributed among the persons who ceased to hold the beneficial interest or the universal successors of the predecessor and the successors to the beneficial interest according to the duration of their holding during the administrative period, in accordance with the provisions on the segregation and distribution of assets and income; this shall apply in particular to family trusts.

3) In the case of securities, in the absence of an order to the contrary, the income or other property benefit shall be paid to the holder of the security at the time the claim in question falls due.

4) Amounts to be distributed among the beneficiaries may be rounded down, unless the result is a liquidation or a triggering result or unless otherwise provided.

5) If a beneficiary has incurred expenses in the common interest and if others actually enjoy benefits thereby, he shall, upon timely notice thereof to the managing trustees, have a preferential right to proportionate compensation against other beneficiaries from the relevant benefit prior to distribution, in any event also for that which is not otherwise obtainable from a beneficiary.

§ 96

cc) Delay

1) Insofar as no securities have been issued in respect of beneficiaries and the trust instrument does not provide otherwise, the relevant provisions shall apply to the beneficiary's default in performance in the case of the

membership under the general provisions on association persons and, in addition, those of the Code of Obligations.

2) The trust instrument may provide that, in the event of a default in performance by the beneficiary or a third party, the benefit acquired on the basis of such performance obligation shall be declared null and void in favor of the reserve fund for balance sheet or accounting losses, without releasing the beneficiary or the third party from its obligation towards the trust enterprise.

3) If there are still payments in arrears in respect of the securities issued via the beneficiary, the beneficiary may, by operation of law, be declared to have forfeited all rights arising from the securities in question by the managing trustees in accordance with the provisions on the default of the shareholder, without being thereby released as a debtor from his remaining obligation to perform, insofar as it relates to the

The Board of Trustees is released from any liability or obligation to make additional contributions for the period in which it is the beneficiary of the trust fund.

§ 97

dd) Home assignment and redemption right

1) In the absence of any other trust arrangement, a beneficiary may avoid the obligations arising from the beneficiary status to make further contributions to the trust enterprise, insofar as these are not to accrue to the trust fund, by assigning his alienable beneficiary status in writing to the trust enterprise for the benefit of the reserve fund for balance sheet or accounting losses, whereby his predecessors in the beneficiary status shall also be released from the obligation to make the contributions in arrears from their beneficiary status period.

2) If, according to a certain order, there are claimants by virtue of succession rights, they shall, in the order of their expectant entitlements, after having been notified in writing of the default in payment or of the rejection of a beneficiary or third party in default by the managing trustees or, if applicable, by the other body authorized for this purpose in accordance with the trust order, have the right to redeem this beneficiary or expectant entitlement against performance or, where permissible, against adequate security for the default in payment (redemption right).

3) If the right of redemption is not exercised in accordance with the preceding paragraph, and in all other cases, the spouse, the redeeming party, or the person who is the beneficiary of the right of redemption may exercise it.

The beneficiary's partner or descendants and, if several beneficiaries cannot agree, as instructed by the Office of Justice.

ee) Assertion of rights

§ 98

aaa) Rights of the beneficiaries

1) Beneficiaries and prospective beneficiaries may, within the scope of their rights under the trust regulations and the law, individually or in groups or all together, demand that the trust enterprise and the trustees or other persons obligated for this purpose comply with or fulfill their rights and, for this purpose, also take protective measures.

2) Individual beneficiaries or groups of such beneficiaries or all of them together, as well as members, may otherwise assert their claims against third parties only to the extent provided for by law or if third parties themselves have undertaken an obligation towards them or have committed an unlawful act.

3) A security deposit may be requested from the defendant in accordance with the provisions governing actions for annulment in the case of persons belonging to associations.

4) By the trust order, trustees or third parties can be exclusively entrusted with the

The trustor shall be authorized to safeguard the rights arising from the beneficial ownership or the expectancy vis-à-vis non-beneficiaries, unless the assertion of the rights of the beneficiaries among themselves comes into consideration or the interests of the trustor do not conflict with the rights of the beneficiaries.

§ 99

bbb) Rights of the trust enterprise

1) The beneficiaries and prospective beneficiaries may, individually or in groups or all together, demand on behalf of and for the benefit of the trust enterprise that the trustees or other persons or bodies obliged to do so comply with the provisions, in particular fulfill their fiduciary duties in accordance with the law or the trust instrument and repeal any inadmissible measures, or violate the rights of the trust enterprise.

The Board of Trustees shall take immediate safeguarding measures in the event of acts or omissions of the trust enterprise that jeopardize the trust enterprise.

2) If the trustees fail to assert a claim of the trust enterprise against participants or third parties, of which they are aware, whether due or not, but which is at risk, in particular a claim for disturbance or deprivation of possession or ownership of the trust property, in a manner which is dutiful and in accordance with the circumstances, In addition, individual beneficiaries or groups of beneficiaries or all of them together may, in the absence of other instructions, request the defaulting trustees to assert the claims themselves or have them requested by the Office of Justice within a reasonable period of time, after the expiry of which, or in the event of insufficient assertion by the trustees, the relevant beneficiaries may assert the claims on behalf of and for the benefit of the company.

3) The provisions on the provision of security in the action for destruction shall apply mutatis mutandis in favor of the defendant.

§ 100

ccc) In the case of an organization

1) Where an organization of beneficiaries is provided for and carried out in the trust order or ordered by the Office of Justice, the powers of the beneficiaries may be asserted in accordance with such organization and subject to any minority rights and such rights as are vested only in individuals, in particular vested rights such as conspicuous returns or the like.

2) The organization, as well as any minorities in an official procedure, in which they must be represented by statutory or other representatives, shall enjoy party and procedural capacity, insofar as they are not otherwise already entitled to this.

3) Resolutions passed by a meeting of beneficiaries, including those entitled to preferential treatment or the like, convened on the basis of such an organization, may be contested by the parties concerned or set aside ex officio in accordance with the provisions governing the contestation of resolutions of the supreme body under the general provisions governing the persons of the association, in particular if they are unlawful or immoral or dangerous to the state.

4) Furthermore, resolutions may be challenged in the same manner if they are contrary to the interests of the trust enterprise, of the entirety of the beneficiaries or of a particular class of such, such as the preferential beneficiaries, and are only likely to harm a minority or individuals.

5) The relevant procedure shall be carried out in an expedited manner by the competent authority.

§ 101

ddd) Exceptions, etc.

1) The provisions on the assertion of rights in the event of the existence of an organization shall not apply if the certificate holders cooperate by operation of law in accordance with the provisions on the community of creditors in the case of bonds or if, in the case of trust enterprises with charitable or similar purposes, the interests of the beneficiaries are safeguarded by the representative of public law.

2) If, in the case of fiduciary undertakings, beneficiaries other than persons (companies or individuals) exist, any person other than the representative of public law may, with the consent of the Office of Justice, demand their fulfillment in accordance with the purpose or object of the undertaking (impersonal beneficiary).

e) List of beneficiaries

§ 102

aa) Duty of leadership and insight

1) If the trust is not linked to a bearer instrument or if the determination of the beneficiaries is not left to the discretion of the trustees, other bodies or third parties, or if there is no other trust enterprise with a charitable or similar purpose with indeterminate beneficiaries, or if there are no impersonal beneficiaries, If there is no other trust enterprise with a charitable or similar purpose with indefinite beneficiaries, or if there are no impersonal beneficiaries, the managing trustees shall, in particular in the case of family trusts, in the absence of other bodies obliged to do so under the trust regulations, keep a register of the specific beneficiaries or living expectant beneficiaries and keep it continuously updated.

2) Any person entitled may inspect and copy the register in good faith and at his own expense, either at the offices of the persons obliged to keep the register or at the office of

of Justice, provided that it is deposited there for inspection, during normal business or official hours.

3) If the list is not deposited with the Office of Justice for inspection, a beneficiary may, at his own expense, request a certificate (certificate of beneficial ownership, certificate of entitlement) from the person required to keep the list in order to prove his right to the beneficial ownership or entitlement.

4) If the certified right has lapsed or changed, such a certificate shall be returned, if necessary for rectification, to those obliged to keep the register.

§ 103

bb) Registration

1) The list shall contain in particular: Surname, first name, place of residence, if possible also the date and place of birth if no securities have been issued, or the company (name) and registered office of the beneficiaries, if applicable of the living prospective beneficiaries, including the same information on their joint representative, if any, the date of acquisition or loss of the beneficiary status or of the prospective beneficiary status, the type of beneficiary status and the like.

2) In the absence of other instructions, the registration of a transfer of beneficial ownership or entitlement shall be made on the basis of a certificate of correct transfer, in the case of inheritance on notification of the heir, legatee, executor or administrator of the estate or the probate authority, and in the case of dissolution of a company or legal entity on notification of other successors in title or the liquidators or the insolvency administrator.

3) In case of refusal of registration, it shall be carried out in case of important reasons at the request of the persons entitled thereto in accordance with the order of the Office of Justice.

§ 104

cc) Effect

1) As soon as such a register has been created, only the person who is entered in the register shall be deemed to be entitled to exercise the rights and obligations arising from the beneficial ownership or the entitlement vis-à-vis the trust enterprise.

2) Legal acts performed by the trust enterprise vis-à-vis the transferor or vice versa by the latter vis-à-vis the trust enterprise with regard to the beneficiary relationship prior to the registration of the transfer must be accepted by the transferee.

3) For the amounts in arrears from the beneficiary relationship at the time of registration

benefits, the transferor and the transferee are jointly and severally liable.

4) The trustees or other persons obliged to do so shall be liable without limitation and jointly and severally for any damage caused by inadequate maintenance of the register or by unjustified refusal to register in accordance with the provisions on liability.

2. Determination of beneficiaries

a) In case of insufficient or defective arrangement

§ 105

aa) In general

1) In the absence of any other trust arrangement or if for any reason the provisions on the beneficiary cannot be expediently implemented, in particular if the rights arising from the beneficiary are not transferred or not fully transferred to the persons (companies or associations) intended as beneficiaries in one direction or another, or are not accepted by them, it shall be presumed in the case of trust undertakings other than charitable ones or similar, that the settlor alone has the right to the beneficial interest during his lifetime and, unless the settlor otherwise directs by inter vivos disposition or upon death, that the legal heirs alone have the right of succession to the beneficial interest, in particular also to the estate, in accordance with their right of inheritance (presumed beneficial interest and presumed succession).

2) If the settlor was obliged to establish a trust on the basis of a gratuitous contribution of property by a third party, or if a beneficiary was acquired only under these conditions, it shall be presumed, in the event of a lacking or defective arrangement, that this third party, beneficiary owner or his universal successors, respectively, are presumed successors (presumed beneficiary in case of indirect trust).

3) If beneficiary rights are to be granted to persons other than natural persons, in the event of the termination of the company or association, the further determination of the beneficiaries shall be governed, in the absence of any other provision, by the provisions on the transfer of membership as a result of the dissolution of companies or associations in the case of registered cooperatives.

4) If in the trust articles a charitable, benevolent or similar purpose is stated in general terms without further specification of the manner in which it is to be fulfilled, either alone or in addition to other purposes, the government shall, upon application by interested parties or upon notification by other authorities or on its own initiative, order in the administrative procedure, if possible within the meaning of the trust articles, the necessary measures for the implementation of this purpose stated in general terms only.

bb) Rules of interpretation, etc.

§ 106

aaa) With regard to the beneficiaries

1) The following rules of interpretation apply with respect to beneficiaries:

1. If children of a particular person are designated as beneficiaries, they shall be understood to mean the descendants of that person who are entitled to inherit, and the spouse or registered partner shall be understood to mean the surviving spouse or surviving registered partner, if and as long as he or she has not remarried or entered into a registered partnership.

2. A person's estate, heirs, legal successors, family, relatives, next of kin or the like shall mean the descendants entitled to the inheritance and the surviving spouse or surviving registered partner, if and as long as he or she has not remarried or entered into a registered partnership, and, in the absence of such persons, those persons (companies or associations) who are entitled to the inheritance.

The following persons are entitled to inherit the estate of the other person.

2) A claimant who was not yet alive at the time of the transfer of the beneficial ownership from the previous owner to the person initially appointed in accordance with the law or the trust instrument (successor case), but who had already been created, shall be deemed to have been born before the successor case.

3) The rules of interpretation of the law of succession concerning the heirs and, if applicable, the legatees shall be applied in addition.

§ 107

bbb) With regard to the beneficiary shares

1) With regard to the beneficiary shares, the following applies in case of doubt:

1. If the trust property falls to the descendants entitled to inherit and to the surviving spouse or registered partner as beneficiaries, the legal succession shall apply in all other respects, but if other heirs are designated as beneficiaries, it shall fall to them in accordance with their entitlement to inherit;

2. if other persons who are not entitled to inherit are designated as beneficiaries without a more detailed designation of their share, they shall be entitled to the trust property in equal shares;

3. If a beneficiary ceases to exist, e.g. as a result of the predecease of the settlor, rejection by the beneficiary, revocation of the beneficiary or the like, this share shall accrue to the remaining beneficiaries in equal shares.

2) If descendants entitled to inherit, a spouse or registered partner, parents, grandparents, siblings are the beneficiaries, the trust property shall accrue to them even if they do not accept the settlor's inheritance.

3) If a trust benefit order is expressed in doubtful terms, it shall be construed in such a manner as to allow the benefit to be exercised as freely as possible.

4) The rules of the law of succession on the interpretation of inheritance shares and, if applicable, of contracts shall apply in addition.

b) Special succession rules for family trust companies

§ 108

aa) In general

1) The trust instrument or a body authorized for this purpose may provide for a permanent succession to the possession of the trust property or parts thereof, with or without an obligation to compensate the respective beneficiary owner to the excluded relatives equally close or the like, in such a way that neither the first-born from the older line of relationship of the settlor or another person, nor the youngest from the youngest line, nor the person who is closest to the settlor or another person, may be entitled to the trust property.

The beneficiary of a trust shall be the next of kin in degree of the last beneficiary owner with the preference of the eldest or youngest among several relatives of the same degree or, irrespective of the line and the degree of relationship to the last owner, the eldest or youngest of the whole family or another person shall be entitled to succeed the settlor or other persons in a similar manner (fideicommissarial trust).

2) Apart from the order of succession, special provisions may still be made concerning the ability to succeed, reserving the provisions concerning the revocation of the benefit.

3) The special order of succession, including any special ability to succeed to the trust property, may be reserved or noted in accordance with the provisions on the restriction of the alienation of trust property.

4) In the case of family trusts with a special order of succession, including any special ability to succeed, no securities may be issued in respect of the beneficiary as a whole, but they may be issued in respect of individual claims already due.

§ 109

bb) Rules of interpretation

1) In the case of the first-born right from the older line of relationship, which order of succession is presumed in case of doubt, the younger line, in the absence of any other order, only becomes a trustee after the older one has expired, so that, for example, the brother or sister of the last trustee must take precedence over his or her descendants.

2) If the trust instrument appoints the person who, to the extent of either the trustor

or the first acquirer of the beneficial interest, if the trust property is intended for a family other than that of the settlor, or is the closest relative of the last holder of the beneficial interest, then, in case of doubt, the closeness in degree to the last holder of the beneficial interest shall be taken into account more than the closeness in degree to the settlor or the first acquirer, and among several relatives who are equally close in degree, the higher age shall be decisive.

3) If it is stipulated that the trust property shall always go to the next of kin, this shall in case of doubt be understood to mean the person who, according to the usual legal succession, is the next of kin of the settlor or of the person in question.

is (inheritance trust), and between several equally close relatives the benefit is shared, and the rules on the division of benefits apply in a supplementary manner.

4) In the absence of any other trust order, there is no preference for male over female descendants and the renunciation of a trust beneficiary or claimant acts only for his person, but not against other persons or his descendants.

5) In all other respects, the rules of interpretation shall apply mutatis mutandis in the event of insufficient or defective arrangement.

§ 110

cc) In the case of multiple family trusts

1) If special trusts or other trusts have been established by the same or different settlors for several lines of the same family, so that, in addition to a family trusteeship for the first-born line, one or more trusteeships exist for subsequent lines, If, in case of doubt, the owner of the trust from the first trusteeship and his descendants shall not be entitled to the benefit of another trusteeship until there are no descendants in the other lines entitled to the benefit of the trust, and the various beneficiary estates shall remain united in one person only until two or more further unprovided lines come into existence.

2) If, in the case of several trusteeships endowed in this way with an order of succession, the second line dies out, then, in the absence of any other order, the settled trust property shall revert to an appointed, unsettled line and, in the absence of such, to the first line and shall remain there united with the settlor until further lines have arisen.

3) In the absence of any other arrangement, several lines have come into existence only when the head of the line to which the trust property of the extinct line has passed has died leaving several descendants capable of succeeding.

c) Right of proposal and bestowal (Treugenusspatronat)

§ 111

aa) In general

1) The determination of the acquisition (conferral) or loss of the benefit and of the beneficiaries entitled thereto, if any, may be left to other bodies or third parties (collators) in accordance with the trust instrument instead of to the discretion of the trustees, if necessary with appropriate application of the rules of interpretation in the event of insufficient or defective arrangement; if necessary, the invitation to apply for the benefit or the like may take place.

2) The trust instrument may, to the exclusion of third parties involved, contain a right or, with their consent, an obligation to propose the persons to be considered for the granting of the benefit.

(companies or persons belonging to associations) to the trustees, other bodies or third parties (trust patronage).

3) In case of doubt, the persons entitled to propose the award or the persons obliged to do so (presenters), as well as the trustees, if other bodies have the right to award, shall also have the duty or the corresponding right to supervise the award and to take relevant measures regarding the correctness of the award and the execution of the benefit.

§ 112[1487]

bb) Public tender

If a public invitation to apply for the trust fund is published in the Liechtenstein national newspapers or another announcement or the like is made by the trustees or other bodies that best serves the purpose, it shall contain in particular: the object of the trust fund, the obligations of the beneficiaries that may be attached to it, the group of persons appointed in accordance with the trust fund regulations with as precise a designation as possible, as well as an indication of the date by which the application or the like must be submitted in the event that the application is otherwise excluded from the advertising.

§ 113

cc) Effect

1) The granting of the trust benefit shall take effect from the date of notification to the beneficiary.

2) However, the trust income may only be handed over after the expiry of the period of one month for the legal or otherwise admissible challenge since the award or after the decision has become final, unless important reasons justify an exception.

3) If, as a result of a challenge to the award of the trust fund, another applicant is designated as the beneficiary, the trust enterprise shall have a claim for enrichment in favor of the trust fund for balance sheet or accounting losses against the person who may have wrongfully received the trust fund.

4) If such proposing or awarding bodies or third parties fail to exercise their authority or duty in a timely manner, they shall pass to

In the case of trusts with a charitable or similar purpose, at the request of the representative of public law, after the Office of Justice has set a reasonable time limit for the individual case and in the absence of any other order, the trust shall automatically pass to the Office of Justice, which may, if necessary, proceed in accordance with the provision on the identification of beneficiaries (substitute proposal and substitute award).

5) In all other respects, the provisions on the withdrawal of the right of nomination in the case of the appointment of trustees shall apply mutatis mutandis to the withdrawal of the right or the obligation to grant a beneficiary or to nominate a beneficiary, as well as the relevant provisions on damages.

d) Securities on the trust beneficiary

§ 114

aa) In general

1) Rights and obligations of beneficiaries (certificate holders, certificate holders) may, by express order, be attached to the ownership of a security, such as an ordinary or preferred trust certificate, beneficiary certificate, supplementary certificate, bonus certificate, interim certificate, voucher, deposit certificate or similar class or type of security, The same shall apply, in the absence of any other provision, mutatis mutandis to the provisions relating to securities and, if they embody membership rights, also to those relating to membership securities under the general provisions relating to association securities.

2) If the trust instrument provides for the issue of securities without specifying whether they are to be in registered form or to order, or if the beneficiaries are obliged to make recurring payments or to assume liability or make additional contributions, only securities in registered form and transferable with the consent of the trust enterprise may be issued.

3) The securities may not be designated in a manner which, in the absence of the legal requirements, could lead to confusion with securities without contributions or other obligations to the trust enterprise, with another form of enterprise or with the securities issued thereunder or with other securities such as shares, profit participation certificates or other securities.

shares, bonds or the like or may otherwise lead to deception.

4) Securities on trust may be issued domestically by organizing a public subscription of benefits to the trust enterprise only in compliance with the provisions on the obligation to issue a prospectus in the case of bonds and, moreover, only with the consent of the Office of Justice.

5) By ordinance, the Government may restrict or prohibit the issuance of securities on preferential terms in accordance with the regulations existing for securities.

§ 115

bb) Application to the register of trustees

1) In the case of trust enterprises subject to registration or voluntarily registered, the authorization to issue securities in accordance with the trust ordinance must be filed with the register of trustees, accompanied by an extract from the same and a form of the security, an extract of which must be entered in the register of trustees and published by the Office of Justice.

2) If applicable, the application to the trust register must also state whether the securities denominated in a certain nominal amount and assessing a contribution to the trust fund may be issued above or below the nominal amount, if necessary also successively.

§ 116

cc) Consequences of irregular output

1) If securities have been issued in violation of the provisions of the law, the Office of Justice may, within three years from the date of the issue that took place, at the request of interested parties, in particular subscribers or purchasers, or ex officio, proceed against the issuers with the coercive means permitted in extrajudicial proceedings, designate in a public announcement the securities and, if applicable, also the relevant provisions of the trust order as null and void.

2) Furthermore, the issuers and all those who participated in the issuance are liable to the bona fide certificate holders for any damage without limitation and jointly and severally.

dd) Form and content

§ 117

aaa) In general

1) In the absence of any other arrangement, the security certificate shall, as far as possible, be denominated in a proportion of the relevant trust property, such as a proportion of the income or of the assets, or both, and in the case of several beneficiaries, equal proportions shall be assumed in case of doubt.

2) Retrieved

3) The document issued on the benefit shall be considered as evidence.

§ 118

bbb) Special information

In addition to the express designation as "security", the security certificate shall also contain the specific rights arising from the beneficial interest, if applicable with reference to the relevant provisions of the trust instrument, the number of securities issued in each case and, in addition, the following, if applicable:

1. in the case of registered securities, the transfer of which is subject to the consent of the Company, participants or third parties in accordance with the law or the fiduciary duty, the inclusion of the relevant information in the share register.

provisions and the requirement of such a transfer in accordance with the trust order;

2. if different classes of securities are issued to the beneficiaries, the indication of the different classes of ordinary or preferred securities, as well as the designation of the class to which the security itself belongs;

3. if the trust beneficiaries are obliged to make recurring payments as trustors in the case of registered or order securities, or if the certificate holders are liable or obliged to make additional contributions, the determination of this obligation and the scope of the payment;

4. the amount of any partial payments made to the trust fund and, as far as possible, the outstanding balance on any security that has not been fully paid, as well as the consequences of default in the payment of the balance or recurring payments;

5. if the signing of the security document in the trust instrument is subject to the observance of a certain form, the indication of these form requirements and the signature of at least one managing trustee or another representative authorized to do so, delivered in person or otherwise produced in a customary manner.

3. Identification of beneficiaries

§ 119

a) In general

1) Beneficiaries whose whereabouts, lives or names are unknown or uncertain may be summoned by the Office of Justice by summons at the request of the managing trustees or other interested parties.

2) For the unknown or uncertain beneficiaries, an official trustee shall be appointed at the expense of the trust property after consultation with the managing trustees in accordance with the provisions of the Code of Civil Procedure on the trustee in civil proceedings, unless a counsel or similar legal representative has already been appointed for some of them.

§ 120

b) Call content

1) The summons shall be issued by means of a public announcement, which, at the discretion of the Office of Justice, may also be published in foreign newspapers or in any other suitable manner, in accordance with the provisions on missing persons proceedings.

2) The notice shall state the relevant circumstances, such as the name and registered office of the trust enterprise, the date of establishment, the surname, first name and place of residence, or the name and registered office of the settlors, as well as the beneficiaries initially appointed, and the like, and shall contain a request to the Office of Justice or the trust enterprise or the officially appointed or other trustee to disclose appointed but unknown or uncertain beneficiaries.

3) The notice shall also contain, as far as possible, what will happen to the beneficiary after the expiry of the specified time limits if the beneficiary does not come forward within one year of the notice or proves his disputed entitlement in a legally binding manner within a further year of the dispute, such as the threat that, until better beneficiaries come forward, others will be appointed to receive the beneficiary without the obligation to reimburse them or the beneficiaries will be transferred from the managing trustees to the reserve fund for the benefit of the reserve fund for the benefit of the reserve fund for the benefit of the reserve fund for the benefit of the reserve fund for the benefit of the reserve fund, that until better beneficiaries come forward, others will be appointed to receive the beneficiary without the obligation to reimburse, or that the beneficiaries will be declared forfeited by the managing trustees in favor of the reserve fund for balance sheet or accounting losses, or that, if necessary, the trust enterprise will be dissolved or its purpose or organization will be changed.

4) If securities have been issued, the relevant request may not be made until five years have elapsed since the last subscription or other exercise of the entitlement to the securities in question, with the warning that the latter may be declared forfeited.

§ 121

c) Declaration of expiry

1) If benefits are to be declared forfeited after the investigation procedure has been carried out, this can only be done without prejudice to any obligation on the part of the beneficiary to make contributions or to assume liability or to make additional contributions up to the date of the prompt announcement and prior to the date on which the beneficiary is required to make such contributions or additional contributions.

In the case of a claim for enrichment of a beneficiary who subsequently reports himself, the claim shall be retained within the limitation period of three years from the date of the declaration of forfeiture against the person who has been enriched as a result of the forfeiture.

2) The trust enterprise shall not be liable for any obligations associated with the benefits declared to have lapsed and, in the case of any benefits still outstanding for the trust fund, shall reduce the latter accordingly without liquidation.

3) If, on the basis of the investigation procedure, all benefits are declared forfeited at once or gradually in favor of the reserve fund for balance sheet or accounting losses or of the trust enterprise, the rule established in the case of the gradual distribution of the assets concerning the accrual of all benefits to the trust enterprise shall apply mutatis mutandis.

4) The provisions on the invalidation of securities and special provisions of law and trust regulations shall remain unaffected.

4. Disposal, encumbrance and transfer

§ 122

a) In general

1) Unless otherwise provided for in the case of family trusts with or without a succession plan or in the case of other trusts, e.g. if the trust is not alienable, or if the content of the benefit is changed by transfer to another party, the benefit as a whole and individual rights and obligations arising from the trust property, including those arising from the expectancy, are alienable, transferable and inheritable, and the benefit and individual rights arising therefrom may be encumbered with limited rights in rem and included in compulsory execution and insolvency proceedings in accordance with the provisions governing the creditors of the beneficiaries.

2) Even if, according to the trust instrument, the beneficiary as such is inalienable or non-transferable, individual due claims may, subject to inalienability, be alienated or encumbered and transferred by legal transaction in the absence of any other order.

3) The transfer of the beneficiary as a whole or of individual rights shall be effected, in the absence of any other provision of the law or of the trust instrument or as long as no securities have been issued, in accordance with the provisions on the assignment of claims and, if obligations are also associated with the beneficiary, in accordance with those on the assumption of debts, if applicable in accordance with the provisions of the matrimonial property law or the law of succession or the like.

4) In order to be effective vis-à-vis the trust enterprise, the managing trustees must be notified in writing by the assignor or assignee or by the encumbering beneficiaries or the usufructuary, pledgee or the like in the case of assignment or encumbrance with limited rights in rem, and the managing trustees must give their written consent in the case of assumption of debt, unless otherwise instructed.

5) If securities have been issued on the beneficiary, the assignment or encumbrance shall be made in accordance with the provisions applicable to securities in the absence of any provision of the law to the contrary.

§ 123

b) If other consent is required and its replacement

1) Any other consent to the transfer of the rights arising from the beneficiary status by the managing trustees, other bodies or third parties shall only be required if the law or the trust instrument so provides.

2) If the transfer is permissible at all, the consent to the transfer may, for important reasons, be replaced by the Office of Justice at the request of the beneficiary, the executor, the trustee of the estate, the heirs of the legatee, in the case of acquisition as a result of matrimonial property rights or in compulsory execution or insolvency proceedings, provided that a trust benefit or expectancy is subject to these, applying mutatis mutandis the relevant provisions for the transfer of a share requiring consent in the case of limited liability companies.

3) Except in the aforementioned cases, the consent may also be granted or replaced for important reasons at the request of the beneficiaries by the Office of Justice after hearing the managing trustees or, if applicable, other bodies and any other legally interested parties.

5. Organizational

§ 124

a) In general

1) An organization exists among the beneficiaries and prospective beneficiaries or for individual groups (classes), such as ordinary or preferred trust beneficiaries only to the extent provided for by the trust instrument or the law.

2) The exercise of the rights of beneficiaries or groups of such may be transferred by the trust order to a special body, such as family or beneficiary council or family caretaker or family committee, whose members shall be subject to the principles of the order and to whose decisions or orders the participants may be bound mutatis mutandis in accordance with the provisions governing decisions of the supreme body in the case of associates.

3) In the absence of any other provision, the provisions on the application of the community of creditors in the case of bonds to the holders of securities having the same legal status as the trust company, the creation of a special organization by the beneficiaries for the purpose of safeguarding rights among themselves, the provisions on family unions and on compulsory cooperatives shall remain reserved.

b) Involvement for consultation

§ 125[501]

aa) In general

1) If the trustees are permitted to act in their discretion, they shall be liable even in the absence of a

Such organization shall have the power to convene, or cause to be convened by the Office of Justice, in accordance with the provisions governing the supreme governing body, all beneficiaries and beneficiaries, insofar as their rights are concerned in any particular case, at the expense of the trust estate, for the purpose of deliberating upon the dispositions to be made by the trustees, unless their views can be obtained at a universal meeting or in writing by circulation.

2) At the request of relevant beneficiaries or ex officio, the Office of Justice may summon them to a meeting in the bidding procedure, announcing the items to be discussed and the time and place of the meeting, In the absence of any other trust order, it may, at the request of the parties or ex officio, appoint an official trustee at the expense of the trust property to safeguard the rights of the unknown or uncertain beneficiaries, whose legal acts shall, in case of doubt, require the approval of the Office of Justice in the same way as an advisory board in guardianship matters.

§ 126

bb) In the case of special classes of entitlements or obligations

To the extent that different classes of entitlements or obligations, such as ordinary or preferential privileges with or without securities, exist thereover, the legal relationships of the beneficiaries belonging to the class in question may be affected,

special meetings are held and resolutions are passed by applying the above provisions mutatis mutandis.

§ 127

cc) Deposited proposals

1) Meetings may also be replaced by the adoption of relevant resolutions as the opinion of the relevant beneficiaries by means of a signed consent to a proposal deposited with the trustees or elsewhere.

2) The relevant notice or other announcement shall also contain details of the proposal, the place of deposit, the date by which the signature of consent may be given and the date after which it may be replaced by the accession of the official trustee for unknown or uncertain beneficiaries.

c) Family closures

§ 128

aa) In general

1) The affairs of the trust enterprise may, insofar as they are not the responsibility of the trustors or of another governing body or other bodies, or insofar as the law does not require it, be dealt with by the trustors or by another governing body or other bodies.

The beneficiaries of a trust may, unless otherwise provided for in the articles of incorporation or the trust instrument, enter into family contracts as concurrent and binding declarations of beneficiaries or vested rights, without there having to be a specific order of succession to the trust property or a relationship among the beneficiaries.

2) In the case of binding family agreements, the following provisions shall apply, unless the trust instrument or a binding family agreement provides otherwise, or if not all the beneficiaries of the trust, including all the prospective beneficiaries, or their representatives, agree to a family agreement at a general meeting or by circular letter in accordance with the relevant provisions on consultation and, in addition, in accordance with the provisions on the adoption of resolutions by the supreme body under the general provisions on legal entities, if necessary separated according to categories of beneficiaries.

3) The fact that there is only one beneficiary shall not preclude the conclusion of such family agreements, which, in the absence of any other order or approval by the Office of Justice for important reasons, must be unanimous.

4) The persons entitled to file a petition for the conclusion of a family agreement are, within the framework of the Trust Ordinance and the law, the managing trustees or a majority of the other trustees or one-fifth of all eligible voters, as well as the Office of Jus- tice, unless the Office of Jus- tice proceeds ex officio for important reasons.

5) The right to amend the organization or the purpose in accordance with the regulations established for family foundations ex officio is also reserved.

§ 129

bb) Convening, filing with the register of trustees, etc.

1) The persons entitled to participate shall be convened by enclosing a copy of the draft family agreement, in case of doubt by the managing trustees by registered letter, unless the law or the Office of Justice orders otherwise.

2) In the case of trust enterprises entered in the register of trusts, a draft of the family agreement must be submitted to the Office of Justice together with a list of all beneficiaries to be included, unless the family agreement has been adopted at a universal meeting held without notice, or the Office of Justice proceeds on its own initiative.

3) After the resolution has been passed and, if applicable, approved, the prescribed notification shall be made, enclosing an extract on the change in the registered facts and circumstances, insofar as registered trust enterprises have been changed as a result.

4) Insofar as notifiable facts and circumstances in the case of unregistered fiducia-

If a change is made to a company, the relevant notification must be made to the Office of Justice.

§ 130

cc) Right of participation

1) All beneficiaries and prospective beneficiaries or their representatives with written power of attorney shall be entitled to participate in the meeting insofar as their rights or obligations are affected, if they prove their entitlement by public deed or by a deed issued by the managing trustees or by another competent authority or, finally, by an entry in the list of beneficiaries kept by the trust enterprise or by a certificate thereof, or if all other beneficiaries who have appeared for the adoption of the family resolution and the trustees recognize them as entitled to participate.

2) If there is no reason to assume that there are other beneficiaries entitled to participate besides the known and convened beneficiaries, the written assurance of the managing trustees that other beneficiaries to be considered are not known shall suffice, otherwise the family resolution may only be passed after the beneficiaries whose life, residence or name is unknown or unknown have been excluded by way of the bidding procedure with their objection, unless an official trustee has been appointed for them at the request of the parties involved or ex officio.

3) If an objection is raised against the entitlement to participate in the family contract by means of written notification to the trust enterprise, the latter shall request the person against whose participation the objection is raised in writing to prove the entitlement to participate on an accelerated basis within one month of receipt of the request by raising the action against those who dispute the entitlement, failing which the family contract established without his involvement shall be incontestable for him.

4) A voting member may not participate in a family meeting nor exercise a right to vote on behalf of another for the same reasons for which a member is excluded from voting at a meeting of the supreme body and, in addition, when his or her particular rights and duties are involved.

§ 131

dd) Bidding procedure (official announcement)

1) The determination of unknown or uncertain beneficiaries shall be made in accordance with the provisions governing the determination of beneficiaries, except as otherwise provided herein.

2) In addition to the subject matter of the family agreement, the public announcement shall include

The notice shall also contain the request that the relevant beneficiaries may object in writing to the trust enterprise to the wording of the family agreement or to the entitlement to participate therein within a specified period of at least one month from the date of the notice, failing which they shall be excluded from objecting and the family agreement shall be legally binding for them.

§ 132

ee) Drafting and approval of resolutions

1) The family contract shall be drawn up in a public document or in a document signed by all participants or official trustees.

2) The establishment of a family union in this form may not take place until the preceding provisions have been complied with, the relevant time limit has expired, and, in the event of an action being brought in due time, a final decision has been rendered as to the right to participate, unless in the latter case a special trustee has provisionally participated in place of those whose right to participate is disputed.

3) In the absence of any other fiduciary order, the conclusion of a family shall require the approval of the Office of Justice if an official fiduciary has participated on behalf of unknown or uncertain beneficiaries or claimants, or to the extent that the law itself requires approval for acts of legal or otherwise officially appointed representatives.

§ 133

d) Forced cooperative

1) In the absence of a fiduciary order to the contrary, the Office of Justice may, in the event of lack of or inadequate orga- nization, for important reasons, such as

in particular for the joint safeguarding of rights, at the request and expense of participants, establish a compulsory organization for all beneficiaries or certain groups (classes), applying mutatis mutandis the provisions on small cooperatives.

2) Prior to the establishment of the cooperative, the applicants, the managing trustees and the relevant beneficiaries or, in the case of unknown or undetermined beneficiaries, a trustee appointed by the registry office shall be heard as far as possible, who, if necessary, may be appointed after the issuance of a summons stating the purpose of the summons to the beneficiaries with the warning that after the expiry of a reasonable period of time the trustee appointed by the registry office may act on their behalf in a legally binding manner.

3) Within the scope of the trust order, the Office of Justice shall be entitled by operation of law and with effect for and against the trust enterprise, participants and third parties to take all measures necessary for the establishment of such compulsory organization, in particular to establish

of the Articles of Association with determination of the obligation to contribute to the costs, to appoint the Board of Directors and any other necessary bodies.

4) Such a compulsory cooperative shall be dissolved or abolished with the approval of the Office of Justice by a resolution adopted by an absolute majority of all the members of the cooperative, or by operation of law upon the cessation of all beneficiaries or the termination of the trust and, unless there are important reasons justifying an exception, without liquidation.

V. Creditors of the parties

§ 134

1. In general

1) In security, execution or insolvency proceedings, the relevant provisions on trusteeship shall generally apply mutatis mutandis within the scope of the law to the legal position of the creditors of the parties as such, in the absence of any other arrangement.

2) A trust enterprise without commercial operation for the purpose of family welfare or public utility or charity may assert its claims against participants as such also in the connection compulsory execution like a ward, irrespective of the other

Position of the trust property in execution against the parties and in their insolvency proceedings.

3) The provisions of the law on avoidance as well as those of the avoidance regulations, the law on gifts or the law of succession shall remain reserved, unless exceptions are provided for.

§ 135

2. Creditors of the trustors

1) If a settlor is unsuccessfully pursued by a creditor other than the trust enterprise or if insolvency proceedings are instituted against him, the promise of a gratuitous benefit by the settlor to the creditors or the insolvency administrator shall lapse in the case of a trust enterprise where the benefit is obtained free of charge by order of the settlor.

2) If the settlor, in his capacity as trustee of a trust established by another person or in execution of an obligation entered into by a third party who has made or promised to make a pecuniary contribution to him free of charge, has procured the gratuitous benefit, the conditions for the expiry of the promise must be met by the first settlor or the third party in question.

3. Beneficiary creditors

a) Indefeasibility (protective trusteeship)

§ 136

aa) In general

1) The creditors of a beneficiary or of a successor beneficiary may not withdraw from the beneficiary the benefit or expectancy acquired free of charge on the basis of the trust arrangement or individual claims arising therefrom by way of security, compulsory enforcement or insolvency proceedings.

2) If, in the case of a trust estate acquired for consideration on the basis of the trust estate, the trust estate contains the provision that the trust estate is inalienable, but may pass by universal succession, or that it may no longer belong to anyone, or that anyone has a claim to the trust estate, the trust estate may be transferred by universal succession, or the trust estate may no longer belong to anyone, or anyone may have a claim to the trust estate.

The beneficiaries of the trust shall not be entitled to the benefit of the trust as soon as they become insolvent, or as soon as they wish to assign or encumber the benefit, or as from such time the trust benefit may or shall belong to the former beneficiary, his spouse, registered partner or If the beneficiary is insolvent or intends to assign or encumber the trust property, or if, from such time, the trust property may or shall be freely conferred by the trustees or other authorities on the former beneficiary's spouse, registered partner or descendants or on other persons, or if there is a similar provision, the trust property shall also not be seizable by the creditors of the beneficiaries or the claimants, subject to the provisions of the law on avoidance, gifts and succession.

3) Benefits received from trust enterprises with a non-profit or charitable purpose may not be withdrawn under any circumstances.

§ 137

bb) Special cases

1) If the claimants have acquired their rights in accordance with the preceding paragraph, but not their predecessors or the current beneficiaries, the rights of the latter, without prejudice to those of the other claimants, may be withdrawn only to the extent that they extend to the period of the relevant right of use.

2) If, in accordance with the preceding paragraph, acquired rights of benefit or entitlement exist only in part, the preceding provisions shall apply mutatis mutandis in the absence of a more extensive trust arrangement.

3) If, as a result of revocation due to breach of trust or as a result of the assertion of claims due to breach of the duty to support or due to the need for support, the beneficiary is transferred to someone other than the settlor, the possible characteristic of irrevocability shall nevertheless continue to exist.

b) Removability

§ 138

aa) Beneficial ownership

1) If the requirements for irrevocability are not met, pecuniary claims arising from the preferential treatment and the preferential treatment itself may be secured in accordance with the following provisions.

The beneficiary may be deprived of his or her rights in the event of insolvency, compulsory enforcement or insolvency proceedings insofar as the beneficiary himself or herself has rights and insofar as and as long as he or she can dispose of them, the status of the rights of others is not called into question and any obligations associated with the beneficiary are assumed by the acquirer in the absence of an order to the contrary.

2) If the trust instrument provides for the delivery of a part of the assets to the beneficiary as a result of the beneficiary's right of termination, dissolution or similar reasons, the creditor or the insolvency administrator may exercise the right of termination in place of the beneficiary and demand the delivery of the part of the assets by applying mutatis mutandis the relevant provisions on termination in the case of registered cooperatives, unless a deviation results from the provision on the redemption sum.

3) If the inalienable benefit acquired on the basis of the trust instrument can only be transferred to another person by way of universal succession, the inalienability shall not prevent the creditor from being satisfied for claims arising from intentional and unlawful damage by the relevant beneficiary.

4) For claims against a beneficiary arising from acts or omissions committed in bad faith and unlawfully, the aggrieved party may seek satisfaction despite the irrevocability of the beneficiary, unless the loss of the gratuitously acquired trust benefit is provided for on some ground or the trust instrument provides otherwise and the assertion of such a claim would prejudice the rights of others or the maintenance of the reasonable subsistence (food, clothing and housing) and the reasonable upbringing of the at-fault beneficiary, clothing and housing) and the proper upbringing of the defaulting beneficiary, his or her non-remarried spouse, his or her non-reinstated partner, or his or her minor or otherwise unprovided-for offspring are not adversely affected by the beneficiary.

5) If the beneficiary who benefits from the inalienability has a family-law support obligation, the relevant beneficiaries may have recourse to the benefit or individual claims arising therefrom for the duration of the support obligation, provided that this does not deprive the beneficiary of the necessary means of subsistence.

6) If the settlor is at the same time the sole first beneficiary, or if he/she has later acquired the beneficiary rights alone for a consideration, without there being any successor beneficiaries

or, as the case may be, if a person alone has acquired all the rights arising from the benefits in return for payment, in the same way

If the special creditor is a sole fiduciary (one-man trust) or not, the provisions on special creditors in the case of a sole proprietorship with limited liability shall apply mutatis mutandis.

§ 139

bb) Eligibility

1) Prior to the accrual of the beneficial interest, an expectant right with a current asset value may only be withdrawn by way of security proceedings, compulsory enforcement or insolvency proceedings if it is alienable and nothing to the contrary arises from the law or the trust instrument or for the beneficial interest, otherwise any contrary disposition thereof shall be null and void.

2) If at the same time a beneficiary estate and an expectancy relating thereto have been claimed by the creditors, the creditor of the beneficiary owner may assert his claims only without prejudice to the rights of the creditors of the beneficiary.

§ 140

c) Right of subrogation

1) If execution is levied on the right arising from the beneficial interest as such, or if insolvency proceedings are instituted against the assets of the beneficiary, a named beneficiary or any other successor beneficiary may, in the absence of any other statutory provision, enter into the trust relationship in place of the relevant beneficiaries with the consent of the owner of the beneficial interest or, in the case of the beneficial interest of the beneficiary who is being enforced, or, for important reasons, with the consent of the Office of Justice in lieu thereof, against reimbursement of the cash value of the beneficial interest in question to the enforcing creditor or the insolvency estate.

2) If there is no successor or named claimant, the same right shall accrue to the spouse or registered partner and the descendants of the beneficiary jointly or individually, in case of dispute as ordered by the Office of Justice.

3) Entry shall be effected by written notification of the persons entitled to entry to the trust enterprise and the creditor or the insolvency administrator; such notification may only be made within one month.

after the beneficiary of the right of subrogation has become aware of the lifting of the compulsory enforcement or the opening of the insolvency proceedings and only as long as the liquidation has not taken place.

4) Retrieved

J. Responsibility

§ 141

I. In general

1) Unless otherwise provided by law, in the case of trust enterprises with commercial operations, the provisions on the responsibility of companies with personality and, in the case of other trust enterprises, the other provisions on responsibility under the general provisions on legal entities shall also apply mutatis mutandis to the trust enterprise, the participants and third parties.

2) Where the law, in accordance with the preceding paragraph, refers to members of associates, it shall instead mean the relevant beneficiaries of the trust enterprise and, where it refers to major shareholders, those beneficiaries with corresponding trust shares.

3) The responsible persons may not, on account of the obligations arising from their responsibility, offset those benefits which they have otherwise provided from the trust enterprise to the trust enterprise or to the person who otherwise has a liability claim arising from the responsibility (no benefit sharing).

4) Unless otherwise stipulated, several responsible parties shall be liable to the claimant without limitation and jointly and severally; they shall bear the damage arising from the responsibility in equal shares and shall also have rights of recourse in the same proportion, but with corresponding offsetting of the benefits received by the individual, insofar as it is not a matter of claims arising from malicious intent.

5) The trust order may, by way of derogation from the provisions of this Act on liability, declare those on liability under the general provisions on association persons to be exclusively applicable, mutatis mutandis.

6) Unless otherwise stipulated by law or by the trust regulations or by the legal relationship in question, members of other

bodies or otherwise acting in accordance with the trust order shall be responsible in accordance with the provisions governing the order.

II. Fiduciary Responsibility

§ 142

1. In general

1) The trustees entrusted with the management of the trust enterprise shall, except in the cases otherwise provided for by law, be obliged vis-à-vis the trust enterprise, other participants and third parties, as far as they are concerned in the individual case, to comply correctly with the law, the trust instrument, resolutions or instructions of competent bodies, third parties, the court or the Office of Justice, and shall be liable for the damage resulting from culpable non-compliance with these obligations (breach of trust) in the same way as the members of the administration.

of a company with personality.

2) The non-executive trustees are responsible for the damage resulting from the inadequate supervision of the executives and, if they have appointed them or employees to manage the company or other bodies or entities themselves, also for the damage resulting from fault in the appointment (selection), as well as for the damage resulting from the inadequate use of the employees.

3) The trustees' liability for gross negligence or willful misconduct cannot be excluded in advance by trust ordinance or resolutions and directives of the competent bodies.

2. Special liability cases

§ 143

a) For co-trustees

1) A co-trustee shall, in the absence of any other order for breach of trust, also be liable in particular for the damage caused by acts or omissions of another trustee:

1. if he entrusts the trust property received to another trustee or allows such a trustee alone to receive it without taking the precautions prescribed or required by the circumstances in the individual case for its faithful administration and use or fails to supervise the trustee adequately;

2. if he becomes aware of an attempted or committed breach of trust on the part of his co-trustee and fails to take the necessary steps, which are reasonable under the circumstances, to prevent the breach of trust or to assert the resulting claims for the trust enterprise or the like.

2) If a trustee has co-signed an acknowledgement of receipt with others in the usual or prescribed manner, but without having received anything himself, and if the receiving trustee has misused what he has received, the co-signer shall not be liable, without prejudice to his obligations arising from breach of the duty of supervision or the like.

3) If one of several trustees alone has received trust property and misused it or otherwise illegally benefited from it, or if a breach of trust has only been committed as a result of the advice of a co-trustee who was appointed as an expert for the company, or if in general only one of the co-trustees alone is at fault, this trustee alone must compensate for the damage in the absence of any other trust arrangement.

§ 144

b) In the case of successor and retiring trustees

1) A trustee appointed after the fact is guilty of a breach of fiduciary duty liable to damages if he or she does not take into account the information known to him or her and derived from a trust established by his or her predecessors

The Company shall be entitled to claim damages from the Company for any breach of trust committed in a manner appropriate to the circumstances and at the expense of the Company.

2) A trustee who resigns from his position shall, if he resigns with the intention that a breach of trust may be committed by his resignation, be liable for the damage resulting therefrom.

§ 145

III. Beneficiary responsibility

1) If co-beneficiaries have induced a trustee to commit a breach of trust or have otherwise committed or consented to such a breach in their simultaneous position as trustees, they shall be liable alone up to the amount of their beneficiary rights, and beyond that jointly with other wrongdoers.

The trust enterprise, however, shall have a statutory lien on the trust property to the extent that it is entitled to claim, unless the trust property has been declared inalienable.

2) This lien on the rights of the beneficiaries does not extend, unless otherwise provided and subject to the right of set-off or retention, to the claims to which the beneficiary is entitled under another trust, even if they are included in the same trust instrument.

3) The provisions on the responsibility of third parties remain reserved.

§ 146

IV. Responsibility of third parties as constructive trustees

1) If a third party acts towards the trust enterprise under deliberate deception that he is authorized to do so as trustee, or if he otherwise interferes in the management of the business without authorization, or if he receives trust property in an unauthorized manner in the specified capacity as trustee or with knowledge of a breach of trust committed by another person, or if he otherwise benefits from the trust property unlawfully or in a manner contrary to good faith, or if in other cases the third party knowingly assists the trustees in committing a breach of trust, he shall be liable in the same way as the trustee and shall be obliged to provide information in the same way as the trustee.

2) Representatives, employees, other auxiliary persons and the like of a trust enterprise shall also be deemed to be third parties.

3) Moreover, a third party acquirer of trust property is not obliged to ensure that his consideration is used in accordance with the law and the trust instrument.

V. Exemption from responsibility

§ 147

1. In general

1) If, despite committing a breach of trust, a fiduciary proves that he or she acted in good faith and, under the circumstances, could no longer obtain the consent of persons authorized to do so, other competent authorities, or the direction of the Office of the Judiciary, the court may

or the otherwise competent official body shall, upon assertion of a claim, determine at its own discretion whether there is an obligation to pay damages and whether other consequences must occur or not.

2) If a trust beneficiary has induced, consented to or assisted a trustee in a breach of trust, the trustee shall not be liable to the relevant trust beneficiary and, if the latter is the sole beneficiary, also to the trust enterprise if the latter is not overindebted.

3) The right is also reserved to waive the claim arising from liability in the event of slight negligence or any discharge on the part of all persons entitled to claim or other bodies authorized to do so, insofar as the creditors of the trust enterprise are not harmed thereby.

2. Limitation

§ 148

a) In general

1) In the absence of any other provision, claims arising from liability shall become time-barred within three years of the time at which the act or omission giving rise to the liability was committed and no longer continues.

2) However, if the claim is derived from a criminal act or omission for which criminal law prescribes a longer limitation period, this shall also apply to the claim arising from liability.

3) As long as a trustee holds the position, the limitation period shall start to run in his favor only if it is a case of slight fault and he no longer possesses trust property or its replacement value from the breach of trust.

§ 149

b) For rights of recourse

Rights of recourse of the responsible parties among each other are subject to the principles of the legal relationship that is decisive in the individual case and shall become statute-barred after the expiry of the above-mentioned periods, which, however, shall only begin to run from the time when one of the co-responsible parties has been held legally responsible.

VI. Safeguarding and preventive measures

§ 150

1. Instruction of the Office of Justice

1) In case of reasonable doubt as to the admissibility of the execution or omission of a specific act to be performed at the present time or as to the interpretation of the trust instrument, such as the segregation of capital and income or the like, the managing trustees may, at the expense of the trust property, with or without the involvement of other parties and stating the facts and circumstances, apply to the Office of Justice for an instruction, compliance with which shall not give rise to any claim against them on account of their responsibility (official instruction).

2) In urgent cases or for other important reasons, this right may be exercised by any trustee and even if the trust instrument provides otherwise.

§ 151

2. Liability insurance and right of refusal

1) The managing trustees are authorized to take out appropriate liability insurance at the expense of the trust enterprise against all obligations arising from their responsibility, insofar as these do not result from gross negligence or intent (trustee liability insurance).

2) Unless the law allows exceptions with regard to instructions from the beneficiaries of the trust, the managing trustees may execute the provisions of the trust instrument, resolutions or instructions of other competent parties, bodies or third parties authorized to do so,

if they violate the law or legally permissible provisions of the Articles of Incorporation and their execution would render them liable in accordance with the provisions set forth herein or otherwise (right of refusal).

§ 152

3. Temporary revision

1) If neither an auditing body nor a special supervisory trust office or the like is prescribed and if the trust instrument does not contain a provision to the contrary, the trustees shall be entitled, without prejudice to the official audit otherwise permitted by law, to have an audit carried out from time to time at the expense of the trust enterprise.

2) This is without prejudice to other measures permitted by law or by the Treu- ordnung.

§ 153

4. Security deposit, etc.

1) The trust order may provide or permit, or the Office of Justice may, after hearing from parties for good cause, order, that trustees may not take office or continue to hold office until they have provided adequate security for the faithful and conscientious performance of their duties and for any claims for compensation at their expense, which security may be provided by promissory bill, surety bond, or the like.

2) If the security is not provided within a reasonable period of time, to be set by the Office of Justice if necessary, it shall be presumed that the person appointed as a trustee or already acting as a trustee does not wish to accept the office or has waived the right to continue to exercise it, in which case any necessary applications to the register of trustees shall be made and claims for damages shall remain reserved.

3) Managing trustees, as well as individual trustees or employees, may, if there are important reasons, also discharge themselves from any further responsibility arising from the administration of the trust assets by, to the extent permissible, transferring the trust assets to the Landesbank at the expense of the trust enterprise or with the consent of the Office of Justice.

transferred to another suitable entity for appropriate administration and use.

4) The above provisions shall apply mutatis mutandis to members of other bodies or offices appointed in accordance with the Trust Order.

K. Official fiduciary monitoring and auditing body

I. Official fidelity monitoring office

§ 154

1. Insertion

1) In the case of trust enterprises without commercial operations, the Office of Justice may, for important reasons, set up a trust monitoring office at the request of the parties involved or of such persons or bodies as have a right to appoint or remove or propose trustees or a right to propose or award trusteeships, or of the universal successors or executors of the settlor who have provided the entire trust fund free of charge for the benefit of others.

2) Such a body may be otherwise appointed by order of the trustor, but the Office of Justice need not make such an appointment in the absence of good cause.

3) A monitoring agency may be appointed, whether or not the otherwise required number of trustees is present.

4) In the absence of any other order, the Landesbank as public trustee shall be taken into account as far as possible when appointing a supervisory body.

§ 155[1537]

2. Suspension

At the request of the supervising trustees or other trustees or parties involved, the Office of Justice may, after examining all the circumstances, in particular if it is the unanimous wish of all the beneficiaries of the trust, or if it appears appropriate for other important reasons and the trust instrument does not stipulate otherwise, abolish the trust supervisory body in whole or in part.

3. Rights and duties

§ 156

a) In general

1) The supervisory body shall have, unless otherwise provided by law or by the trust order, such rights and duties as the Office of Justice may direct at the time of its appointment or subsequently, but at least such rights and duties as the supervisory board has in the case of a joint stock company, and its members shall additionally have the position of additional trustees.

2) In the exercise of their rights and duties, the supervising trustees shall have regard not only to the nature and position of the other trustees, but also to the wishes of beneficiaries to the extent possible, so far as they are consistent with law or trust order or direction of the Office of Justice.

3) Unless otherwise provided for the supervising trustees or unless the purpose of the supervisory body otherwise requires, the provisions relating to the other trustees shall apply mutatis mutandis, but the supervising trustees shall decide by an absolute majority of votes.

b) Relationship with the other trustees

§ 157

aa) In general

1) In relation to the other (managing) trustees, the supervising trustees shall, without prejudice to the rights and duties of other participants or third parties, manage the entire trust enterprise, insofar as

in particular, to supervise the assets, any securities, deeds or the like with the proviso that the other trustees have access to the assets, securities, deeds or the like at any time during normal business hours and may make the necessary copies at the expense of the trust enterprise.

2) The direct asset management activity of the other trustees, the exercise of their powers in accordance with the law or the trust order or the instruction of the Office of Justice shall be preserved for the other trustees.

3) The supervising trustees shall cooperate and do all that is necessary to enable the other trustees to exercise their powers and perform their duties, unless such cooperation is required for a breach of trust or would result in personal liability of the supervising trustees.

§ 158

bb) Participation in the appointment of trustees, etc.

1) The right or duty of the other Trustees to appoint, propose or remove Trustees or the like shall, in the absence of any other order, be exercised jointly with the Supervising Trustees.

2) Prior to the appointment or removal of trustees or similar measures by the Office of Justice at the request of parties or third parties or ex officio, the supervising trustees shall be heard, unless there is imminent danger or the measure is not merely temporary.

§ 159

cc) With regard to trust assets and income

1) The Supervising Trustees shall, without prejudice to the management activities of the other Trustees, as if they were the sole Trustees, take special care that the Trust Property and its income are managed and applied for the intended purpose.

2) In the absence of other trust arrangements, payments out of the trust assets or income shall be made by the supervising trustees, and payments to the trust enterprise shall also be made to the supervising trustees.

3) However, they may permit payments to the trust enterprise to be received by other trustees or third parties without the supervising trustees being liable for any fault of such other trustees or third parties, unless there is a defect in the supervision.

§ 160

4. Responsibility

1) The provisions on the responsibility of other trustees shall apply mutatis mutandis to monitoring trustees, with the proviso that they shall not be responsible for acts or omissions of other trustees or other bodies, unless they themselves are at fault in the monitoring.

2) If the supervising trustees act in good faith on the basis of written information provided by the other trustees or other competent authorities with regard to the identification of beneficiaries and the payment of benefits, they shall not incur any liability, without prejudice to the liability, if any, of the other trustees.

II. Official audit

§ 161

1. Appointment and dismissal of the auditors

1) If there are important reasons, one or more uninvolved third parties may be appointed as auditors by the Office of Justice at the request of the parties involved or the universal successors or executors of the settlor who has made the trust fund available for the benefit of others on an undisclosed basis, or of the trust monitoring office or of creditors of the company who are at risk, or ex officio.

2) Such auditors shall be removed by the Office of Justice upon the unanimous request of all beneficiaries, unless their appointment was ex officio or upon the request of creditors at risk.

3) They may be dismissed for important reasons at the request of the parties involved or other persons who initiated the appointment.

4) In the event of discontinuation before the end of the audit as a result of dismissal, death, bankruptcy or insolvency, or if the auditors are required to perform

If a member of the Board of Directors is incapable of performing his or her duties, or for other important reasons, a successor may be appointed in the same manner as his or her predecessor.

2. Rights and duties

§ 162

a) In general

1) The officially appointed auditors shall have the rights and duties mentioned in the law and all those that the Office of Justice shall order as necessary for the exercise of their position.

2) In the absence of other instructions, the auditors shall audit the entire trust enterprise, in particular the management, the status and investment of the assets and the accounting.

3) All trustees and employees of the trust enterprise shall, if otherwise responsible for the loss, including costs, and in order to avoid dismissal, provide the auditors with information on all facts and circumstances upon request in accordance with the provisions on the duty to provide information.

4) Other parties or third parties otherwise engaged in business who hold trust assets or books or business papers are also obliged to provide information; in the event of refusal, the provisional decision of the Office of Justice may be invoked.

§ 163

b) Audit report

1) The auditors shall, in addition to a clear balance sheet or, in the case of an entity

without commercial operation, in addition to a clear statement of accounts for the trust assets, to submit an audit report with a statement as to whether the management is being carried out in accordance with the regulations, in particular whether the accounts are being kept correctly and whether or not the assets are being invested and managed correctly.

2) The balance sheet (statement of accounts) together with the audit report must be submitted to the Office of Justice and a copy must also be sent by the auditors to those who have applied for an official audit and to the trustees.

3) Any beneficiary may, at his own expense and in accordance with the provisions on the duty to provide information, examine the balance sheet (financial statements) and the audit report during normal business hours, inspect them and obtain copies or extracts, or have them examined or taken by representatives.

§ 164

3. Referral

The provisions on the official audit under the general provisions on association persons shall apply mutatis mutandis in all other respects, in particular also with regard to the costs and compensation of the auditors.

L. Change of trust order, transformation and merger, etc.

§ 165

I. Change

1) The trust order may provide for its amendment including rectification by one or other of the parties or by all of them together or by third parties.

2) With the consent of all the parties concerned, or in accordance with the rules on family unions, the trust instrument may be amended or rectified for good cause, after careful consideration of all the circumstances, with the approval of the Office of Justice, in any case and even then, but in the absence of any other provision of the law or of the trust instrument, the trust enterprise may not be revoked if the amendment is excluded or prohibited.

3) In the absence of other regulations, a mere correction of the trust order may be made by the Office of Justice upon request and after hearing the relevant parties, in particular the managing trustees.

4) The change in the absence of known beneficiaries may only be made subject to the later occurrence of such beneficiaries during the limitation period, if the rights of others may be violated and the trust order does not provide otherwise.

5) If the right to revoke the trust instrument is reserved for a participant or third party, this shall not, in case of doubt, also authorize him to amend the trust instrument, if

unless the Office of Justice for important reasons or the law allows an exception.

§ 166

II. Conversion and merger

1) The trust instrument may provide for the conversion of a trust enterprise into another legal form of enterprise (company or association) or for the merger (amalgamation) with such or another trust enterprise or other trust enterprise without liquidation of the trust enterprise in accordance with more detailed rules, observing the provisions otherwise existing for the other legal form.

2) The conversion of a trust enterprise without personality into one with personality or, conversely, of a trust enterprise of the latter type into one of the former type without any other amendment of the trust articles may, in the absence of any other order, be effected by the managing trustees by operation of law at any time without liquidation.

3) In addition, the provisions laid down for registered cooperatives shall apply mutatis mutandis to the conversion and merger of trust enterprises with liability or obligation to make additional contributions on the part of participants or third parties.

4) Furthermore, the permissible conversion or merger provided for by law as a result of a change in the organization or purpose shall remain reserved.

§ 167

III. Form

1) Unless otherwise provided by law, any amendment of the trust instrument shall be drawn up in writing by the persons authorized to do so, shall be filed by them with the register of trustees by enclosing an extract from the deed of amendment, insofar as it relates to the facts and circumstances entered, and, if necessary, shall be registered and published by the Office of Justice.

2) If the trust instrument of a trust enterprise that is not registered in the register of trustees is to be amended, any amendment to the trust instrument of a trust enterprise that is not registered in the register of trustees

The Office of Justice shall be notified of any amendment to the Act insofar as it concerns notifiable facts and circumstances and the Office of Justice has not been involved or the files are not otherwise deposited with the Office of Justice.

3) The preceding provisions shall be applied accordingly in the event of a merger or conversion, unless the law provides otherwise or the relevant provisions on another form of enterprise apply.

§ 168

IV. Effect

1) The special liability of the assets of the dissolved or amended trust enterprise with a commercial business and of any participants or third parties for the liabilities of the trust enterprise incurred until the amendment, merger or voluntary conversion shall continue to exist for one year from that time and, in the event of the merger, unless the Office of Justice grants exceptions or liabilities do not exist, the assets of the dissolved trust enterprise shall be managed separately and corresponding separate accounting shall be kept.

2) Until such time, in the event of a merger, the assets taken over shall still be deemed to be those of the dissolved trust enterprise in the relationship of the creditors of the dissolved trust enterprise to the acquiring trust enterprise and its other creditors, and execution may be levied against the acquiring trust enterprise and special insolvency proceedings limited to the assets taken over.

3) The trust order may stipulate that the certificate holders are obliged to return their securities to the new corporate form in return for any corresponding claim, otherwise they may lose their rights with or without compensation.

4) The provisions on the expiry of the liability or the obligation to make additional contributions of participants or third parties in the event of conversion or merger remain reserved.

§ 169

V. Withdrawal of approval and annulment

1) If a trustee appointed by the registry office for unknown or uncertain beneficiaries has participated in the amendment, conversion or cancellation and the right of such a beneficiary has been seriously infringed, the latter may apply to the Office of Justice in administrative proceedings for the approval to be declared withdrawn, the approved act to be declared null and void and the former situation to be restored or, if the latter no longer appears possible, the person whose rights have been infringed may claim compensation from the person who has been unjustifiably enriched by the disputed act.

2) The withdrawal and declaration of nullity may only be made after hearing the other participants and shall not affect the validity of the disposition of the trust assets made on the basis of the approval vis-à-vis third parties acting in good faith.

§ 170

M. International law and trust enterprise under foreign law, etc.

1) The provisions of international law under the general provisions on the persons of the association shall, in the absence of any provision of the law to the contrary, apply mutatis mutandis to the trust enterprise, in particular also the provisions on

the representatives.

2) Retrieved

3) Retrieved

4) Retrieved

17. Title

The simple legal community Art. 933

A. Concept and origin

1) If a thing or a right belongs to several jointly to a certain fraction (ideal quota), or if several are entitled to such a thing or to such a right at the same time, without

a special personal relationship exists between the participants by contract (such as a partnership agreement) or by law (such as in the case of community of heirs and community of property), they are subject to the following provisions, subject to the provisions on co-ownership or otherwise.

2) If, on the other hand, there is a personal community among the parties involved, the provisions on joint ownership shall apply accordingly.

3) The provisions on the simple community of law shall apply in addition to all other communities, irrespective of how they came into existence.

Art. 934

B. Shares

1) In case of doubt, it is to be assumed that the partners are entitled to equal shares.

2) Each partner is entitled to a fraction of the fruits corresponding to his share.

3) Each partner is entitled to use the common property to the extent that the joint use of the other partners is not impaired and the law or the contract does not provide otherwise.

4) Each partner can dispose of his share alone, but the partners can only dispose of the common property jointly.

5) A partner is obligated to the other partners to bear the burdens of the common property, as well as the necessary or usual costs of maintenance, administration and common use in proportion to his share or to reimburse the other partner.

C. Manageme

nt Art. 935

I. In general

1) The management of the common property or other right shall be the joint responsibility of the partners, unless otherwise agreed.

2) A partner is entitled to take the ordinary administrative actions and the measures necessary for the preservation of the property without the consent of the other partners, as long as the majority does not decide otherwise.

3) Unless the management and use is regulated by agreement or by majority resolution, each partner may demand a management and use that is in the interest of all partners according to reasonable discretion.

4) A partner may demand the filing of an account, the provision of information and the distribution of the proceeds.

5) The partner is liable for any fault.

Art. 936

II. Regulation

1) In order to order important administrative actions, the consent of the majority of the partners, whose shares together make up more than half, is required.

2) The sale or encumbrance of the object or right, as well as its substantial change or change of purpose, requires the consent of all partners, unless the partners have unanimously decided otherwise.

3) The right of the individual partner to a fraction of the benefits corresponding to his share cannot be impaired without his consent.

4) If the administration and use of the common property or right is governed by a majority resolution or judgment or a deed equivalent thereto, the provision made shall also be effective for and against all special successors, but in the case of rights under land law only if it has been registered.

D. Suspension

I. Requirements

Art. 937

1. In general

1) Any part-owner may at any time demand the dissolution of the community, but not untimely, or if such a dissolution seems impossible by the nature of the matter, as for example in the case of walls on the boundary of two plots of land, in the case of deeds for common use.

2) A legal act may exclude cancellation for a maximum of ten years without judicial approval.

3) If the right to demand cancellation is excluded for good or for a limited period of time, it may nevertheless be demanded subject to the provisions of property law on the division of co-ownership if there is good cause.

4) Under the same conditions, if a notice period is specified, cancellation may be requested without notice.

5) An agreement which excludes or restricts the right to demand cancellation contrary to these provisions shall be null and void.

Art. 938

2. Effect of the exclusion

1) If the partners have excluded the right to demand cancellation for a limited period of time, the agreement shall, in case of doubt, cease to have effect upon the death of a partner or upon the termination of a company or association.

2) If the partners have excluded the right to demand the dissolution of the community in perpetuity or for a limited period of time or have stipulated a period of notice, the agreement shall be effective for and against all special successors, but in the case of rights recorded in the land register it shall only be effective in rem if it has been recorded in the land register.

II. Implementation in the absence of an

agreement Art. 939

1. Division in kind

1) If the partners cannot agree on the type of dissolution, the dissolution of the community shall be effected by physical division if this is possible without a substantial reduction in value.

2) The distribution of equal shares among the partners is done by lot.

Art. 940

2. Sale

1) If the division is excluded in nature, the common property shall be auctioned off publicly or among the co-owners as ordered by the district court.

2) In the case of rights registered in the land register, the action for partition and the judgment may be registered with effect against any successor in title.

3) If the sale to a third party is not permitted due to a prohibition of sale, the object shall be auctioned off among the partners.

4) If the attempt to auction the item is unsuccessful, either party may demand a repetition, but shall bear the costs if the repeated attempt is unsuccessful.

5) The sale of a joint claim is, if individual co-owners

object, only permissible if it cannot yet be collected; otherwise, only collection may be demanded.

Art. 941

III. Debts and rights in rem

1) If the partners are jointly liable for a debt arising from the community, each partner may, upon dissolution, demand that the debt be adjusted from the common property.

2) The claim may also be asserted against the special successors.

3) The division costs are to be borne by the partners in proportion to their shares.

4) If the sale of the common property is necessary to correct the debts, the sale shall take place.

Art. 942

IV. Claim of one shareholder against another

1) If a partner has a claim against another based on the community, he may, upon the dissolution of the community, demand the adjustment of his claim from the share of the community property attributable to the debtor, in which case the last two paragraphs of the preceding Article shall apply.

2) If, upon the dissolution of the community, a common object is allocated to a partner, each of the other partners shall be liable for a defect in the right or a defect in the object in proportion to his share in the same way as a seller.

3) In the insolvency proceedings of a shareholder, the remaining shareholders may demand separate satisfaction of their claims arising from the partnership from the shares determined during the division.

4) The claim for cancellation of the community is not subject to any statute of limitations.

Art. 943

E. International Law

1) If the legal relationship arising from the community relates to an object, the rules of property law apply under international law, unless otherwise provided.

2) In other cases, however, the community is subject to the right under which the legal transaction leading to the community took place, unless otherwise provided.

5. division

The commercial register, companies and accounting

18. title

The commercial register

A. Establishment

I. Stock

Art. 944

1. In general

1) A commercial register is kept for the entire country.

2) The Commercial Register contains data from the former Commercial Register, Register of Cooperatives, Register of Associations, Register of Establishments, Register of Foundations, Register of Property Rights and similar registers for which it contains facts and circumstances.

3) The commercial register may be kept on paper or by means of electronic data processing.

4) In the case of keeping the Commercial Register by means of electronic data processing, the legal effects shall be attached to the data duly stored in the system and readable on the equipment of the Office of Justice by means of technical aids in writing and figures.

5) The Government shall regulate the details of the establishment and maintenance of the commercial register by ordinance. In the case of keeping the commercial register by means of electronic data processing, it shall also specify the requirements, in particular with regard to data access, data protection and the long-term safeguarding and archiving of data.

2. Obligation to register and right to register

Art. 945

a) Obligation to register

1) Anyone who operates a commercial, manufacturing or other business conducted in a commercial manner is obliged to have his company entered in the Commercial Register at the place of the principal place of business.

2) If there is no principal place of business, the registration shall be made at the place of residence of the registrant or at the seat of the Office of Justice.

3) If a registrant manages several companies with main or branch offices under the same company name, they shall be registered as one company. If they are managed under different companies, each company and the branch belonging to it must be registered separately.

4) The Government shall issue a decree on the details of the obligation to be entered in the Commercial Register. If the obligation to register does not exist according to other regulations, the annual purchase tax for the trade and the annual turnover shall be taken into account.

5) If there is any doubt about the obligation to register, the Office of Justice shall decide in the administrative procedure.

6) Self-employed companies of domestic public entities shall be registered in the Commercial Register unless public law exempts them from the obligation to register.

7) Instead of the place of residence, members of the administration of an association person may, pursuant to Art. 180a, also register their domestic office or professional address.

Art. 946

b) Right to registration

1) Anyone who does not operate a business subject to registration and has a place of residence or business in Germany is entitled to be entered in the Commercial Register at the place of the principal place of business.

2) Anyone who wishes to operate a company or exercise a profession is only entitled to do so if he has or chooses to have a main or branch establishment or a place of residence in Germany and has himself entered in the Commercial Register.

3) If he has a branch office at another domestic location, he may have it registered with the name of the main office and, if necessary, a clearly distinguishing addition must be added.

4) The registration shall be made in the same procedure and with the same content as that of the person required to register.

II. The effects of registration Art.
947

1. Start of effectiveness

1) The date of registration in the Commercial Register is determined by the transfer of the application to the diary.

2) An entry in the Commercial Register shall not take effect vis-à-vis third parties until the next working day following the day on which the entry is published, provided that publication is required by law. This working day is also the relevant day for the running of a period which begins with the publication of the entry.

3) This is without prejudice to the special statutory provisions according to which the registration also has legal effects vis-à-vis third parties or deadlines begin to run.

Art. 948

2. Public faith

1) Any person acting in good faith may rely on the accuracy of entries, amendments and deletions from the register.

2) The registered person must accept the content of the registration, amendment or deletion against him, provided that it was made with his will.

Art. 949

3. Publicity effect

1) If a registration has become effective vis-à-vis third parties, the objection that someone was not aware of the registration is excluded.

1a) In the case of joint stock companies, limited partnerships or limited liability companies, a registered and disclosed fact cannot be held against a third party if:

1. it relates to an act performed within fifteen days after the effective date of the registration; and

2. the third proves that he neither knew nor needed to know them.

2) If a fact subject to registration was not registered, it can only be held against a third party if it is proven that the third party was aware of it.

3) Entries in the Commercial Register provide full proof of the facts attested by them, unless the incorrectness of their content is proven.

4) Anyone who disputes the correctness of the entry shall be required to provide proof thereof.

5) This proof is not bound to any particular form.

Art. 950

4. Constitutive and declaratory effect

1) The law and the ordinance determine whether a legal relationship first comes into existence through registration in the Commercial Register.

2) Unless otherwise provided by law or regulation, the legal effects vis-à-vis the parties to the legal transaction take effect even without entry in the Commercial Register.

3) The legal effects of the appointment of a person or a company as a representative body shall take effect vis-à-vis a registered company.

Association person even without entry of the appointment in the Commercial Register.

Art. 951

5. The healing effect

1) By registration in the Commercial Register, the legal personality itself becomes

if the actual prerequisites for this were not present, if the law provides for this.

2) The law and the ordinance also determine whether the registration of a legal relationship in the Commercial Register has the effect that certain defects of the same can no longer be invoked.

Art. 952

III. Responsibility

1) Any person who is obliged to apply for an entry in the Commercial Register and intentionally or negligently fails to do so shall be liable for the damage caused thereby.

2) The owner of the company is liable for the transactions concluded by another person under the company name in addition to the latter if he allows transactions to be concluded under his company name by another person and the third person is in good faith.

B. Procedure

I. Publicity and announcements

1. Publicity of the register

Art. 953

a) Inspection

1) The Commercial Register, including applications and supporting documents, is public.

2) Publicity begins with the filing of the application or the submission of evidence suitable to serve as proof of registration.

3) Anyone is entitled to inspect the entries in the Commercial Register for a fee.

4) Anyone is entitled to inspect the documents on which the entries are based for a fee.

5) The Office of Justice makes the following entries of the Commercial Register available free of charge via a publicly accessible information platform:

1. Company;

2. Legal form;

3. Seat;

4. Representative office or delivery address;

5. Date of entry and date of all changes including diary number;

6. Commercial register number.

6) The Government shall regulate the details of inspection by ordinance.

Art. 954

b) Extracts, transcripts and certificates

1) Upon request, the Office of Justice shall issue, for a fee, extracts, copies or transcripts of the entries and register files in electronic form or, upon express request, in paper form.

1a) If documents exist exclusively in paper form, transmission in electronic form may be requested only for those documents that were filed with the Office of Justice less than ten years prior to the date of application.

2) Extracts from the register, transcripts or copies of documents and certificates in paper form are certified by the Office of Justice, unless the applicant waives this right.

2a) When data pursuant to paragraph 2 is transmitted in electronic form, the data shall be authenticated only if requested by the applicant. An advanced electronic signature within the meaning of Regulation (EU) No. 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market shall be used for the authentication.

3) Excerpts or copies of register files can also be issued uncertified upon request.

4) By means of official certificates can be confirmed:

a) that a certain company or a certain entry in the register about a company did not occur;

b) the content of a deleted entry, but with the remark that it is deleted;

c) only parts of an entry;

d) that a registration had been made.

5) The Office of Justice may, upon request and for a fee, issue extracts, copies and certificates in an official language of another EEA member state, provided that the corresponding translations have been submitted to the Office of Justice.

Art. 955

c) File edition

1) The original files, books, directories, index cards or electronic data carriers belonging to an entry may be released only upon the order of the judge or the public prosecutor's office.

2) In all cases, the borrowing authority shall request a receipt, which shall be placed in the archive in place of the issued document.

3) The loaned originals shall be returned to the Office of Justice in a complete and orderly manner no later than after 14 days. The borrowing authority is entitled to make copies of the originals.

Art. 955a

1a. Publicity for deposits

1) Inspection, excerpts, copies or certificates of files and documents filed pursuant to Art. 990 as well as of applications and receipts of foundations and trusts not registered in the Commercial Register may only be requested by the depositor and the person authorized to do so. The disclosure of the information listed in Art. 552 § 20 par. 2 nos. 1 to 7 and 10 by official authorities is reserved.

confirmation to third parties and data access in accordance with Art. 955b Para. 2 Nos. 2 and 3. The government shall regulate the details by ordinance.

2) Upon request, the Office of Justice shall confirm whether a trusteeship not entered in the Commercial Register exists or does not exist.

Art. 955b

1b. Data access in the retrieval procedure

1) Domestic authorities and courts have access to the data of the Commercial Register by means of a retrieval procedure.

2) In addition to the data pursuant to paragraph 1, the domestic law enforcement authorities, the FIU staff unit, the Financial Market Authority (FMA) and the tax administration shall have access by means of a retrieval procedure to:

1. the applications and supporting documents for the data of the Commercial Register;

2. the displayed data of foundations not registered in the Commercial Register (Art. 552 § 20, subsection 2); and

3. to the information electronically recorded by the Office of Justice as well as the deposited documents of trusts not registered in the Commercial Register.

3) The data pursuant to paras. 1 and 2 may be used exclusively to fulfill the tasks assigned to the authorities and courts by law. In all other respects, the provisions of data protection law shall apply.

4) The accesses according to paragraph 2 are logged.

5) The government may regulate the details by ordinance.

2. Announcements

Art. 956

a) In general

1) Entries in the Commercial Register shall be published in full without delay by the Office of Justice in the official gazettes, unless publication is required only in part or in part by law or ordinance.

2) Likewise, all documents and particulars, the filing and publication of which are

the law prescribes, to be made public in the same form.

3) In cases where the law does not provide for mandatory publication in the official gazettes, the publication may be made by posting on the website of the authority or in another form declared permissible by the government by means of an ordinance.

4) The entries in the Commercial Register are additionally published by the Office of Justice in electronic form on a website sorted by days. The Government shall regulate the details by ordinance.

Art. 957

b) In the case of legal entities that do not carry on a business conducted in a commercial manner

1) Announcements of legal entities that do not carry on a business conducted in accordance with commercial principles:

1. in the case of stock corporations, limited partnerships or companies with limited liability, by publication of a reference to the registration as well as the deposited documents and information in the official organs of publication;

2. in all other cases, by publishing a notice of the registration in the manner specified in Art. 956, para. 3.

2) Announcements under subsection 1(2) may be omitted by the Office of Justice if the announcement of the same facts and circumstances is made by another authority, such as in insolvency proceedings.

Art. 958

c) In the case of legal entities carrying on a business conducted in a commercial manner

Announcements are made by legal entities that conduct a business in a commercial manner:

1. by publication of the registration and the documents and particulars in the official organs of publication; or

2. by publishing a notice of the registration and of the deposited documents and particulars in the official organs of publication, if provided for by law.

Art. 958a

Repealed Art.

959

e) Effect, traffic protection

1) The notice may be directly held against any person as of the expiry of the day of its public appearance.

2) If there is a conflict between the application, registration and publication, the contents of the registration shall prevail, then the publication, and finally the documents.

3) In the event of a conflict between registration and publication, third parties acting in good faith may also rely on the content of the publication against the person in whose matter the registration was made.

4) The Office of Justice shall take all necessary measures to prevent contradictions between the registration and the announcement. The Government may regulate details by ordinance.

II. Entries

Art. 960

1. Truth of the entries

1) All entries in the Commercial Register must be true, must not give rise to any misrepresentations and must not be contrary to any public interest.

2) If, after the execution of a registration, it turns out that it does not meet these requirements, it shall be amended or deleted in the procedure pursuant to Art. 968.

Art. 961

2. Document principle

1) Only facts that are proven to be true by suitable documents can be entered in the Commercial Register.

2) The law and the ordinance determine which documents must be submitted by the parties obliged to register certain facts for registration.

3) The supporting documents must be submitted in the original, in the original or in a certified copy, unless the law and the ordinance provide for an exception.

3a) Receipts may also be submitted in electronic form using an advanced electronic signature in accordance with Art. 2(1)(c) of the Signature Act. However, if the law and ordinance require the certification of a signature on a document, a secure signature in accordance with Art. 2(1)(d) of the Signature Act must be used.

4) Where the law and the ordinance do not contain any information on the supporting documents to be provided, the Office of Justice shall decide at its own discretion.

5) The supporting documents relating to an entry shall remain with the Commercial Register. There is no right of return, even after an entry has been deleted from the Commercial Register.

Art. 962

3. Registrable facts and circumstances

1) The law and the ordinance determine the scope of the entry in the commercial register, in particular which facts and circumstances are entered in the commercial register.

2) Facts, the registration of which is not provided for, may be registered only if the public interest justifies giving them effect vis-à-vis third parties.

3) The registration procedure is opened with the filing of the application or with the filing of deeds or other documents suitable to serve as evidence for the registration in the Commercial Register.

Art. 963

4. Registration

1) Unless otherwise provided by law or regulation, entries in the Commercial Register shall be made only upon application by the persons obliged to do so.

2) The application consists of the application letter and the attached supporting documents. The necessary content of the registration must be clear from the registration letter and the supporting documents.

2a) The application may also be filed in electronic form using an advanced electronic signature pursuant to Art. 2(1)(c) of the Signature Act.

3) If the nature of the fact to be registered does not require special evidence, the notification letter must contain all facts to be entered in the Commercial Register.

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4) The application is made by signing the application letter by the persons obliged to do so, enclosing the supporting documents required for the registration.

5) If the Office of Justice has been instructed by a final order of an administrative authority or a final judgment of a judge to make an entry, amendment or deletion, the entry shall be made directly on the basis of the order without notification or supporting documents. There is no right of appeal against such registrations.

Art. 964

5. Duties of the parties

1) The law and the ordinance determine the formal requirements for filing and who is responsible for filing an entry in the Commercial Register.

2) If several persons are obliged to file the application and the law does not contain any provision to the contrary, it is sufficient for the application to be signed by one person. In the case of legal entities, the scope of the legal power of representation of the persons filing the application must be observed in any case.

3) The persons obliged to register shall deliver the registration letter in person to

sign.

4) Unless otherwise provided by law or regulation, persons required to file an application may not be represented by another person entitled or required to file an application or by a third party.

Art. 964a

IIa. Submission of translations

1) Documents may additionally be submitted to the Office of Justice in any official language of an EEA member state. The Office of Justice shall indicate the existence of these translations in an appropriate manner on the extracts and official confirmations it issues.

2) If a submitted translation differs from the original version, the former cannot be held against third parties. However, third parties may rely on the submitted translation unless it is proven that they were aware of the original version.

Art. 965

III. Changes and deletions

1) If a fact is entered in the Commercial Register, any change to this fact must also be entered. The application for registration of changes must be made without delay.

2) Unless otherwise provided by law or ordinance, amendments and deletions from the Commercial Register shall be made in accordance with the same provisions as new entries. The dissolution of an association shall be treated as an amendment.

3) When deleting a company, the reason must be stated.

4) Those required to register must also arrange for the registration of restrictions or changes in the management or representation of companies ordered by an administrative authority or a judge, unless the order directs the Office of Justice to make the registration directly.

Art. 966

IV. Preliminary proceedings

1) Deeds and documents suitable as evidence for registration may be submitted in draft form to the Office of Justice for examination.

2) Legal issues related to registration may also be examined.

3) The preliminary proceedings, the correspondence conducted and the draft documents submitted are not public.

4) If the decision on the preliminary proceedings is issued in the form of an order, the same legal remedies exist against it as against orders in the registration procedure.

V. Official procedures

Art. 967

1. Failure to register

1) Anyone who is obliged to be entered in the Commercial Register and has not fulfilled this obligation shall be requested by the Office of Justice, with reference to the provisions and the threat of an administrative fine, to apply for registration within 14 days.

2) The registration may also be requested by a third party. The request must be substantiated. The Office of Justice shall issue the request if it can conclude from the circumstances that the prerequisites for the obligation to register are met.

3) The requested persons are obliged to provide the information necessary for the examination of the obligation to register and for the registration and to submit existing business books.

4) If the application has not been filed within the set time limit, nor has an objection been lodged, the Office of Justice shall order the registration ex officio. At the same time, the offender shall be fined.

5) In addition to the contents provided for by law and ordinance, the reference to the entry shall be included ex officio.

Art. 968

2. Failure to amend or delete

1) If an entry in the commercial register no longer corresponds to the facts, the Office of Justice shall request the person or persons required to file the application to file the required amendment or deletion within 14 days, referring to the provisions and threatening an administrative fine.

2) In all other respects, the provisions of Art. 967 apply mutatis mutandis.

Art. 969

3. Corrections and supplements

1) If the Office of Justice finds that the content of the registration or the publication does not correspond to the content of the application letter or the documents accompanying the registration, it shall correct the registration ex officio by making the publication, provided that the law and the ordinance provide for the publication of the corrected fact. In case of incorrect publication, the actual registration shall be published with reference to the correction.

2) If the Office of Justice finds that facts are missing from the registration which must be entered and which are to be taken from the letter of filing or the documents accompanying the registration, the Office of Justice shall add these facts ex officio. The supplement shall be published at the expense of the person required to file the application, provided that the law and the ordinance provide for the publication of the fact to be added. In case of incomplete publication

the fact is published retrospectively with reference to the addendum.

3) The correction or addition of a fact in the registration shall be made ex officio only if it can be inferred from the application letter or the supporting documents pertaining to the registration in question. In all other cases, the procedure for amendment shall be carried out.

4) The parties are obliged to notify the Office of Justice of incorrectly registered facts or facts missing from the registration. Third parties have the right of notification.

4. Dissolution and cancellation Art. 970

a) Sole proprietorships, general and limited partnerships

1) A sole proprietorship is deleted ex officio if the business operations have ceased as a result of the owner's departure or death and six months have elapsed since then without the owner himself or, in the event of death, his heirs being able to be requested to delete the company.

2) A general or limited partnership shall be ex officio deleted if the business operations are discontinued as a result of death, relocation, bankruptcy

or appointment of a custodian for all shareholders has ceased and the persons obliged to order the deletion could not be stopped from doing so.

3) These companies may also be deleted if the aforementioned conditions have not been met by all shareholders and no justified objection is raised to the public announcement of the deletion within the period set by the Office of Justice.

Art. 971

b) For companies of association persons, etc.

1) The dissolution and liquidation of a legal entity or a trust company shall be ex officio:

1. if the business operations have ceased and its organs and representatives in Liechtenstein have ceased to exist;

2. if, despite the absence of approval by the Office of Justice or the absence of a domestic address for service, a representative is no longer appointed (Art. 239);

2a. if delivery cannot be made to the address for service entered in the Commercial Register or notified to the Commercial Register;

3. if the requirements pursuant to Art. 180a are not or no longer fulfilled or the statutory duty to appoint an auditor is not or no longer fulfilled;

4. at the request of the tax administration, if the public dues are not paid despite repeated requests;

5. if a company harms Liechtenstein's national interests or is detrimental to the country's reputation and disturbs its relations with other states or inter- national organizations. Whether one of these conditions is met is to be decided by the Government. For the duration of the administrative proceedings, the Government may apply to the District Court for the appointment of a receiver as a means of security within the meaning of the Law on the General Administration of the Land;

6. in all other cases provided for by law.

2) If the Office of Justice becomes aware that a legal entity or a trust no longer has any realizable assets, the deletion may be ordered ex officio.

3) In all other respects, an association shall be cancelled ex officio if it is dissolved and there are no longer any liquidators, administrative or executive board members who can be urged to file for cancellation.

Art. 972

c) For non-merchant companies and procurations

1) The non-merchant company of a natural person is deleted ex officio:

1. if the holder has died or been deleted from the commercial register;[1679]

2. in case of loss of capacity to act, unless the guardianship authority permits the continuation of the company;

3. in the event of departure from the country, unless special reasons justify an exception.

2) These provisions shall apply mutatis mutandis to the cancellation of the registration of a natural person who has exercised the right to registration because he was able to commit himself by contract.

3) The non-commercial procuration is deleted ex officio:

1. if insolvency proceedings have been opened against the principal's assets, as soon as the Office of Justice has received official notice of the opening of insolvency proceedings;

2. after the death or, if the registered person is not a natural person, after the dissolution of the principal, if one year has elapsed since then and the heirs or joint successors cannot be required to cancel the registration;

3. if the authorized signatory has died or, if he is not a natural person, has been dissolved, provided that the principal or his representatives are not required to cancel the authorization

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Art. 973

d) For representatives

The registration of a representative is deleted ex officio:

1. with the simultaneous cancellation of the company;

2. if the representative has died or moved out of the country;

3. if an association not registered in the Commercial Register, for which a representative was appointed, has dissolved.

Art. 974

e) Associations and foundations

1) Associations shall be cancelled by order of the judge if they are dissolved because, contrary to the law, they are engaged exclusively in a trade conducted in a commercial manner without the approval of the government.

2) Foundations shall be ex officio deleted upon instruction of the government or the court if the prerequisites for such official intervention pursuant to foundation law are met.

Art. 975

f) Branches

1) Branches shall be deleted upon notification by the Registrar of the main establishment if the latter has been deleted.

2) Branches of foreign companies are deleted if it is officially established that their business operations have ceased and the main business located abroad does not comply with the request of the Office of Justice to delete the branch or has itself ceased to exist.

Art. 976

g) Procedure for official dissolution and cancellation

The procedure for official dissolution and cancellation is regulated by the government by means of an ordinance.

5. Misdemeanors; infractions

Art. 977

a) Regulatory fine

1) The Office of Justice fines those responsible for violations against:

1. statutory filing obligations by applying section 65 (3) and (4) of the final section;

2. Disclosure requirements applying Section 66(2) of the Final Division.

2) The administrative fine shall be imposed:

1. in the case of violations under paragraph 1 item 1: the founders, bodies or representatives of associations, business owners or shareholders who are obliged to register or who bear other legal obligations towards the Commercial Register;

2. in the case of violations pursuant to para. 1 item 2: the association person concerned.

Art. 978

b) Appeals

The same legal remedies exist against fine orders of the Office of Justice as against orders in the ordinary registration procedure.

Art. 979

c) Duties

The fine does not release the person fined from the obligation to register, the obligation to notify or other legal obligations vis-à-vis the Commercial Register. Furthermore, the legal consequences that continue to arise in accordance with the provisions on the commercial register remain unaffected.

VI. Appeals

Art. 980

1. Complaint

1) Decisions of the Office of Justice may be appealed in writing to the Office of Justice or to the Appeals Commission for Administrative Matters within 14 days of notification.

2) An appeal against the decision of the Appeals Commission for Administrative Matters may be lodged with the Administrative Court within 14 days of notification.

3) In the event of an appeal, the Office of Justice shall have the right of reply.

Art. 981

2. Opposition

1) The person requested may file a written opposition with the Office of Justice against requests by the Office of Justice to file a new registration, an amendment or a cancellation. The objection shall contain a request and its grounds.

2) The Office of Justice shall examine the objection in accordance with its duty and decide on it without delay.

3) The decision of the Office of Justice in opposition proceedings may be appealed.

The complaint may be filed with the Office of the Judiciary or with the Administrative Appeals Commission.

Art. 982

3. Private law objection

1) If third parties object to an executed registration on the grounds of infringement of their rights at the Office of Justice, they shall be referred to the judge, unless they invoke provisions which must be observed ex officio by the registration authority.

2) If a private-law objection is raised against a registration that has not yet been executed, the Office of Justice must grant the objector a period of time that is sufficient under procedural law to obtain a precautionary order from the judge.

3) If within this period the judge does not prohibit the registration, it shall be carried out provided that its requirements are otherwise fulfilled.

4) The objector may be granted access to the file upon request.

5) The party complained of with the objection shall be immediately notified of the private law objection by the Office of Justice.

Art. 983

4. Precautionary objection

1) If a private-law objection is raised to a registration for which the Office of Justice has neither been notified nor given notice, or which is at the pretrial stage, the Office of Justice shall make a note of the private-law objection.

2) The Office of Justice shall immediately notify the objector and the party concerned with the objection of the receipt of the precautionary objection.

3) As soon as the application is filed, the Office of Justice proceeds as in the private law opposition procedure.

4) If, within three months of the filing of the precautionary objection, neither the application is filed nor a block on the register is imposed by the judge, the Office of Justice shall set the objector a time limit sufficient under procedural law to obtain from the judge a decision prohibiting registration.

5) The precautionary objection shall be settled upon withdrawal by the objector, the fruitless expiry of the time limit set for the objector or upon the decision of the judge.

6) The opponent has no further party rights in the proceedings of the precautionary objection, in particular no right to inspect the files.

VII. Fees

Art. 984

1. Principle

1) Fees are charged for the official acts to be performed by the Office of Justice.

2) The capital-related fees are:

a) for the new registration of a joint-stock company, limited partnership, limited liability company, cooperative, establishment or trust enterprise with a capital of more than 200,000 francs: 0.2 ‰ of the amount exceeding this amount as a surcharge to the fixed basic fee;

b) for the registration of amendments to the Articles of Association if the capital is increased or decreased.

is set and this exceeds 200,000 francs: 0.2 ‰

of the sum exceeding this amount as a surcharge on the fixed basic fee; in the case of capital reductions with a simultaneous re-increase, the fee is reduced by 50%;

c) for the drawing up of public deeds on the occasion of the establishment of share capital or share capital and in case of capital increase or reduction: 1 ‰ of the capital or increase or reduction amount.

3) The Government may, by ordinance, set minimum and maximum amounts for the capital-dependent fees under paragraph 2.

4) For other official acts, the Government shall set the fees by ordinance. They shall be adapted to the time required and the importance of the transaction.

5) The Government shall regulate the procedure for charging fees, the securing of fees and the collection of fees by ordinance.

Art. 984a

2. Fee exemption

1) Entries or deletions in the Commercial Register made ex officio or by order of the supervisory authority are free of charge, as are register extracts intended for official use.

2) The Principality of Liechtenstein, the Reigning Prince, all domestic authorities and persons acting on their behalf, as well as corporations, institutions and foundations under public law, insofar as they are demonstrably involved in proceedings as a party in pursuit of their legal or statutory duties, shall be exempt from the obligation to pay fees.

Art. 984b

3. Fee debtor

1) The fees are owed by the person requesting the official act.

2) If the request is made by several persons, they are jointly and severally liable.

3) Recourse claims and deviating agreements between the parties shall remain

reserved.

C. The registry authority

Art. 985

I. Principle

The register authority is the Office of Justice.

II. Duties and obligations of the Office of Justice Art. 986

1. Audit requirement

1) The Office of Justice must check whether the legal requirements for registration are met.

2) When registering legal entities, it must be checked in particular whether the articles of association do not contradict any mandatory provisions and have the content required by law.

3) Compliance with formal rules and regulations of public law shall be reviewed by the Office of Justice ex officio.

4) If mandatory provisions of private law are violated, the Office of Justice is entitled to intervene only if they were enacted to protect public interests or third parties.

5) In all other cases, the examination on complaint is the sole responsibility of the ordinary judge.

Art. 987

2. Admonition and sanctions

1) The Office of Justice shall encourage the parties to comply with the obligation to register and, if necessary, make the prescribed entries ex officio.

2) If the parties violate their procedural obligations, in particular the obligation to cooperate, the Office of Justice shall impose the statutory sanctions.

Art. 988

3. Data collection

1) The Office of Justice is obliged to identify the owners of trades subject to registration and to bring about their registration.

2) Furthermore, the Office of Justice shall determine the entries that no longer correspond to the facts.

3) To this end, both judicial and administrative authorities, as well as individual police bodies, are obliged to assist the Office of Justice in fulfilling its duties and, in particular, to notify it of facts and circumstances of any kind that are subject to registration.

4) The representative of public law appointed by the government for the individual case or permanently shall have the duty to report; he may request that entries in the register of any kind that are in conflict with the right or the facts be corrected or deleted and file an appeal against relevant orders of the Office of Justice.

Art. 989

4. Intervention ex officio

1) The Office of Justice shall intervene ex officio or at the request of the representative of public law or upon notification of a third party and shall proceed, if necessary by setting a time limit, by means of the administrative penalties permitted in the registration procedure against the person who:[1722]

1. intentionally induced the Office of Justice in the registration procedure to record a fact in the register which is capable of causing deception, be it about the person (company) to be entered in the register, his domicile or his nationality, be it

about the amount, composition or payment of the capital or assets of a legal entity or a company or sole proprietorship with limited liability or about other legally relevant facts and circumstances;

2. with or without intent to deceive, uses for a company entered in the register a company name that does not correspond to the one entered in the register;

3. uses for a company not registered in the Commercial Register, regardless of whether it is obliged to register or not, a designation which is likely to deceive or, without having the authorization, uses for such a company a designation which may only be used with the authorization of the authorities;

4. uses a national or international figurative sign, such as a coat of arms, in connection with a company or business name, if this combination is likely to deceive as to the nationality or internationality of the company.

2) The Office of Justice may order the confiscation of objects, in particular letterheads, forms, brochures and signs, which have served or were intended for the commission of the offense, and may order the disablement or destruction of such objects or the corresponding modification thereof, unless the confiscation, disablement or destruction or modification is ordered in other proceedings.

3) Furthermore, any criminal prosecution remains reserved.

Art. 990

D. Deposit of documents

1) For the purpose of preservation, safeguarding or the like, documents, other files and the like may be deposited with the Office of Justice by all or individual parties against payment of fees, if they are suitable for deposit.

2) Where, according to the law, there is an obligation to notify the Office of Justice of persons belonging to associations or the like, this may be replaced by the deposit of documents containing the facts and circumstances subject to notification.

3) The Government shall issue detailed provisions in an ordinance, in particular on which legal relationships, in the event of other invalidity, documents, acts or the like must be deposited, on the possible establishment of special registers, on the procedure and on the fees to be paid.

Art. 991

E. European system of register networking

1) The entries in the Commercial Register, including applications and supporting documents, as well as the accounting documents to be disclosed pursuant to Art. 1122 et seq. of public limited companies, European public limited companies, limited liability companies and limited partnerships, as well as branches of public limited companies governed by the law of another EEA Member State, are also accessible via the European Justice Portal. For this purpose, the Office of Justice shall transmit the data of the Commercial Register to the European Platform pursuant to Article 22(1) of Directive (EU) 2017/1132 to the extent that the transmission is necessary for opening access to the authentic data via the search service on the website of the European Justice Portal.

2) The Office of Justice shall participate in the exchange of information between the registers via the Central European Platform with respect to the companies and branches referred to in paragraph 1. For this purpose, a unique European identifier shall be assigned to the companies and branches referred to in paragraph 1. The Office of Justice shall transmit information to the central European platform in accordance with paragraph 3:

1. the registration of the opening or termination of bankruptcy proceedings against the Company's assets;

2. the registration of dissolution and the registration on the completion of liquidation or winding up or on the continuation of the company;

3. the cancellation of the company; and

4. the entry into effect of a cross-border merger pursuant to Art. 352h para. 2.

3) The Government may, by ordinance, in particular, lay down provisions concerning:

1. the structure, allocation and use of the unique European identifier;

2. the scope of the notification obligation within the framework of the exchange of information between

the registers and the list of data to be transmitted;

3. the details of electronic data traffic pursuant to paras. 1 and 2, including specifications on data formats and payment modalities;

4. the time of the first data transmission.

Art. 992 to Art. 1010dRepealed

19. title The

companies

Art. 1011

A. Concept and meaning of the company, etc.

1) The company name is the name of an entrepreneur under which he has registered a business in the Commercial Register, operates it and signs for it.

2) A natural person as a sole proprietor may act as a party, intervener, participant or respondent for the scope of the business under the company name before all judicial and administrative authorities and in all proceedings.

3) Registered companies, sole proprietorships with limited liability and associations subject to registration in general may only appear under their company name in accordance with the above paragraph, unless exceptions are permitted by law.

4) Companies registered in the Commercial Register, associations, as well as sole proprietorships with limited liability and their branches may only use one company name, unless exceptions are permitted.

B. Principles for company formation

I. In general

Art. 1012

1. Permissible data

1) In addition to the information required by law, the company name may contain only the information permitted by law.

2) Additions as secondary components to the core of the company name may express personal circumstances of the company owner, information about the object of the business, succession relationships, business names, trademarks, the location of the business or fancy names, provided they are not untrue, immoral or illegal or serve unfair competition.

3) Information for mere advertising purposes in a company and so-called subtitles are inadmissible.

4) The cases in which the inclusion of additives is mandatory are determined by the specific regulations.

5) Permissible abbreviations of legal forms of enterprises of companies without personality with a company name, associations, sole proprietorships with limited or unlimited liability may only be used in the company name in such a way that confusion with another legal form is excluded.

6) Subject to the provisions on unfair competition, the Government may determine by decree what purposes an enterprise must pursue or what object it must have in order to be authorized to use the designation "Fiduciary", "Fiducia" or a similar equivalent expression in the company name or in an addendum.

Art. 1013

2. National and international designations and Red Cross

1) National designations, in particular the words Liechtenstein, liechtensteinisch, Staat, Land alone or in conjunction with the rest of the wording of the company name may not be included in it.

2) However, the use of such designations may exceptionally be approved by the Office of Justice, if necessary after consultation with the Chamber of Industry and Commerce or the Chamber of Trade and Commerce, if special reasons justify the approval of the designation.

3) The same provisions shall apply mutatis mutandis to municipal designations, provided that it is not merely a matter of indicating the place of establishment.

4) The words "Red Cross" may not appear in the company name or in an addendum.

5) Likewise, other international designations may only be used if special reasons justify the approval of the designation.

Art. 1014

3. Language and characters

1) Companies whose head office is in Liechtenstein must be registered in German unless the register authority allows an exception; additions in other languages are permissible.

2) Registration in a foreign language alone is permissible for legal entities that are not engaged in a commercial business, but otherwise only in addition to registration in the national language, unless the Office of Justice grants an exception.

3) If a company is registered in more than one language, the contents of the different language versions must correspond as closely as possible.

4) The characters of a company must be the Latin or German ones.

Art. 1015

4. Branches

1) The name of the branch must contain, in addition to the unchanged name of the main branch and its location, the express designation as a branch and the location of the branch.

2) If there is already an identical registered company in the place or municipality where a branch is to be established, an addition must be added to it for the branch by which it is clearly distinguished from the already registered company.

Art. 1016

5. Exclusivity of the registered company

1) A company registered in the Commercial Register may not be used as a company name by anyone else in the country.

2) Where there is a risk of confusion with an already registered company, a distinguishing addition must be made even if the new business owner has the same civil name as the older company.

3) A company is clearly distinguishable from another company in the country if its difference is recognizable when exercising due care in business transactions.

4) Retrieved

II. At the individual companies

1. Individual companies

Art. 1017

a) In general

1) A natural person who operates a business without the participation of a general partner or limited partner, but with or without silent partners, may use only his or her family name (civil name), with or without a first name, as the company name.

2) If first names are used in a sole proprietorship, at least one first name must be written out.

3) A sole proprietorship can also be formed by using a name borrowed from the object of the business or any other name, in which case the owner must be added to the company name with his personal name.

4) The company name must not be accompanied by an addendum that implies a corporate relationship.

Art. 1018

b) Sole proprietorship with limited liability

1) The name of a sole proprietorship with limited liability must be either next to

the surname or the company name of the proprietor or, in addition to a company name borrowed from the nature of the business or a fictitious name, the words "Sole proprietorship with limited liability" or, if a business conducted in a commercial manner is operated by a natural person, "Sole trader with limited liability" in unabbreviated form and, if a surname or another company name appears in the company name, an addition indicating the object of the business.

2) However, instead of this, if the name of a natural person, a factual name or fancy name is used, the company name may be formed in such a way that the words "with limited liability" or "with limited liability" or a similar expression occur in it or in an addition without abbreviation.

2a) This designation shall be included in the name of a sole proprietorship or added to it.

3) In all other respects, the provisions on the formation of a sole proprietorship shall apply mutatis mutandis.

2. Companies of companies without personality (velvet name)

Art. 1019

a) General and limited partnership

1) The name of a general partnership must, as a rule, unless the names (firms) of all the partners are included in it, or unless an exception arises below, contain the surname (firm name) of at least one of the partners with an addition indicating the existence of a company.

2) Unless an exception is provided for below, the names of limited partnerships must always contain, in addition to the name (firm name) of at least one partner with unlimited liability, an addition indicating the partnership relationship.

3) The addition of first names is not required.

4) General and limited partnerships may also choose a company name borrowed from the object of the business or formed from an invented name without adding a personal name.

5) The name of a general partnership or limited partnership or an addition thereto must in all cases, irrespective of whether it has been newly established or taken over, contain the designation "general partnership" or "general partnership" or, if it conducts a commercial business, "general partnership" or "limited partnership" or their abbreviations "OHG" or "KG".

Art. 1020

b) Limited partnerships and general partnerships with limited liability and common law partnerships

1) The formation of the name of a limited partnership is governed by the provisions on limited partnerships, with the exception that the name or an addendum must contain the designation "Kommanditärengesellschaft" or "Kommanditistengesellschaft".

2) The formation of the name of a general partnership with limited liability is carried out in accordance with the provisions on general partnerships, with the exception that the name or an addendum must contain the designation "general partnership with limited liability" or "general partnership with limited liability".

3) Unless otherwise provided by law, the provisions governing limited partnerships shall apply mutatis mutandis to the name of a limited partnership, and those governing general partnerships shall apply mutatis mutandis to the name of a general partnership with limited liability.

4) The overall name of the community is to be formed in accordance with the regulations on the company name of the general partnership, with the proviso that it must contain the unabbreviated designation "Community" or an addition thereto.

Art. 1021

c) Inadmissibility of the naming of persons

1) The names of individuals, associations or companies other than the partners with unlimited liability may not be included in the newly established name of a general partnership or partnership.

2) If a person named in the company name ceases to be a partner, his name shall be deleted from the company name, otherwise he shall continue to be liable without limitation.

3) The provisions on the limited partnership and the general partnership with limited liability and other exceptions of the law are reserved.

Art. 1022

d) Changes in case of elimination of a person

If a person or company whose name or company name is included in the company name of a general partnership or limited partnership or limited liability partnership ceases to be a member of the company, his name or company name may be retained in the company name only with the consent of that person or his heirs or other universal successors, unless the law itself provides for exceptions.

3. Companies of association persons

Art. 1023

a) Joint stock companies and cooperatives

1) Joint-stock companies and cooperatives are free to choose their name. Joint-stock companies must include in their name either the unabbreviated word "Aktiengesellschaft" (joint-stock company) or the abbreviation "AG" (joint-stock company) or, in the case of joint-stock companies that do not carry on a commercial business, also the corresponding foreign-language expressions. Cooperatives must include in their name either the unabbreviated words "eingetragene Genossenschaft" (registered cooperative) or the abbreviation "eG" or "e.Gen.".

2) In particular, they may also include names of persons related to the company.

Art. 1024

b) Limited partnership shares and limited partnership interests, etc.

1) The formation of a limited partnership, a limited partnership with shares or a limited partnership with ordinary shares is carried out in accordance with the existing regulations for limited partnerships.

2) The word "Kommanditaktiengesellschaft" or "Kommanditanteilsgesell- schaft" or "Kommanditgesellschaft mit Stammanteilen" must be included in the name without abbreviation or added to it.

3) In particular, the provision on the inadmissibility of the naming of persons applies.

Art. 1025

c) Limited liability companies

1) The name of the limited liability company may, depending on the choice:

1. either borrowed from the object of the undertaking or be a fanciful designation, or

2. contain the name or the company name of the partners or at least one of them with an addition indicating the company relationship, or finally

3. consist of a combination of shareholder names with a material designation.

2) Names of persons or companies other than shareholders may not be included in the company name unless exceptions are permitted.

3) In all cases, the name or an addition must contain the designation "Gesellschaft mit beschränkter Haftung" or the abbreviation "Ges.m.b.H." or "GmbH", or, in the case of limited liability companies that do not carry on a commercial business, an expression that is as similar as possible in the foreign language.

Art. 1026

d) Shareholding companies

The name of a joint-stock company shall be formed in accordance with the provisions laid down for joint-stock companies, with the proviso that the word "joint-stock company" or "trade union", as the case may be, shall be included in the name without abbreviation.

Art. 1027

c) Variable share capital

1) If a stock corporation has a variable share capital according to the articles of incorporation, the company name must also contain the addition "with variable share capital" or "with changeable capital".

2) This provision does not apply if, according to the Articles of Association, the changeability consists only in the gradual increase of the share capital.

Art. 1028

f) Mutual insurance companies and auxiliary funds

1) The formation of the company name of a mutual insurance association or a borne auxiliary fund is carried out in accordance with the regulations on the company name of a cooperative.

2) The name itself or a supplement must contain the unabbreviated designation "registered mutual insurance association" or "registered auxiliary fund".

Art. 1029

g) Institutions

1) The formation of the name of an establishment within the meaning of this Act shall be carried out in accordance with the provisions established for the companies of cooperatives, with the exception that the name or a supplement thereto must contain the designation "Establishment".

2) The name of a public institution must be borrowed from the object of the undertaking and must contain the designation "public institution" in it or in an addendum.

Art. 1030

h) One-man association

1) The name of a one-man association is formed according to the regulations of the association whose law is applicable to it, such as a joint-stock company, but it may also call itself a "one-man joint-stock company" or a "one-man joint-stock company" or a "company under joint-stock company law" instead, and the same applies to a one-man limited liability company and a one-man joint-stock company.

2) However, if the capital or assets of the enterprise do not consist of one or more shares, it may be referred to in the name or in a supplement as a "one-man enterprise" or "one-man company" or, if the name of a natural person, a "one-man company" or "one-man company".

If the name of the company is used to form the company, simply refer to it as the "company".

3) In the case of other legal forms of single-member associations, the company name shall be formed in a corresponding manner, unless the law itself provides otherwise, such as in the case of establishments.

Art. 1031

i) Associations and foundations

1) Ordinary associations and foundations which are entered in the Commercial Register must contain the words "association" or "foundation" in their name or in a supplement, unless the Office of Justice grants an exception in the case of business associations.

2) The provisions on permissible indications, national or international designations, language and exclusivity shall apply mutatis mutandis to the formation of the names of associations and foundations to be registered.

Art. 1032

4. Other forms of societies and associations

1) Companies and associations not specifically mentioned in this title, such as those incorporated under foreign law, authorized associations or segmented associations, shall, with the approval of the Office of Justice, choose a name based on the form of the name of the company or association to which they are closest in legal form.

2) However, the indication of the legal form in the company name or in an addendum may be omitted at the discretion of the Office of Justice.

Art. 1032a

5. Trust and entailed estate companies

1) The name of a trust enterprise without or with personality shall be formed in such a way that it is borrowed from the object of the enterprise, contains a fanciful designation or the name of one or more participants, or consists of a combination of name, thing or fanciful designation, but without causing confusion with the name of a third party.

of another legal form of enterprise, such as a trust company or the like.

2) The name or an addendum must state "registered trust company," or

a similar designation, such as "registered business trust", "registered salmann- schaft", "registered trust foundation", "registered trust institute", or, in the case of a trust enterprise which does not carry on a commercial business, an expression with the same meaning in a foreign language, provided that the abbreviated expression does not give rise to any confusion with another legal form of enterprise.

3) The Office of Justice may permit deviations from the above provisions subject to the proviso that any confusion with another form of enterprise is excluded.

4) The foregoing provisions shall apply mutatis mutandis to the name of an entrusted company, provided that it or a supplement thereto shall contain the designation "registered entrusted company" or a similar designation, unless exceptions are permitted.

5) The name of an unregistered trust or entailed estate shall be formed accordingly, omitting the word "registered".

III. Acquisition or transformation of a company

1. Acquisition

Art. 1033

a) In general

1) A person who acquires an existing enterprise inter vivos or by reason of death as a whole may continue the company name previously used in good faith, with or without the addition of a suffix indicating the succession relationship, if the previous owner or his heirs or other legal successors expressly consent to the continuation of the company name with or without the addition.

2) In the absence of any other provision in the articles of association, the continuation of the name of a legal entity requires the consent of the supreme body, in the case of a general partnership or limited partnership of all partners and, if insolvency proceedings have been instituted against the assets of the owner of the name, of the insolvency administrator and, if in the latter case a civil name appears in the company, also the consent of the owner of this name is required.

3) The requirement for consent does not apply if the acquirer is the sole heir or if the testator has stipulated by a disposition of death that the co-heir or legatee continuing the business may retain the old company.

4) The acquirer may, if the transfer of the company itself is not restricted, only resell it with the company or transfer it to a third party in trust.

Art. 1034

PGR

b) Continuation type

1) If a registered company, a sole proprietorship with limited liability or a registered association is transferred to a sole proprietor as a natural person who assumes unlimited liability, the name of the transferee must be added to the company name taken over and the designation Aktiengesellschaft, Kommanditaktiengesellschaft and the like must be omitted, unless an addition indicating the succession relationship is added in a different manner or the company taken over continues to be operated as a sole proprietorship with limited liability or as a one-man company.

2) If the acquirer is a registered company or association or a sole proprietorship with limited liability, the old name must be supplemented by a suffix indicating the form of the company or association or the form of the sole proprietorship with limited liability, and the parts of the old name contradicting this suffix must be deleted.

3) The acquirer may expand, reduce or extend the scope of the business to other objects, or gradually transform it.

4) If a person with the right to continue a business acquires two businesses that wish to continue operating, it is permissible to retain the names of both businesses while uniting them into a single business name.

5) If the acquirer has had the company transferred to him deleted from the Commercial Register and a new company registered, he may not subsequently take up the company transferred to him again.

Art. 1035

c) Usufruct, lease and the like

1) If a company is taken over on the basis of a usufruct, a lease or a similar relationship, the preceding articles shall apply accordingly.

2) If the transferee has been entered in the Commercial Register as the owner for the duration of the legal relationship in accordance with the existing provisions, the former status shall be restored after its termination, unless otherwise agreed.

Art. 1036

d) Branches

In case of sale, lease, encumbrance with usufruct or similar legal relationships of a branch office, the preceding provisions shall apply accordingly.

Art. 1037

2. Conversion

1) The previous company may be continued:

1. with a corresponding addition indicating the form of the company, if a partner is added to an existing sole proprietorship with limited liability and this is thereby converted into a general partnership or limited partnership or limited partnership, or

2. without addition, if a new partner enters into an existing general partnership or limited partnership or limited partnership, finally

3. with an addition "sole proprietorship with unlimited liability", if a partner leaves a company mentioned above and the company is continued under the company name by an individual with unlimited liability.

2) In the case of a conversion of another type, such as a sole proprietorship, a general partnership, a limited partnership, a limited partner's share or a communi

In the case of a change of legal form of a joint-stock company into another company or other legal entity, the previous name may be included in the name of the new legal entity or company, individual enterprise with limited liability, if the new form of enterprise is added to the previous name in an addition that clearly distinguishes the succession relationship, such as joint-stock company, cooperative or the like, although the legal form of the latter must be omitted in accordance with the provisions on the type of continuation of an acquired company.

Art. 1038

3. Common provisions

1) Unless otherwise provided for in advance, or to the extent that the continuation of the old, albeit changed, name could, at the discretion of the Office of Justice, cause confusion and misunderstanding among the public, a name that no longer corresponds to the facts as a result of a change in circumstances must be changed to correspond to the changed circumstances, as in the case of a change in the object of the company.

2) Company additions must be omitted or changed if they no longer correspond to the actual circumstances as a result of a change in the company or for other reasons, unless the content of the additions clearly indicates a previous relationship.

Art. 1039

IV. Transfer in foreclosure or insolvency proceedings

1) If the entire company is seized by way of execution or insolvency proceedings, the company shall also be subject to such proceedings.

2) If the company name contains the civil name of the debtor, his consent to the sale of the company name is required.

Art. 1040

V. Change of civil name

In all cases, the previous name may be retained if the civil name of the business owner or a partner changes by law.

Art. 1041

VI. Company drawing

1) In the case of a sole proprietorship, the signature of the company vis-à-vis third parties, if it is formed from the personal name, is made by its handwritten signature.

2) In the case of a sole proprietorship, a sole proprietorship with limited liability and a collective, limited partnership or limited partnership, the signature may instead be effected in such a way that the signatory adds his or her own handwritten signature to the wording of the name of the company, which shall be appended by whomsoever.

3) However, if the company name is a company in kind or contains the name of another general partnership, limited partnership or limited partnership or of an association, it must follow in the same manner.

4) The special regulations remain reserved for association members.

5) If a company is managed in several languages, the signature for the commercial register must be made in all the languages concerned.

6) Unabbreviated words contained in the company name, such as first names and the like, may not be abbreviated in the drawing.

VII. Protection of the company name, telegram address and

company abbreviation Art. 1042

1. In general

1) The company name which has not actually expired and which has been entered in the Commercial Register in accordance with the provisions of this title shall be entitled to the exclusive use of the bona fide beneficiary vis-à-vis a previously unregistered person.

2) If at any given time two companies are filed or registered which are not clearly distinguishable, the company filed earlier shall have preference; in other cases, the Office of Justice shall decide at its discretion for its area.

2a) If the Office of Justice establishes that two identical companies are registered, it may ex officio arrange for rectification. The procedure shall be governed mutatis mutandis by Art. 967 et seq. of the Civil Code.

3) Anyone who is adversely affected by the unauthorized use of a company name, telegram address or company abbreviation may assert his or her claims in accordance with the provisions on the protection of personality.

4) The provisions on unfair competition, trademarks and the like and special agreements shall remain reserved.

Art. 1043

2. Enrichment and encroachment acquisition claim

1) In the event of culpable, unlawful use of the company name, its abbreviation and the telegram address, as well as if the claim for damages is statute-barred, the aggrieved company owner shall be entitled to restitution of the profit made at the expense of the aggrieved party (enrichment), within the statute of limitations of three years from the date of use.

2) Whoever is intentionally impaired by the unauthorized use may also demand compensation for the damage and, instead of or in addition to satisfaction, the provision of information, accounting and the surrender of the profit made (acquisition of interference).

Art. 1044

C. International Law

1) The companies, their abbreviations and the telegram addresses of foreign enterprises and of domestic branches of foreign enterprises shall be recognized and protected in Germany in the form in which they correspond to the law of the domicile of the individual enterprise or of the registered office of companies and associations, even if they do not correspond to the domestic law.

2) The protection of the company can be used against the unauthorized use of a domestic company abroad by a person, company or association that has its domicile, registered office or branch in the country,

The claim may be asserted in accordance with Liechtenstein law and before the Regional Court.

3) However, mandatory regulations, such as those concerning national designations, prevention of deception and the like, remain reserved.

4) Such a company name, abbreviation or telegraphic address enjoys protection as a trademark in Germany only if it is entitled to it under both domestic law and the law of the domicile or seat of the company.

Art. 1044a

D. Foundations not entered in the Commercial Register

1) The provisions on company law shall apply mutatis mutandis to foundations not entered in the Commercial Register in accordance with the provisions applicable to foundations entered in the Commercial Register.

2) If the name of an unregistered foundation cannot be clearly distinguished from a company registered in the commercial register, the latter shall, irrespective of

to be given preference from the date of filing, registration or deposit.

3) Art. 1042 par. 2a shall apply mutatis mutandis.

Art. 1044b

E. Trusts registered and unregistered in the Commercial Register

1) Trusts registered in the Commercial Register and unregistered trusts within the meaning of Art. 902 must contain either the word "Trust" or "Trust" in their designation.

2) Art. 1016 applies mutatis mutandis to trusts registered in the Commercial Register and to trusts not registered within the meaning of Art. 902.

Title 20 Accounting

1. Section

General accounting rules

Art. 1045

A. Accounting obligation

1) Anyone who is obliged to have his company or name entered in the Commercial Register (Art. 945) and who operates a business conducted in a commercial manner (Art. 107) is obliged to keep proper accounts.

2) Joint-stock companies, limited partnerships, limited liability companies as well as general partnerships and limited partnerships within the meaning of Art. 1063, para. 2 are also obliged to keep proper accounts even if they do not operate a business in a commercial manner.

3) Association members who are not obliged to keep proper accounts in accordance with paras. 1 and 2 must keep records appropriate to the assets and liabilities, taking into account the principles of proper accounting, and must retain documents from which the course of business and the development of the assets can be traced; this is subject to special statutory provisions. Art. 1059 shall apply mutatis mutandis to the keeping and storage of records and vouchers.

B. Account books, inventory

Art. 1046

I. Business books

1) The business records must be such that they can provide an expert third party with an overview of the business transactions and the situation of the company within a reasonable period of time. The business transactions must be traceable in their origin and processing.

2) A living language shall be used in the keeping of the books of account and in the otherwise required records. If abbreviations, numbers, letters or symbols are used, their meaning must be clearly established in each individual case.

3) Entries in the books of account and other required records must be complete, accurate, timely and orderly.

4) An entry or record may not be altered in such a way that the original content can no longer be determined. Nor may such alterations be made whose nature makes it uncertain whether they were made originally or only later.

Art. 1046bisDeleted Art.

1047

II. Inventory

A person who is obliged to keep proper accounts must prepare an accurate list of all assets and liabilities at the time of the relevant entry in the Commercial Register and then at the end of each financial year, stating their value in detail.

C. Annual financial statement

I. General provisions on the annual financial statements

Art. 1048

1. Obligation to prepare, components and fiscal year

1) A company that is obliged to keep proper accounts must prepare a balance sheet as of the date of the relevant entry in the Commercial Register and then annual accounts as of the end of each financial year.

2) The annual financial statements consist of a balance sheet, income statement and, if necessary, notes; they must be prepared within six months of the end of the financial year.

3) The financial year may not exceed twelve months. In justified cases, particularly in relation to the first financial year or in the event of a change in the balance sheet date, the financial year may also last up to a maximum of 18 months.

Art. 1049

2. Language and currency unit

1) The annual financial statements and, if required by the provisions of this title, the annual report shall be prepared in German or English and in Swiss francs, EURO, or U.S. dollars.

2) Legal entities that are obliged to keep accounts and do not keep a commercial

business, may also display the documents pursuant to paragraph 1 exclusively in French, Italian, Spanish or Portuguese as well as in any freely convertible foreign currency.

3) The Government may, by ordinance, permit other foreign languages for the compilation of the documents pursuant to paragraph 1.

II. Proper accounting; classification; valuation; notes Art. 1050

1. Proper accounting

1) The annual financial statements shall be prepared in accordance with generally accepted accounting principles.

2) It must be clear, concise and complete. It must contain all assets, liabilities, provisions, accruals and deferrals, expenses and income; asset items may not be offset against liability items, expenses may not be offset against income, and real property rights may not be offset against real property encumbrances.

Art. 1051

2. Outline

1) The balance sheet shall express the relationship between assets and liabilities, and the income statement shall express the relationship between expenses and income.

2) The balance sheet shows current and non-current assets, borrowed capital and equity, and prepaid expenses and deferred charges.

3) The classification of assets as current or non-current assets is determined by their purpose.

4) Only assets that are intended to serve the business operations on a permanent basis are to be reported under fixed assets.

3. Evaluation

Art. 1052

a) General regulations

1) Assets shall be carried at no more than cost; if this is higher than the market price generally prevailing at the balance sheet date, the latter shall prevail.

2) Liabilities are to be recognized at their repayment amount; equity is to be recognized at its nominal amount or at least at its historical value.

3) Depreciation, value adjustments and provisions must be made to the extent that they are necessary for business purposes. Any additional hidden reserves created by additional write-downs, value adjustments and provisions are permissible.

Art. 1053

b) Capitalizable costs

1) Expenses for the establishment and expansion of business operations and development costs may be capitalized.

2) Expenses for the establishment and expansion of business operations are to be written off within five years.

3) Development costs are amortized over their useful lives. If, in exceptional circumstances, the useful life of the development costs cannot be

If the development costs cannot be reliably estimated, they must be amortized within five to ten years.

Art. 1054

c) Goodwill

1) Goodwill may be recognized as the excess of the consideration transferred for the acquisition of a company over the value of the company's individual assets less liabilities at the date of acquisition.

2) Goodwill is to be amortized on a scheduled basis over the useful life in which it is expected to be used.

3) If, in exceptional cases, the useful life of goodwill cannot be reliably estimated, the goodwill is to be amortized within five to ten years.

Art. 1054a

d) Currency conversion

1) Assets and liabilities denominated in foreign currencies must be translated at the average spot exchange rate on the balance sheet date. If the remaining term to maturity is one year or less, gains resulting from the translation may be considered realized even if they have not yet been realized at the balance sheet date. In this case, assets may be recognized at a higher value and liabilities at a lower value than their acquisition and production costs.

2) If companies within the meaning of Art. 1063 apply para. 1 for currency conversion, Art. 1066a para. 2 no. 2 half-sentence 3 and Art. 1085 para. 1 sentence 1 are not applicable.

Art. 1054b

e) Formation of valuation units

1) Assets, liabilities, pending transactions or highly probable forecast transactions may not be used to offset offsetting values.

The Group uses financial instruments to hedge the exposure to variability in cash flows or cash flows arising from the occurrence of similar risks (hedge accounting).

2) Valuation units within the meaning of paragraph 1 shall be measured in the same way as assets and liabilities.

Art. 1055

4. Appendix

The notes to the financial statements must include the total amounts of guarantees, warranty obligations and pledges as well as any other contingent liabilities.

Art. 1056

III. Signature

The annual financial statements and, if required to be prepared by the provisions of this title, the consolidated financial statements, the annual report and the consolidated annual report shall be signed by all general partners in the case of partnerships and by the persons entrusted with the management in the case of associations and trust enterprises.

D. Other duties Art.

1057

I. Disclosure obligation

If bonds with public subscription have been issued or company shares have been admitted to a stock exchange, the annual financial statements, after acceptance by the supreme body, together with the audit report, must either be published in the Liechtenstein national newspapers or a copy must be sent to anyone who requests it within one year of acceptance, at the expense of the person concerned, insofar as these documents are not disclosed in accordance with Art. 1122 ff.

II. Audit and review obligation

Art. 1058

1. In general

1) The annual financial statements and the consolidated annual financial statements of companies within the meaning of Article 1063, except for those that are considered small companies pursuant to Article 1064, but not those that are subject to disclosure requirements pursuant to Article 1057, shall be audited by a certified public accountant or a firm of certified public accountants (audit). If the provisions of this title require the preparation of an annual report and a consolidated annual report, the auditor or audit firm shall also express an opinion as to whether or not the annual report is consistent with the financial statements and the consolidated annual report is consistent with the consolidated financial statements.

1a) Without prejudice to the reporting requirements referred to in Art. 196, an audit of financial statements shall not include any assurance as to the future existence of the audited entity or the efficiency or effectiveness with which the entity's management or administrative body has conducted or will conduct its business.

2) Insofar as annual financial statements must be prepared on the basis of the provisions of this Title for companies that are not subject to an audit obligation within the meaning of paragraph 1, a review must be performed by an auditor or an auditing company, subject to a waiver pursuant to Art. 1058a. If the provisions for these companies also require the preparation of an annual report, the auditor or audit firm shall also express an opinion as to whether or not the annual report is consistent with the annual financial statements.

3) Partnerships shall have the documents referred to in paragraph 2 reviewed by an auditor or an audit firm only if they are required to be disclosed in accordance with the provisions of this title.

4) A review shall be conducted in accordance with standards to be issued by the relevant professional organizations.

Art. 1058a

2. Waiver of the audit review (review)

1) Companies that meet the requirements of a micro-entity within the meaning of Art. 1064 para. 1a and operate a business conducted in a commercial manner may waive the review. Exempt from this are segmented associations (Art. 243 et seq.) and stock corporations with bearer shares (Art. 323 et seq.).

2) The waiver under subsection 1 shall require a unanimous resolution of the supreme body.

3) The administration may request in writing that the members of the supreme body consent to a waiver under subsection (1) and indicate that the absence of a response shall constitute consent.

4) If the supreme body has unanimously waived a review, this waiver shall also apply to subsequent years. However, each member of the supreme body has the right to waive the review at any time,

to request a review of the financial statements. In this case, the supreme body must elect the auditors.

5) Companies that waive the review must submit a statement to the Office of Justice with the application for registration of the waiver that:

1. the company meets the requirements for a waiver of the review pursuant to paragraph 1; and

2. the highest governance body has unanimously waived the requirement for a review.

6) The declaration pursuant to para. 5 must be signed by at least one member of the administration or management. Copies of the relevant current documents such as income statements, balance sheets, annual reports and the minutes of the supreme body which decided on the waiver must be attached to the declaration. These documents are not public and are kept separately.

7) The declaration pursuant to para. 5 may already be made at the time of formation.

8) The Office of Justice may request a renewal of the declaration as well as further information and documents in order to verify whether the requirements for a waiver under paragraph 1 are still met.

9) Upon registration of the fact that the review is waived and of the date of the declaration pursuant to paragraph 5, the deletion of the review body shall also be entered in the Commercial Register. If necessary, the administration or management shall amend the Articles of Association.

10) The government may regulate the details by ordinance.

Art. 1059

III. Obligation to keep and preserve business records

1) Anyone who is obliged to keep proper accounts must keep the books of account, the accounting vouchers and the business correspondence for ten years.

2) The annual financial statements and, if required to be prepared by the provisions of this title, the consolidated financial statements, the annual report, and the consolidated annual report shall be kept in writing and signed; the other books of account, accounting vouchers, and business correspondence may be kept in writing, electronically, or in

The government shall determine by decree the more detailed requirements. The government shall determine by decree the more detailed requirements. The government shall determine the more detailed requirements by ordinance.

3) Business books, accounting records and business correspondence stored electronically or in a comparable manner have the same probative value as those that can be read without aids.

4) The retention period begins at the end of the fiscal year in which the last entries were made, the accounting documents were created and the business documents were received or issued.

Art. 1060

IV. Obligation to submit

1) In the event of a dispute concerning the business, a person who is obliged to keep proper accounts may be required by the court, upon application or ex officio, to produce the books of account, the accounting vouchers and the business correspondence if an interest worthy of protection is proven.

2) If the books of account, accounting vouchers or business correspondence are kept electronically or in a comparable manner, the court or the authority that may require their production may order that:

1. they are presented in such a way that they can be read without aids; or

2. be provided with the means by which they can be made readable.

3) The books of account may not be disposed of by way of execution or insolvency proceedings unless the company as a whole would be sold and they are indispensable for its continuation. A right of retention cannot be asserted.

Art. 1061

V. Inspection of the books of account

1) If the books of account are submitted in an official proceeding, they shall, insofar as the subject matter of the proceeding is concerned, be inspected, if necessary, under

The parties shall be given the opportunity to inspect the documents and, if appropriate, to prepare an excerpt.

2) The other contents of the books of account shall be disclosed to the court only to the extent necessary to examine their proper keeping.

3) In the case of property disputes, in particular in inheritance, matrimonial property and company division cases, or where there is otherwise an obligation to render accounts or provide information, the court may order the production of the books of account for the purpose of taking cognizance of their contents in non-contentious proceedings or in contentious proceedings. Art. 1060 para. 2 shall apply mutatis mutandis.

Art. 1062

E. Penal provisions

Penal provisions on the violation of the duties provided for in this title are reserved.

Art. 1062a

F. International Law

1) Domestic branches of foreign companies are also subject to the provisions of this title.

2) The evidential value of business documents in the home country is also determined for foreign

Company under Liechtenstein law.

3) The obligation to produce business documents, if a punishable obligation under public law is in question, shall be assessed according to the law applicable to business omissions, whereas the obligation to produce documents in dispute or disputes with a party shall be assessed according to the law of the trial court.

2. Section

Supplementary provisions for certain types of companies

1. Subsection

Annual report (annual financial statements and annual report)

Art. 1063

A. Scope

1) The supplementary provisions of this section shall apply to companies in the legal form of a stock corporation, a limited partnership and a limited liability company.

2) The supplementary provisions shall also apply to the general partnership and the limited partnership, provided that all their partners with unlimited liability are companies within the meaning of para. 1 or companies that are not governed by the law of an EEA member state but whose legal form is comparable to the legal forms pursuant to para. 1. The same applies to companies whose partners with unlimited liability are companies within the meaning of sentence 1. The supplementary provisions also apply to general and limited partnerships, provided that all their partners with unlimited liability are general or limited partnerships within the meaning of sentence 1.

Art. 1063bisDeleted Art.

1064

B. Description of the size classes

1) Small companies are those that do not exceed at least two of the following three characteristics:

1. 7.4 million Swiss francs balance sheet total;

2. 14.8 million Swiss francs net sales (Art. 1081) in the financial year preceding the balance sheet date;

3. 50 employees on average during the fiscal year.

1a) Small companies are also micro companies that do not exceed at least two of the following three characteristics:

1. 450,000 Swiss francs balance sheet total;

2. 900,000 Swiss francs net sales (Art. 1081) in the financial year preceding the balance sheet date;

3. 10 employees on average during the fiscal year.

2) Medium-sized companies are those that exceed at least two of the three characteristics designated in para. 1 and do not exceed at least two of the following three characteristics:

1. 25.9 million Swiss francs balance sheet total;

2. 51.8 million Swiss francs net sales (Art. 1081) in the financial year preceding the balance sheet date;

3. 250 employees on average during the fiscal year.

3) Large companies are those which exceed at least two of the three characteristics specified in para. 2.

4) The legal consequences of the characteristics set out in paragraphs 1 to 3 shall only apply if they are exceeded or fallen short of on the balance sheet dates of two consecutive financial years. When paragraphs 1 to 3 are applied for the first time, the legal consequences arise if the requirements of paragraph 1, 2 or 3 are met on the first balance sheet date.

5) The Government shall determine by ordinance which threshold values pursuant to para. 1 items 1 and 2 and para. 2 items 1 and 2 are to be applied if the annual financial statements are not prepared in Swiss francs.

C. General provisions on the annual report

Art. 1065

I. Components

1) Companies within the meaning of Art. 1063 must prepare an annual report.

2) The annual report consists of the financial statements, comprising the balance sheet, income statement and notes, which form a single unit, and the annual report.

3) Small companies within the meaning of Art. 1064 are not required to prepare an annual report; in addition, micro companies within the meaning of Art. 1064 are not required to prepare an annex; however, Art. 1095a must be applied.

apply. This does not apply to small companies within the meaning of Article 1064 whose securities are admitted to trading on a regulated market within the meaning of Article 4(1)(21) of Directive 2014/65/EC in an EEA Member State, or to investment companies and holding companies within the meaning of Article 2(14) and (15) of Directive 2013/34/EC 1848

Art. 1066

II. A true and fair view of the net assets, financial position and

1) The financial statements shall give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.

2) If the application of the provisions of this title is not sufficient to give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company, the Company shall be deemed to have acted in accordance with the provisions of this title.

financial position and results of operations within the meaning of paragraph 1, additional disclosures shall be made in the notes.

3) If, in exceptional cases, the application of a provision of this title is inconsistent with the obligation provided for in subsection (1), the provision in question must be departed from in order to ensure that a true and fair view within the meaning of subsection (1) is obtained.

1. The deviation must be disclosed and justified in the notes; its impact on the net assets, financial position and results of operations must be presented.

4) Paragraph 3 is not applicable to micro-enterprises within the meaning of Art. 1064, with the exception of investment companies and holding companies within the meaning of Art. 2 items 14 and 15 of Directive 2013/34/EU.

Art. 1066a

III. General accounting principles

1) The principle of materiality must be applied in the recognition and measurement of items reported in the financial statements. All disclosures and information are considered material if their omission or misstatement is expected to influence decisions that users make on the basis of the financial statements. The materiality of individual items is assessed in the context of other similar items.

2) The following general principles apply to the recognition and measurement of items reported in the financial statements:

1. It is assumed that the company will continue as a going concern, unless this is precluded by factual or legal circumstances.

2. Accounting policies and measurement bases are applied consistently from one financial year to the next.

3. The principle of prudence must be observed in recognition and measurement; in particular, all risks that have arisen by the balance sheet date must be taken into account, even if these risks only became known between the balance sheet date and the date on which the financial statements are prepared; in addition, all foreseeable risks and probable losses that have arisen by the balance sheet date may be taken into account, even if these risks or losses only became known between the balance sheet date and the date on which the financial statements are prepared; profits must only be taken into account if they are realized on the balance sheet date. Value

The impairment losses are recognized irrespective of whether the financial year ends with a profit or a loss.

4. Amounts recognized in the balance sheet and income statement are calculated on an accrual basis.

5. The opening balance sheet of a fiscal year must be consistent with the closing balance sheet of the previous fiscal year.

6. The assets and liabilities included in the asset and liability items are to be valued individually as of the balance sheet date.

7. Offsetting between asset and liability items and between expense and income items is not permitted.

8. Balance sheet and income statement items may be accounted for and presented taking into account the substance of the transaction or arrangement.

9. Assets and liabilities are valued according to the historical cost or production cost principle.

3) The recognition, measurement, presentation, disclosure, and consolidation requirements of this title need not be met if the effect of compliance is immaterial.

D. Outline

Art. 1067

I. General principles

1) The form of presentation, in particular the structure of the successive balance sheets and income statements, shall be retained unless deviations are necessary in exceptional cases due to special circumstances in order to ensure that a true and fair view of the net assets, financial position and results of operations of the Company is conveyed. Any deviations must be disclosed and justified in the notes to the financial statements.

2) In the balance sheet and income statement, the corresponding amount for the previous financial year must be stated for each item. If the amounts are not comparable, this must be stated and explained in the notes. If the previous year's amount is adjusted, this must also be stated and explained in the notes.

3) If an asset or liability falls under more than one item in the balance sheet, its allocation to other items shall be noted under the item under which it is reported or disclosed in the notes if this is necessary for the preparation of clear and concise financial statements. Treasury shares and shares in affiliated companies may only be shown under the items provided for them.

4) In the balance sheet and income statement, the items provided for in the classification charts shall be presented separately and in the order indicated. Further subdivision of items is permitted; however, the prescribed classification must be observed. New items may be added if their content is not covered by a prescribed item.

5) The structure and designation of the items in the balance sheet and income statement marked with Arabic numerals shall be changed if this is necessary to prepare a clear and concise balance sheet and income statement due to the special features of the company.

6) The items of the balance sheet and income statement marked with Arabic numerals may be shown together if

1. they contain an amount that is not significant for the presentation of a true and fair view within the meaning of Art. 1066, or

2. the clarity of presentation is thereby enhanced; in this case, however, the combined items must be disclosed separately in the notes.

7) An item in the balance sheet or income statement that does not show an amount need not be listed unless an amount was shown under that item in the previous fiscal year.

II. Balance

Art. 1068

1. Outline diagrams

1) The balance sheet can be prepared in account or scale form.

2) The statement in account form shall show:

A. Fixed assets

I. Intangible assets

Active

1. Expenses for the establishment and expansion of business operations

2. Development costs

3. Concessions, patents, licenses, trademarks and similar rights and assets, to the extent that they have been acquired for consideration and are not to be disclosed under item 4 below.

4. Goodwill, if acquired for consideration

5. Prepayments made

II. Property, plant and equipment

1. Land, rights to land, rights equivalent to land and buildings, including buildings on third-party land

2. Technical equipment and machinery

3. Other equipment, factory and office equipment

4. Advance payments made and assets under construction

III. Financial assets

1. Shares in affiliated companies

2. Receivables from affiliated companies

3. Shareholdings

4. Receivables from companies in which an equity investment is held

5. Securities held as fixed assets

6. Other loans

B. Current assets

I. Inventories

1. Raw materials and supplies

2. Work in progress

3. Finished products and goods

4. Prepayments made

II. Receivables

1. Trade receivables

2. Receivables from affiliated companies

3. Receivables from companies in which an equity investment is held

4. Other receivables

III. Securities

1. Shares in affiliated companies

2. Own shares or interests

3. Other securities

IV. Balances with banks, postal check balances, checks and cash on hand

C. Prepaid expenses

A. Equity

I. Subscribed capital

II. Capital reserves

III. Retained earnings

1. Legal reserve

Passive

2. Reserve for treasury shares or units

3. Statutory reserves

4. Other reserves

IV. Profit/loss carried forward

V. Profit/loss for the year

B. Provisions

1. Accrued pension and similar obligations

2. Tax provisions

3. Other accrued liabilities

C. Liabilities

1. Bonds, thereof convertible

2. Liabilities to banks

3. Advance payments received on orders

4. Trade accounts payable

5. Liabilities from bills of exchange

6. Liabilities to affiliated companies

7. Liabilities to companies in which an equity investment is held

8. Other liabilities, thereof tax liabilities and social security liabilities

D. Prepaid expenses

3) When setting up in relay form are to be shown:

A. Fixed assets

I. Intangible assets

1. Expenses for the establishment and expansion of business operations

2. Development costs

3. Concessions, patents, licenses, trademarks and similar rights and assets, to the extent that they have been acquired for consideration and are not shown under item 4 below.

4. Goodwill, if acquired for consideration

5. Prepayments made

II. Property, plant and equipment

1. Land, rights to land, rights equivalent to land and buildings, including buildings on third-party land

2. Technical equipment and machinery

3. Other equipment, factory and office equipment

4. Advance payments and assets under construction

III. Financial assets

1. Shares in affiliated companies

2. Receivables from affiliated companies

3. Shareholdings

4. Receivables from companies in which an equity investment is held

5. Securities held as fixed assets

6. Other loans

B. Current assets

I. Inventories

1. Raw materials and supplies

2. Work in progress

3. Finished products and goods

4. Prepayments made

II. Receivables

1. Trade receivables

2. Receivables from affiliated companies

3. Receivables from companies in which an equity investment is held

4. Other receivables

III. Securities

1. Shares in affiliated companies

2. Own shares or interests

3. Other securities

IV. Balances with banks, postal check balances, checks and cash on hand

C. Prepaid expenses and deferred charges

D. Liabilities with a remaining term of up to one year

1. Bonds, thereof convertible

2. Liabilities to banks

3. Advance payments received on orders

4. Trade accounts payable

5. Liabilities from bills of exchange

6. Liabilities to affiliated companies

7. Liabilities to companies in which an equity investment is held

8. Other liabilities, thereof tax liabilities and social security liabilities

E. Current assets (including prepaid expenses) exceeding liabilities with a remaining term of up to one year

F. Total assets (including prepaid expenses) after deduction of liabilities with a remaining term of up to one year

G. Liabilities with a remaining term of more than one year

1. Bonds, thereof convertible

2. Liabilities to banks

3. Advance payments received on orders

4. Trade accounts payable

5. Liabilities from bills of exchange

6. Liabilities to affiliated companies

7. Liabilities to companies in which an equity investment is held

8. Other liabilities, thereof tax liabilities and social security liabilities

H. Provisions

1. Accrued pension and similar obligations

2. Tax provisions

3. Other accrued liabilities

I. Deferred income

K. Equity

I. Subscribed capital

II. Capital reserves

III. Retained earnings

1. Legal reserve

2. Reserve for treasury shares or units

3. Statutory reserves

4. Other reserves

IV. Profit/loss carried forward

V. Profit/loss for the year

4) Small companies within the meaning of Article 1064 may, instead of the statement pursuant to paragraphs 2 and 3, prepare a condensed balance sheet in which only the items designated by letters and Roman numerals are included separately and in the prescribed order. Micro-entities within the meaning of Article 1064, with the exception of investment undertakings and holding companies within the meaning of Article 2 items 14 and 15 of Directive 2013/34/EU, may prepare a condensed balance sheet in which only the items designated by letters are shown separately instead of the statement pursuant to paragraphs 2 and 3. These options may not be exercised by small companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4(1)(21) of Directive 2014/65/EU in an EEA member state.

2. Provisions relating to individual items of the statement of financial position

Art. 1069

a) Balance sheet after appropriation of profit

The balance sheet may also be prepared taking into account the full or partial appropriation of the annual result. If the balance sheet is prepared taking into account the partial appropriation of the annual result, the items "profit/loss carried forward" and "annual profit/loss" shall be replaced by the item "accumulated profit/loss"; any profit or loss carried forward shall be included in the item "accumulated profit/loss" and disclosed separately in the balance sheet or in the notes.

Art. 1070

b) Fixed Assets Schedule

Repealed Art.

1071

c) Receivables and payables

1) The amount of receivables with a remaining term of more than one year is shown separately for each item in item group B. II. and summarized for the

whole item group B. II. to be noted.

2) When applying Art. 1068 para. 2, the amount of liabilities with a residual term of up to one year and liabilities with a residual term of more than one year shall be stated for each separately disclosed item of liabilities and for these items as a whole.

Art. 1072

d) Capitalizable costs; distribution block

If expenses for the establishment and expansion of the business or development costs are shown in the balance sheet, profits may only be distributed if the retained earnings remaining after the distribution, which can be released at any time, plus any profit carried forward and less any loss carried forward, are at least equal to the bi- lanced value (carrying amount).

Art. 1073

e) Investments and affiliated companies

1) Investments are shares in other companies that are intended to serve the company's own business operations by establishing a permanent link with those companies. It is irrelevant whether the shares are securitized or not. In case of doubt, shares in a company which in total exceed one fifth of the nominal capital of that company shall be deemed to be participations.

2) Affiliated companies within the meaning of this title are parent and subsidiary companies which, regardless of the existence of a consolidation obligation and regardless of the legal form and domicile of the parent company, have a relationship as defined in Art. 1097, para. 1. Subsidiary

Subsidiaries are always considered to be subsidiaries of the ultimate parent. The parent company and all its subsidiaries form a group.

Art. 1074

f) Equity

1) The subscribed capital is the capital to which the liability of the shareholders for the company's liabilities to creditors is limited. Outstanding contributions to subscribed capital shall be shown separately before fixed assets and designated accordingly; contributions called in therefrom shall be noted. The uncalled outstanding contributions may also be openly deducted from the item "Subscribed capital"; in this case, the remaining amount must be shown as an item "Called-up capital" in the main column of the liabilities side and, in addition, the amount called up but not yet paid in must be shown separately under receivables and designated accordingly.

PGR

2) The nominal amount or, in the absence thereof, the accounting par value of treasury shares acquired in accordance with Art. 151 para. 2 items 1 and 2 shall be openly deducted from the item "Subscribed capital" in the preliminary column as a capital reduction. If the par value or the notional value of treasury shares is deducted in accordance with the preceding sentence, the difference between the par value or the notional value of these shares and their purchase price shall be offset against the item "Other reserves"; any further acquisition costs shall be taken into account as an expense for the financial year.

3) The following are to be shown as capital reserves:

1. the amount realized on the issue of units, including subscription units, in excess of the nominal amount or, in the absence of a nominal amount, in excess of the accounting par value;

2. the amount realized on the issue of bonds for conversion and opti- on rights to acquire shares;

3. the amount of additional payments made by shareholders for their shares, with or without the granting of an advance.

4) Only amounts that have been formed from the result in the financial year or in a previous financial year may be shown as retained earnings. These include statutory reserves to be formed from the result.

and statutory reserves, the reserve for treasury shares and other retained earnings.

5) The reserve for treasury shares shall contain the amount corresponding to the amount to be recognized on the assets side of the balance sheet for treasury shares. The reserve may only be reversed if the treasury shares are issued, sold or cancelled or if a lower amount is recognized on the assets side. The reserve, which must be set up when the balance sheet is drawn up, may be formed from existing retained earnings to the extent that these are freely available. The reserve for treasury shares must also be set up for shares held by a controlling company or a company in which a majority interest is held.

Art. 1075

g) Provisions

1) Accruals are liabilities of a specific nature that are probable or certain at the balance sheet date but uncertain as to amount or as to the date on which they will arise.

2) Provisions may also be recognized for expenses of a precisely defined nature attributable to the financial year or an earlier financial year that are probable or certain at the balance sheet date but uncertain as to amount or as to the date on which they will be incurred.

3) A provision represents the best estimate of expenses that will probably be incurred or, in the case of a liability, the amount required to settle it. Provisions may not be value adjustments (write-offs, value adjustments) to assets and may only be formed for the purposes specified in paragraphs 1 and 2.

Art. 1076

h) Prepaid expenses

1) Prepaid expenses are expenses incurred prior to the balance sheet date that represent expenses for a certain period after that date, as well as income that is not due until after the balance sheet date.

2) Deferred income is income received before the balance sheet date that represents income for a certain period after that date, as well as expenses incurred before the balance sheet date that will not result in expenses until after that date.

3) If the repayment amount of a liability is higher than the amount received, the difference may be included in prepaid expenses on the assets side. It shall be shown separately in the balance sheet or disclosed in the notes. The difference is to be amortized by scheduled annual depreciation, which may be spread over the entire term of the liability.

Art. 1077

i) Tax deferral

1) If the tax expense attributable to the fiscal year and previous fiscal years is too low because the taxable profit under tax law is lower than the result under commercial law, and if the too low tax expense for the fiscal year and previous fiscal years is expected to be offset in subsequent fiscal years, a provision must be recognized in the amount of the expected tax expense for subsequent fiscal years. The provision is to be reversed as soon as the higher tax charge occurs or is no longer expected to occur.

2) If the tax expense attributable to the fiscal year and earlier fiscal years is too high because the taxable profit under tax law is higher than the result under commercial law, and if the excessive tax expense for the fiscal year and earlier fiscal years is expected to be offset in later fiscal years, a deferred item may be recognized on the assets side of the balance sheet in the amount of the expected tax relief in subsequent fiscal years. This item shall be shown separately under an appropriate designation. If such an item is shown, profits may only be distributed if the retained earnings remaining after the distribution, plus any profit carried forward and less any loss carried forward, correspond to the amount recognized.

as a minimum. The amount must be reversed as soon as the tax relief occurs or is no longer expected to occur.

III. Income statement Art. 1078

1. Outline in general

The income statement is to be prepared in accordance with either the nature of expense method or the cost of sales method.

Art. 1079

2. Breakdown diagram when using the nature of expense method

1) If the nature of expense method is used, the following must be disclosed:

1. Net sales

2. Increase or decrease in inventories of finished goods and work in progress

3. Other own work capitalized

4. Other operating income

5. Cost of materials:

a) Cost of raw materials, supplies and purchased merchandise

b) Expenses for purchased services

6. Personnel expenses:

a) Wages and salaries

b) Social security contributions and expenses for pensions and other employee benefits, thereof for pensions

7. Depreciation, amortization and impairment losses:

a) On intangible assets and property, plant and equipment

b) On current assets, to the extent that these exceed the value adjustments customary in the Company

8. Other operating expenses

9. Income from investments, thereof from affiliated companies

10. Income from other securities and receivables held as financial assets, thereof from affiliated companies

11. Other interest and similar income, thereof from affiliated companies

12. Write-downs of financial assets and valuation allowances on marketable securities

13. Interest and similar expenses, thereof to affiliated companies

14. Taxes on the result

15. Earnings after taxes

16. Other taxes not included in items 1 to 15

17. Profit/loss for the year

2) Small and medium-sized companies within the meaning of Art. 1064 may combine items 1 to 5 into one item under the designation "gross profit".

3) The options under paragraph 2 may not be exercised by small and medium-sized companies within the meaning of Art. 1064 whose securities are registered in an EEA member state.

Member State admitted to trading on a regulated market within the meaning of Art. 4 par. 1 fig. 21 of Directive 2014/65/EU may not be exercised.

Art. 1080

3. Breakdown diagram when applying the cost of sales method

1) If the cost of sales method is used, the following must be disclosed:

1. Net sales

2. Expenses for services rendered to generate sales (including depreciation, amortization and impairment losses)

3. Gross profit

4. Selling expenses (including depreciation, amortization and impairment losses)

5. General and administrative expenses (including depreciation, amortization and impairment)

6. Other operating income

7. Income from investments, thereof from affiliated companies

8. Income from other securities and receivables held as financial assets, as- from affiliated companies

9. Other interest and similar income, thereof from affiliated companies

10. Write-downs of financial assets and valuation allowances on marketable securities

11. Interest and similar expenses, thereof to affiliated companies

12. Taxes on the result

13. Earnings after taxes

14. Other taxes not included in items 1 to 13

15. Profit/loss for the year

2) Small and medium-sized companies within the meaning of Art. 1064 may use items 1, 2,

3 and 6 into one item under the designation "gross profit".

3) The options pursuant to par. 2 may not be exercised by small and medium-sized companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4

(1) No. 21 of Directive 2014/65/EU may not be exercised.

Art. 1081

a) Net sales

Net sales are the proceeds from the sale of products, goods and services that are typical of the Company's ordinary activities, net of sales deductions, value added tax and other taxes directly related to sales.

Art. 1082

b) Unscheduled depreciation

Unscheduled depreciation in accordance with Art. 1085 Para. 2 Sentences 3 and 4 must be shown separately or disclosed in the notes.

Art. 1083

5. Facilitation for micro companies

1) Micro-entities within the meaning of Art. 1064, with the exception of investment undertakings and associated companies within the meaning of Art. 2 items 14 and 15 of Directive 2013/34/EU, may prepare an abbreviated income statement in which at least the following items are shown separately, instead of the classification schemes under Art. 1079 and 1080:

1. Net sales
2. Other income
3. Cost of materials
4. Personnel expenses
5. Value adjustments
6. Other expenses
7. Taxes
8. Profit/loss for the year

2) The option under paragraph 1 may not be exercised by micro-entities within the meaning of Art. 1064 whose securities are admitted to trading in an EEA member state.

admitted to a regulated market within the meaning of Art. 4 par. 1 fig. 21 of Directive 2014/65/EU may not be exercised.

Art. 1083a

Retrieved

E. Rating

I. General principlesArt. 1084Repealed Art.

1085

II. Valuation of assets and liabilities

1) Assets shall be valued at no more than their acquisition or production cost less depreciation and value adjustments in accordance with paragraphs 2 and 3. Liabilities shall be stated at their repayment amount, pension obligations for which no further consideration is expected shall be stated at their present value, and provisions shall only be stated at the necessary amount.

2) In the case of fixed assets whose use is limited in time, the acquisition or production costs must be reduced by scheduled depreciation. The plan must allocate the acquisition or production costs over the fiscal years in which the asset is expected to be economically usable. Irrespective of whether their use is limited in time, assets held as fixed assets must be written down in the event of a probable permanent impairment in order to recognize the assets at the lower value to be attributed to them on the balance sheet date. In the case of financial assets, unscheduled write-downs may also be made in order to recognize these assets at the lower value to be attributed to them on the balance sheet date if the impairment is not expected to be permanent.

3) Current assets must be written down to the lower of cost and net realizable value.

The cost of acquisition or production is determined on the basis of a stock exchange or market price on the balance sheet date. If a stock exchange or market price cannot be determined and the acquisition or production costs exceed the value to be attributed to the assets on the balance sheet date, the assets must be written down to this value.

4) Depreciation, value adjustments and provisions within the meaning of Art. 1052 Para. 3 Sentence 2 may not be made.

Art. 1086

III. Depreciation and valuation allowances for tax purposes

1) Depreciation, amortization and write-downs may also be made in order to recognize non-current and current assets at the lower value based on a depreciation, amortization or write-down that is only permitted under tax law.

2) Retrieved

Art. 1087

IV. Acquisition costs

1) Acquisition costs are the costs incurred to acquire an asset and bring it to its working condition, to the extent that they can be allocated individually to the asset.

2) Acquisition costs also include incidental costs and subsequent acquisition costs.

3) Acquisition price reductions are to be deducted.

Art. 1088

V. Cost of sales

1) Production costs are expenses incurred through the consumption of goods and the use of services for the production of an asset, for its expansion or for a significant improvement beyond its original condition. They include the material and production costs directly attributable to an individual asset as well as the special production costs.

2) When calculating the cost of production, appropriate portions of the material, production and administrative overheads that are only indirectly attributable to an individual asset may also be included; these expenses may only be taken into account to the extent that they are attributable to the period of production. Selling costs may not be included in the cost of production.

3) Interest on borrowed capital is not included in the cost of production. Interest on borrowed capital used to finance the production of an asset may be recognized to the extent that it relates to the period of production; in this case, it is deemed to be the production cost of the asset.

Art. 1089

VI. Valuation simplification procedure

1) For the valuation of similar assets of the inventories as well as all movable assets including securities, it may be assumed that the assets acquired or produced first or last have been consumed or sold first or in another specific sequence; valuation at weighted average values is also permissible.

2) Retrieved

Art. 1090

VII. Reversal of impairment losses

1) If assets are depreciated and value adjustments are made in accordance with Art. 1085, Para. 2, Sentences 3 and 4 or Art. 1085, Para. 3 or Art. 1086, Para. 1

and if it transpires in a subsequent financial year that the reasons for this no longer exist, the amount of these write-downs and value adjustments is to be written up to the extent of the increase in value, taking into account the write-downs and value adjustments that would have had to be made in the meantime.

2) The write-up pursuant to para. 1 may be waived if the lower valuation can be retained in the determination of profit for tax purposes and if it is a prerequisite for the retention that the lower valuation is also retained in the balance sheet.

3) Retrieved

F. Appendix

Art. 1091

I. In general

1) The notes to the financial statements shall include information that is required to be disclosed in respect of individual items in the balance sheet or income statement or that is required to be disclosed in the notes to the financial statements because it has been opted not to be included in the balance sheet or income statement. The information shall be presented in the order in which the items are presented in the balance sheet and income statement.

2) In the appendix must be specified:

1. the accounting policies applied to items in the balance sheet and income statement, and the basis of translation into Swiss francs or into the foreign currency unit used in the preparation of the financial statements, to the extent that the financial statements include items that are based on amounts denominated or originally denominated in another currency;

2. for the individual items of fixed assets as follows:

a) Amount of acquisition and production costs;

b) Additions, disposals and transfers during the financial year;

c) accumulated depreciation at the beginning and end of the fiscal year;

d) Depreciation and amortization for the fiscal year;

e) Write-ups of the fiscal year;

f) Movements in accumulated depreciation relating to additions, disposals and transfers during the financial year; and

g) Capitalized amount of interest on borrowings included in cost of sales;

3. the amount of and reasons for the write-downs, write-downs and write-ups omitted for the individual fixed or current assets solely in accordance with tax regulations;

4. the amount and nature of each item of income or expense of extraordinary size or significance;

5. Information on the inclusion of interest on borrowings in the cost of sales;

6. all sureties, guarantee obligations, pledges and other contingent liabilities not recognized in the balance sheet, as well as information on the nature and form of any collateral provided. Any obligations relating to pensions and obligations to affiliated or associated companies must be disclosed separately;

7. the number and the par value or the calculated value (in the case of quota shares) of the shares and participation certificates of each class; of these, shares and participation certificates subscribed in a conditional capital increase or in the context of an authorized capital increase in the financial year shall be stated separately in each case;

8. the number of convertible bonds and comparable securities, stating the rights they represent;

9. profit participation rights, rights from loss certificates and similar rights, stating the type and number of the respective rights as well as the new rights arising in the financial year.

Art. 1092

II. Other mandatory

disclosures The notes to the financial statements must

also contain the following disclosures:

1. to the liabilities recognized in the balance sheet

a) the total amount of liabilities with a remaining term of more than five years,

b) the total amount of liabilities secured by liens or similar rights in rem, specifying the nature and form of the collateral;

2. the nature and financial effect of significant events after the balance sheet date that are not reflected in either the income statement or the balance sheet;

3. the proposal on the appropriation of the result and, if applicable, the resolution on the appropriation of the result;

4. the breakdown of net sales by area of activity and by geographic market to the extent that, taking into account the organization of sales and the provision of services, the areas of activity and the geographic markets differ significantly from one another;

5. Retrieved

6. Retrieved

7. the average number of employees during the fiscal year;

a) overall;

b) separated by groups;

8. if the cost-of-sales method is used (Art. 1080 para. 1), the personnel expenses for the financial year, classified in accordance with Art. 1079 para. 1 item 6;[1910]

9. for the members of the administrative and management bodies, a supervisory board, an advisory board or a similar body, in each case for each group of persons

a) the total remuneration (salaries, profit shares, subscription rights, expense allowances, insurance payments, provisional payments and fringe benefits of any kind) granted for the activity in the financial year. Total remuneration also includes remuneration that has not been paid out but has been converted into claims of another kind.

or used to increase other entitlements. In addition to the remuneration for the financial year, any other remuneration granted in the financial year but not yet disclosed in any annual financial statements must be disclosed;

b) the total remuneration (severance payments, pensions, survivors' benefits and benefits of a related nature) of the former members of the designated bodies and their survivors; subparagraphs (a), sentences 2 and 3 shall apply mutatis mutandis. In addition, the amount of the provisions for current pensions and pension entitlements set up for this group of persons shall be disclosed;

c) the advances and loans granted, indicating the interest rates, the principal terms and conditions, and the amounts repaid or forgiven, if any, during the financial year, as well as the guarantee commitments entered into in favor of such persons;

d) the information pursuant to letters a and b need not be provided if this information makes it possible to determine the remuneration of a specific member of these bodies;

10. Name and registered office of other companies in which the company or a person acting on behalf of the company holds at least one fifth of the shares; in addition, the amount of the share in the capital, the equity capital and the result of the last financial year of these companies for which annual financial statements are available must be stated; name, registered office and legal form of the companies of which the company is the general partner. This information may also be disclosed separately in a list of shareholdings instead of in the notes to the financial statements; the list of shareholdings shall form part of the notes to the financial statements; the list of shareholdings and the place where it is filed shall be indicated in the notes to the financial statements;

11. Retrieved

12. an explanation of the period over which goodwill is amortized when Art. 1054 (3) is applied;

13. the deferred tax liabilities (Art. 1077 para. 1) at the end of the financial year and the

changes that occurred in the course of the financial year;

14. Name and registered office of the parent company of the company preparing the consolidated financial statements for the largest group of companies and of its parent company preparing the consolidated financial statements for the smallest group of companies and, in the case of disclosure of the consolidated financial statements prepared by these parent companies, the place where they can be obtained.

15. The nature and purpose of off-balance sheet transactions and their financial impact on the Company, if:

a) the risks and rewards arising from such transactions are material; and

b) the disclosure of such risks and rewards is necessary for the assessment of the financial position;

16. the company's transactions with related parties, including information about their value, the nature of the related party relationship, and other disclosures about the transactions that are necessary for an evaluation of the company's financial position. Information about individual transactions may be aggregated by type of transaction unless separate disclosures are required to evaluate the effect of related party transactions on the financial position of the company. Transactions between two or more members of the same group of companies need not be disclosed if the subsidiaries involved in the transaction are wholly owned subsidiaries. Related parties are related companies and persons as defined by the IASB's International Financial Reporting Standards in accordance with Art. 1139;

17. the total fees invoiced for the financial year by the auditor or audit firm performing the audits pursuant to Art. 1058, broken down by the total fees for:

a) the audit of the annual financial statements;

b) other audit or attestation services;

c) Tax advisory services; and

d) other services.

These disclosures need not be made if the company is included in the consolidated financial statements in accordance with the provisions of Art. 1097 et seq. unless such information is included in the consolidated financial statements.

Art. 1093

III. Disclosures on financial instruments in the notes

1) In relation to financial instruments, disclose:

1. for each category of derivative financial instruments:

a) the fair value of the financial instruments concerned, to the extent that this can be reliably determined using one of the methods in accordance with Art. 1116b Para. 1, stating the valuation method used; and

b) Scope and nature of the instruments;

2. for financial assets that are recognized above their fair value without having made use of the option to recognize a write-down in accordance with Art. 1085 Para. 2 final sentence:

a) The carrying amount and fair value of each asset or appropriate groupings of those individual assets; and

b) the reasons for the omission of the write-down in accordance with Art. 1085 para. 2 final sentence and those indications which, in the opinion of the Company, indicate that the impairment is not expected to be permanent.

2) Derivative financial instruments also include contracts for the purchase or sale of goods under which either party has the right to settle in cash or another financial instrument, unless the contract was entered into to hedge anticipated needs for the purchase, sale or own use, provided that this purpose existed from the outset and continues to exist and the contract is deemed to be fulfilled upon delivery of the goods.

Art. 1094

IV. Omission of information

1) The reporting shall be omitted insofar as it is necessary for the welfare of the Principality of Liechtenstein.

2) The breakdown of net sales pursuant to Art. 1092 para. 4 may be omitted if the breakdown is likely to cause a significant disadvantage to the company or to an enterprise in which the company holds at least one fifth of the shares.

3) The information pursuant to Art. 1092 No. 10 may be omitted insofar as it is

1. are of minor importance for the presentation of the net assets, financial position and results of operations of the company, or

2. are likely to cause significant disadvantage to the Company or the other company.

4) The disclosure of the shareholders' equity and the annual result pursuant to Art. 1092 No. 10 may also be omitted if the company to be reported on does not have to disclose its annual financial statements and the reporting company and persons acting on its behalf hold less than half of the shares.

5) The application of the exceptions according to par. 2 and 3 item 2 is specified in the Annex

Specify.

6) Retrieved

Art. 1095

V. Size-dependent facilitations

1) Small companies within the meaning of Art. 1064 need to provide the information according to Art. 1091 para. 2 items 2, 3, 7, 8 and 9, according to Art. 1092 items 2 to 4, 7 let. b, 8, 9 let. a, b and d, 10, 11
as well as 13 to 17 and according to Art. 1093 para. 1 item 1 not to make.

2) Medium-sized companies within the meaning of Art. 1064 need not provide the information required by Art. 1092 items 4 and 17. The information according to Art. 1092 No. 16 may be limited to transactions with:

1. owners who hold an interest in the Company;

2. Companies in which the Company itself holds an interest; and

3. Members of the administrative, management or supervisory bodies of a company.

3) Paragraphs 1 and 2 shall not apply to companies whose securities are admitted to trading on a regulated market within the meaning of Art. 4 par. 1 fig. 21 of Directive 2014/65/EU in an EEA member state.

Art. 1095a

VI. Special obligations for micro entities

Micro-entities within the meaning of Art. 1064 must provide the information required by Art. 1055 para. 2, Art. 1091 para. 2 para. 6, Art. 1092 para. 9 let. c and Art.

1096 Para. 4 No. 4 to be shown under the balance sheet line.

G. Annual report (management

report) Art. 1096

I. In general

1) The annual report shall include at least a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces. The course of business, the business results and the situation of the company shall be analyzed in a balanced and comprehensive manner appropriate to the scope and complexity of the business activities.

2) To the extent necessary for an understanding of the development and performance of the business and the position of the company, the analysis shall include the principal financial and, where appropriate, non-financial performance indicators relevant to the company's business, including information relating to environmental and employee matters.

3) As part of the analysis, references and additional explanations to the amounts reported in the financial statements shall also be made in the annual report, where appropriate.

4) The annual report shall further also address:

1. Retrieved

2. the expected development of the Company;

3. the area of research and development;

4. the number of treasury shares of the Company acquired or pledged by the Company, a dependent company or a company in which the Company holds a majority interest, or by another party for the account of the Company or a dependent company or a company in which the Company holds a majority interest.

The number and the nominal amount or the calculated value (in the case of quota shares) of these shares as well as their proportion of the share capital, and for acquired shares also the time of acquisition and the reasons for the acquisition. If such shares have been acquired or sold during the financial year, a report shall also be made on the acquisition or sale, stating the number and par value or the calculated value (in the case of quota shares) of these shares, the proportion of the share capital and the acquisition or sale price, as well as the use of the proceeds; this provision shall also apply mutatis mutandis to own participation certificates;

5. existing branches of the Company;

6. with regard to the use of financial instruments by the company, insofar as this is relevant for the assessment of the net assets, financial position and results of operations:

a) the risk management objectives and policies, including the methods used to hedge all significant types of forecasted transactions that are accounted for using hedge accounting; and

b) existing price change, default, liquidity and cash flow risks.

5) Small companies within the meaning of Art. 1064 must provide the information pursuant to para. 4 item 4 in the notes.

6) In the case of medium-sized companies within the meaning of Art. 1064, the analysis pursuant to para. 2 may be limited to the financial information.

7) Paragraphs 5 and 6 shall not apply to companies whose securities are admitted to trading on a regulated market within the meaning of Art. 4 par. 1 fig. 21 of Directive 2014/65/EU in an EEA member state.

Art. 1096a

II. Corporate Governance Report

1) Companies whose securities are admitted to trading on a regulated market within the meaning of Art. 4 (1) No. 21 of Directive 2014/65/EU in an EEA member state shall include a corporate governance report (corporate governance statement) in their annual report. This report shall form a separate section in the annual report and shall contain at least the following information:

1. where applicable, a reference to:

a) the Corporate Governance Code to which the Company is subject;

b) the Corporate Governance Code, which it may have decided to apply voluntarily;

c) all relevant disclosures on corporate governance practices that it applies beyond the requirements of national law.

In all cases under a) and b) above, the company shall also indicate where the relevant documents are publicly available; in the cases under c) above, the company shall make its corporate governance practices publicly available;

2. to the extent that a company, in accordance with national law, deviates from a Corporate Governance Code within the meaning of item 1 letter a or b, an explanation of the points in which it deviates from the Corporate Governance Code and the reasons for such deviation. If the company has decided not to apply any provisions of a Corporate Governance Code within the meaning of item 1 letter a or b, it shall explain the reasons for this;

3. a description of the main features of the Company's internal control and risk management system with regard to the financial reporting process;

4. the information required pursuant to Art. 10 para. 1 letters c, d, f, h and i of Directive 2004/25/EC on takeover bids, provided that the company is covered by this Directive;

5. a description of the manner in which the General Meeting of Shareholders is to be held and its main powers, as well as a description of the shareholders' rights and the possibilities of exercising them, unless this information is already contained in full in national law;

6. the composition and functioning of the administrative, management and supervisory bodies and their committees;

7. a description of the diversity concept pursued in connection with the administrative, management and supervisory bodies of the company with regard to aspects such as age, gender or educational and professional background, the objectives of this diversity concept and the manner in which this concept was implemented and the results in the reporting period. If such a concept is not applied, the statement shall explain why this is the case.

Sentences 1 and 2 shall not be applied by small and medium-sized companies within the meaning of

of Art. 1064.

2) The information pursuant to para. 1 need not be integrated into the annual report, but may be contained in a separate corporate governance report. In this case, the corporate governance report must be disclosed together with the annual report pursuant to Art. 1123, unless the corporate governance report is publicly accessible on the company's website and reference is made to it in the annual report. In the case of a separate corporate governance report, a reference to the annual report may be included in it, in which the information pursuant to para. 1 item 4 can be found.

3) Companies that have exclusively issued securities other than shares admitted to trading on a regulated market within the meaning of Art. 4 par. 1 fig. 21 of Directive 2014/65/EU in an EEA member state need not apply par. 1 fig. 1, 2, 5 and 6 unless they have issued shares traded on a multilateral trading facility within the meaning of Art. 4 par. 1 fig. 22 of Directive 2014/65/EU.

4) The auditor or auditing company shall, as part of the audit of the company's annual report, express an opinion with regard to the information required under paragraph 1, items 3 and 4, and verify whether the information referred to in paragraph 1, items 1, 2, 5, 6 and 7 has been provided.

Art. 1096b

III. Non-financial statement (report on non-financial aspects of the company's operations)

1) Companies whose securities are admitted to trading on a regulated market in an EEA member state within the meaning of Art. 4 para. 1 no. 14 of Directive 2004/39/EC, which on the balance sheet date meet the criterion of having more than 500 employees on average during the financial year, shall include in the annual report a statement on non-financial aspects of the company's activities containing the information necessary for an understanding of the course of business, the business results, the situation of the company and the impact of its activities and relating at least to environmental, social and employee matters, respect for human rights and the fight against corruption and bribery:

1. a brief description of the Company's business model;

2. a description of the Company's approach to these matters, including the due diligence processes used;

3. of the results of these concepts;

4. the material risks relating to these matters that are associated with the Company's operations, including, where relevant and proportionate, its business relationships, products or services, and that are likely to have an adverse effect on these areas, and the Company's management of these risks;

5. of the key non-financial performance indicators relevant to the business activity concerned.

2) If the company does not follow a policy with respect to one or more of the matters referred to in paragraph 1, the non-financial statement shall contain a clear and reasoned explanation as to why this is the case.

3) The non-financial statement referred to in paragraph 1 shall also include, where appropriate, references to and additional explanations of amounts reported in the financial statements.

4) Information about future developments or matters under negotiation may exceptionally be omitted if, in the reasonable opinion of the members of the competent administrative, management and supervisory bodies, such omission would be seriously prejudicial to the Company's business, provided that such omission does not prevent a fair and balanced understanding of the development and performance of the business, the position of the Company and the implications of its activities.

5) The company may rely on national, EEA-based or international frameworks in preparing the non-financial statement; if it does so, it must disclose which frameworks it has relied on.

6) If companies fulfill the obligations under paragraphs 1 to 5, they are deemed to have fulfilled the obligations in connection with the analysis of non-financial information under Art. 1096 paras. 2 and 3.

7) A company that is a subsidiary shall be exempt from the obligations set forth in paras. 1 to 5 if this company and

its subsidiaries are included in the consolidated annual report or separate report of another company and such consolidated annual report or separate report is prepared in accordance with Art. 1121 and this Article.

8) If a company prepares a separate report for the same financial year, it shall be subject to the requirements of paragraphs 1 to 5 regardless of whether the report is based on national, EEA-based or international frameworks, and regardless of whether the report includes the in

The company shall be exempt from the obligations to submit the non-financial statement pursuant to paragraphs 1 to 5 if the non-financial statement includes the information contained in the non-financial statement, provided that this separate report:

1. is published together with the annual report pursuant to Art. 1122 and 1123; or

2. is made publicly available on the company's website within a reasonable period of time, which may not exceed six months after the balance sheet date, and the annual report makes reference to it.

9) Paragraph 6 shall apply mutatis mutandis to companies preparing a separate report in accordance with paragraph 8.

10) As part of the audit of the company's annual report, the auditor or auditing firm shall verify whether the non-financial statement pursuant to paras. 1 to 5 or the separate report pursuant to para. 8 has been submitted. The information contained in the non-financial statement pursuant to paras. 1 to 5 or the separate report pursuant to para. 8 shall not be audited.

2. Subsection

Consolidated Annual Report (Consolidated Financial Statements and Consolidated Annual Report)

A. Scope

Art. 1097

I. Obligation to prepare a consolidated annual report

PGR

1) A company (parent company) within the meaning of Art. 1063 with its registered office in Switzerland is required to prepare a consolidated annual report, consisting of a consolidated financial statement and

a consolidated annual report, if a company (subsidiary) provides it with the following information

1. is entitled to the majority of the voting rights of the shareholders or

2. has the right to appoint or remove the majority of the members of the administrative, management or supervisory body and is at the same time a shareholder, or

3. has the right to exercise a controlling influence on the basis of a control agreement concluded with this company or on the basis of a provision in the articles of association of this company and is at the same time a shareholder, or

4. the majority of the voting rights of the shareholders are held by virtue of an agreement with other shareholders of the company of which it is a shareholder.

2) The rights to which a parent company is entitled pursuant to para. 1 shall also include the rights to which a

The rights of subsidiaries and the rights of persons acting on behalf of the parent company or subsidiaries are added to the rights of a parent company in another company. To the rights of a parent company in another company are added the rights that it or a subsidiary can dispose of on the basis of an agreement with other shareholders of this company. Rights are to be deducted that

1. are linked to shares held by the parent company or by subsidiaries for the account of another person, or

2. associated with shares held as collateral, provided that these rights are exercised in accordance with the instructions of the collateral provider or, if a bank holds the shares as collateral for a loan, in the interests of the collateral provider.

3) For the purposes of applying paragraph 1 items 1 and 4, the voting rights from treasury shares held by the subsidiary itself, by one of its subsidiaries or by another person for the account of these companies shall be deducted from the total number of all voting rights.

II. ExceptionsArt. 1098Discontinued

Art. 1099

2. Exemption of intermediate companies with EEA parent companies

1) A parent company (intermediate company) which is at the same time a subsidiary of a parent company with its registered office in an EEA member state is not required to prepare a consolidated annual report if a consolidated annual report of its parent company, including the auditor's report, which meets the requirements of paragraph 2, is published in accordance with the provisions applicable to the omitted consolidated annual report. An exempting consolidated annual report may be prepared by any company, irrespective of its legal form and size, if the company, as a company within the meaning of Art. 1063 with its registered office in an EEA member state, would be required to prepare a consolidated annual report including the parent company to be exempted and its subsidiaries.

2) The consolidated annual report of a parent company with its registered office in an EEA member state has an exempting effect if

1. the parent company to be exempted and its subsidiaries have been included in the exempted consolidated annual report without prejudice to Art. 1104,

2. the exempting consolidated financial statements have been prepared in accordance with the law applicable to the parent company preparing the exempting consolidated financial statements or in accordance with international accounting standards adopted pursuant to Regulation (EC) No. 1606/2002, and

3. the notes to the financial statements of the entity to be exempted contain the following information

Contains:

a) Name and registered office of the parent company preparing the exempting consolidated financial statements,

b) a reference to the exemption from the obligation to prepare a consolidated annual report.

3) The exemption pursuant to subsection 1 may not be claimed by a parent company despite the existence of the requirements pursuant to subsection 2 if shareholders who own at least 10% of the shares in the parent company to be exempted in the case of stock corporations and limited partnerships and at least 20% in the case of companies of other legal forms, have not made use of the exemption no later than six months before the expiry of the

financial year have applied for the preparation of a consolidated annual report. If the parent company owns at least ninety percent of the shares in the parent company to be exempted, paragraph 1 may only be applied if the other shareholders have consented to the exemption.

4) A parent company (intermediate company) that is also a subsidiary of a parent company with its registered office in an EEA member state must prepare a consolidated annual report despite the existence of the exemption requirements pursuant to paras. 1 to 3 if its securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/ EU in an EEA member state.

Art. 1100

3. Exemption of intermediate companies with non-EEA parent companies

1) Art. 1099 shall be applied to the consolidated annual report of a parent company with its registered office in a state that is not an EEA member state, with the proviso that the exempting consolidated annual report in which the company to be exempted (intermediate company) and all its subsidiaries are included shall be prepared in accordance with para. 2 and audited in accordance with para. 3.

2) Only consolidated annual reports prepared in accordance with the following accounting standards shall be recognized as exempting consolidated annual reports of parent companies with their registered office in a non-EEA member state pursuant to paragraph 1:

1. according to the law of an EEA member state;

2. according to regulations equivalent to the law of an EEA member state;

3. in accordance with international accounting standards adopted pursuant to Regulation (EC) No. 1606/2002; or

4. in accordance with the equivalent international accounting standards established pursuant to Regulation (EC) No. 1569/2007 as set out in section 3.

3) The exempting consolidated annual report pursuant to para. 1 shall be prepared by one or more

auditors or firms of auditors who, by virtue of the legal provisions to which the company subjecting the exempting consolidated annual report are authorized to audit consolidated annual reports.

Art. 1100a

4. Exemption from the installation obligation

Repealed

Art. 1101

5. Size dependent exemption

1) A parent company is exempt from the obligation to prepare a consolidated annual report if:

1. at least two of the following three characteristics apply on the balance sheet date of its annual financial statements and on the previous balance sheet date:

a) the balance sheet totals of the parent company and the subsidiaries to be included in the consolidated financial statements do not exceed 31 million Swiss francs in total;

b) the net sales of the parent company and subsidiaries to be included in the consolidated financial statements do not exceed a total of 62 million Swiss francs in the financial year preceding the balance sheet date;

c) the parent company and the subsidiaries to be included in the consolidated financial statements have not employed more than 250 employees on average in the financial year preceding the balance sheet date; or

2. at least two of the following three characteristics apply on the balance sheet date of a consolidated financial statement to be prepared by it and on the preceding balance sheet date:

a) the balance sheet total does not exceed 25.9 million Swiss francs;

b) net sales in the financial year preceding the balance sheet date did not exceed 51.8 million Swiss francs;

c) the parent company and the subsidiaries included in the consolidated financial statements have not employed more than 250 employees on average in the financial year preceding the balance sheet date.

2) Except in the cases set out in paragraph 1, a parent company shall be exempt from the obligation to prepare a consolidated annual report if the conditions set out in paragraph 1 are met only at the balance sheet date or only at the preceding balance sheet date and the parent company was exempt from the obligation to prepare a consolidated annual report at the preceding balance sheet date.

3) Paragraphs 1 and 2 shall not apply if the parent company or another subsidiary to be included in the consolidated financial statements of the parent company is a company whose securities are admitted to trading on a regulated market in an EEA member state within the meaning of Art. 4 (1) No. 21 of Directive 2014/65/EC.

4) The Government shall determine by ordinance which thresholds pursuant to para. 1 items 1 a and b and 2 items a and b are to be applied if the consolidated financial statements are not prepared in Swiss francs.

Art. 1101a

6. Exemption due to immateriality

1) A parent company that has only subsidiaries that are individually and collectively of minor importance with regard to the objective of Art. 1105 para. 2, or that is not required to include any of its subsidiaries in the consolidation due to Art. 1104, does not need to prepare a consolidated annual report.

2) The application of paragraph 1 shall be justified in the Annex.

B. Scope of consolidation

Art. 1102

I. Companies to be included

1) The consolidated financial statements shall include the parent company and all its subsidiaries, irrespective of the domicile of the subsidiaries, unless such inclusion is omitted pursuant to Art. 1104. For this purpose, each subsidiary of a subsidiary company shall be deemed to be a subsidiary of the parent company which is at the head of the companies to be consolidated.

2) If the composition of the entities included in the consolidated financial statements has changed significantly during the financial year, the consolidated financial statements shall include disclosures that enable a meaningful comparison to be made between the successive consolidated financial statements. This obligation may also be met by adjusting the corresponding amounts in the previous consolidated financial statements to reflect the changes.

Art. 1103

II. Prohibition of inclusion

Repealed

Art. 1104

III. Waiver of the inclusion

1) A subsidiary need not be included in the consolidated financial statements if:

1. significant and continuing restrictions on the exercise of the parent's rights in respect of the assets or management of that entity; or

2. the information required for the preparation of the consolidated financial statements cannot be obtained without unreasonable cost or delay; or

3. the shares in the subsidiary are held exclusively for the purpose of resale; or

4. Retrieved

2) Retrieved

3) The application of paragraph 1 shall be justified in the Annex.

C. Content and form of the consolidated financial statements Art. 1105

I. Content

1) The consolidated financial statements consist of the consolidated balance sheet, the consolidated income statement and the notes, which form a single unit.

2) The consolidated financial statements shall be prepared in a clear and concise manner. They shall give a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included in the consolidation taken as a whole. If the application of the provisions of this Title is not sufficient to provide a true and fair view of the net assets, financial position and results of operations within the meaning of sentence 2, additional disclosures shall be made in the notes. If, in exceptional cases, the application of a provision of this Title is incompatible with the obligation laid down in the second sentence, the provision in question must be departed from in order to ensure that a true and fair view within the meaning of the second sentence is conveyed.

ted. The deviation must be disclosed and justified in the notes; its impact on the net assets, financial position and results of operations must be presented.

3) In the consolidated financial statements, the net assets, financial position and results of operations of the companies included shall be presented as if these companies were a single entity. There shall be consistency in the application of the consolidation methods. Deviations from sentence 2 are permitted in exceptional cases. They shall be disclosed in the notes to the financial statements and reasons given. Their impact on the net assets, financial position and results of operations of the undertakings included in the consolidated financial statements as a whole shall be disclosed.

Art. 1106

II. Applicable regulations

To the extent that the special features of a con-

If the preparation of consolidated financial statements in comparison with annual financial statements does not necessarily require significant adjustments, Art. 1063 to 1090 shall apply mutatis mutandis.

Art. 1107

III. Deadline for the lineup

1) The consolidated financial statements shall be prepared as of the same date as the financial statements of the parent company or as of a different date as the financial statements of the most important or the majority of the companies included in the consolidated financial statements; the deviation from the balance sheet date of the parent company shall be disclosed and justified in the notes.

2) The annual financial statements of the companies included in the consolidated financial statements shall be prepared as of the balance sheet date of the consolidated financial statements. If the balance sheet date of an entity is more than three months before the balance sheet date of the consolidated financial statements, that entity shall be included in the consolidated financial statements on the basis of interim financial statements prepared as of the balance sheet date and for the period covered by the consolidated financial statements.

3) If, in the case of different balance sheet dates, an entity is not included in the consolidated financial statements on the basis of interim financial statements prepared as of the reporting date and for the period covered by the consolidated financial statements, transactions of particular significance for

the net assets, financial position and results of operations of an entity included in the consolidated financial statements that have occurred between the balance sheet date of that entity and the balance sheet date of the consolidated financial statements must be reflected in the consolidated balance sheet and the consolidated income statement or disclosed in the notes.

D. Full consolidation

Art. 1108

I. Consolidation principles; completeness requirement

1) In the consolidated financial statements, the financial statements of the parent company are combined with the financial statements of the subsidiaries. The parent company's shares in the consolidated subsidiaries are replaced by the assets and liabilities of the subsidiaries.

2) The assets and liabilities as well as the income and expenses of the companies included in the consolidated financial statements are to be adopted in full, irrespective of their inclusion in the financial statements of these companies. Accounting options permitted by the law of the parent company may be exercised in the consolidated financial statements irrespective of their exercise in the financial statements of the companies included in the consolidated financial statements.

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Art. 1109

II. Capital consolidation

1) The carrying amounts of the parent's shares in the subsidiaries included in the consolidated financial statements are offset against the amount of the subsidiaries' equity attributable to these shares.

2) Equity shall be stated at the amount corresponding to the book value of the assets, liabilities, accruals and deferred income to be included in the consolidated financial statements. The differences arising on offsetting in accordance with paragraph 1 shall, as far as possible, be recognized directly under the items of the consolidated balance sheet whose value is higher or lower than their book value.

3) Equity may also be recognized at an amount equal to the value of the assets, liabilities, accruals and deferred income to be included in the consolidated financial statements.

4) Offsetting in accordance with paragraphs 2 and 3 is based on the corresponding values at the time of initial inclusion of the subsidiary in the consolidated financial statements or at the time of acquisition of the shares or, if the shares are acquired at different times, at the time when the company became a subsidiary. The date chosen must be disclosed in the notes.

5) Any difference remaining after paragraph 2 or arising after paragraph 3 shall be shown in the consolidated balance sheet as goodwill if it arises on the assets side and as a difference from capital consolidation if it arises on the liabilities side. The item, the methods used and any significant changes compared with the previous year must be explained in the notes. If differences on the assets side are offset against differences on the liabilities side, the amounts offset must be disclosed in the notes.

6) Paragraph 1 shall not apply to shares in the parent company belonging to the parent company or to a subsidiary included in the consolidated financial statements. Such shares shall be presented separately in the consolidated statement of financial position as treasury shares.

Art. 1110

III. Debt consolidation

1) Loans and other receivables, provisions and liabilities between the companies included in the consolidated financial statements as well as corresponding accruals and deferrals are to be omitted.

2) Paragraph 1 need not be applied if the amounts to be omitted are not necessary for a true and fair view of the assets, liabilities, financial position and profit or loss of the group of companies included in the consolidated financial statements.

companies included in the consolidated financial statements are of minor importance.

Art. 1111

IV. Treatment of interim results

1) Assets to be included in the consolidated financial statements which are based in whole or in part on supplies or services provided between undertakings included in the consolidated financial statements shall be recognized in the consolidated balance sheet at an amount at which they could be recognized in the annual balance sheet of that undertaking drawn up as of the date of the consolidated financial statements if the undertakings included in the consolidated financial statements also legally constituted a single undertaking.

2) The application of paragraph 1 may be omitted if:

1. the supply or service has been made under normal market conditions and the determination of the value prescribed in accordance with paragraph 1 would require a disproportionate amount of effort; in this case, this must be disclosed in the notes and, if the impact on the net assets, financial position and results of operations of all the entities included in the consolidated financial statements is material, explained; or

2. the treatment of the interim results in accordance with paragraph 1 is of minor importance for the presentation of a true and fair view of the assets, liabilities, financial position and profit or loss of the undertakings included in the consolidated financial statements as a whole.

Art. 1112

V. Consolidation of expenses and income

1) In the consolidated income statement are:

1. in the case of net sales, the proceeds from the sale of goods and services between the companies included in the consolidated financial statements are to be offset against the expenses attributable to them, unless they are to be reported as an increase in inventories of finished goods and work in progress or as other own work capitalized;

2. other income from deliveries and services between the companies included in the consolidated financial statements must be offset against the expenses attributable to them, unless they are to be reported as other own work capitalized.

2) Paragraph 1 need not be applied if the amounts to be omitted are of minor significance for the presentation of a true and fair view of the net assets, financial position and results of operations of the companies included in the consolidated financial statements as a whole.

Art. 1113

VI. Tax deferral

1) If, as a result of measures taken in accordance with the provisions of this subsection, the annual result shown in the consolidated financial statements is lower or higher than the sum of the individual results of the companies included in the consolidated financial statements, the tax expense resulting for the fiscal year and previous fiscal years shall be, If the tax expense is too high in relation to the net income for the year, it shall be adjusted by recognizing an accrual on the assets side or, if it is too low in relation to the net income for the year, by recognizing a provision, provided that the excessively high or low tax expense is expected to be offset in subsequent financial years.

2) The item shall be disclosed separately in the consolidated balance sheet or in the notes. It may be combined with the items under Art. 1077.

Art. 1114

VII. Minority interests

1) In the consolidated balance sheet, shares in subsidiaries not belonging to the parent company that are included in the consolidated financial statements must be shown separately under equity as a minority interest in the amount of their share in equity.

2) In the consolidated income statement, the profit and loss attributable to minority interests included in the net profit/loss for the year shall be shown separately under the item "Profit/loss for the year" with the appropriate designation.

E. Evaluation

Art. 1115

I. Uniform valuation

1) The assets and liabilities of the undertakings included in the consolidated financial statements pursuant to Art. 1108, para. 2, shall be valued uniformly in accordance with the valuation methods applicable to the annual financial statements of the parent company or other valuation methods permitted by Directive 78/660/EEC. Any deviations from the valuation methods applied to the parent company's financial statements must be disclosed and justified in the notes to the financial statements. Valuation options permitted under the law of the parent company may be exercised in the consolidated financial statements irrespective of their exercise in the financial statements of the companies included in the consolidated financial statements.

2) If assets and liabilities of the parent company or subsidiaries to be included in the consolidated financial statements have been valued in the financial statements of these companies according to methods that differ from those to be applied to the consolidated financial statements or that are applied to the consolidated financial statements in the exercise of valuation options, the

assets and liabilities valued differently shall be revalued in accordance with the valuation methods applied to the consolidated financial statements and shall be included in the consolidated financial statements at the new valuation rates. A uniform valuation in accordance with sentence 1 need not be made if its effects are not material for the presentation of a true and fair view.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU and are consistent with the International Financial Reporting Standards (IFRSs) as adopted by the EU. In addition, deviations are permitted in exceptional cases; they must be disclosed and justified in the notes.

3) In the valuation of fixed and current assets in the consolidated financial statements, it is not permissible to take into account depreciation and value adjustments that are only permissible for tax purposes in accordance with Art. 1086 Para. 1 and Art. 1090 Para. 2.

Art. 1116

II. Treatment of the difference

1) Any difference to be shown on the assets side in accordance with Art. 1109, para. 5, shall be treated in accordance with Art. 1054. It may not be offset against reserves.

2) Any difference to be shown on the liabilities side in accordance with Art. 1109 (5) may only be reversed to profit or loss to the extent that

1. an unfavorable development of the future earnings situation of the company expected at the time of the acquisition of the shares or the first-time consolidation has occurred or expenses expected at that time have to be taken into account, or

2. it is determined at the balance sheet date that it corresponds to a realized gain.

III. Valuation of financial instruments

Art. 1116a

1. Valuation at fair value

1) Financial instruments, including derivative financial instruments, may be measured at fair value in exercise of the option in Art. 1115 Para. 1, subject to Paras. 2 to 4.

2) Derivative financial instruments also include contracts to acquire or dispose of goods under which either party has the right to settle in cash or another financial instrument, unless the contract was entered into for the purpose of meeting the entity's expected purchase, sale or usage requirements.

provided that this purpose existed from the outset and continues to exist and the contract is deemed to have been fulfilled upon delivery of the goods.

3) Par. 1 applies to such liabilities that:

1. held as part of a trading portfolio; or

2. derivative financial instruments are.

4) Par. 1 shall not apply to:

1. held-to-maturity non-derivative financial instruments;

2. originated receivables and loans not held for trading; and

3. Investments in subsidiaries, investments in associates and joint ventures, equity instruments issued by the entity, contracts for contingent consideration in a business combination, and other financial instruments with characteristics that generally require them to be accounted for differently from other financial instruments.

5) Assets or liabilities that qualify as hedged items for the purpose of fair value hedge accounting, or a designated portion of such assets or liabilities, shall be recognized at the value designated for hedge accounting.

6) By way of derogation from paragraphs 3 and 4, financial instruments may be valued together with the related disclosure requirements using the IASB's international accounting standards in accordance with Art. 1139.

Art. 1116b

2. Determination of the fair value

1) The fair value in accordance with Art. 1116a must be determined using one of the following methods:

1. For financial instruments for which a market value can be determined, the fair value corresponds to this market value. If a fair value cannot be readily determined for the financial instrument as a whole, but can be determined for its individual components or for a similar financial instrument, the fair value of the instrument can be determined from the

The fair values of financial instruments are derived from the respective market values of their components or from the market value of the similar financial instrument.

2. For financial instruments for which a reliable fair value cannot be readily determined, the fair value is determined using generally accepted valuation models and methods. These valuation models and methods must ensure a reasonable approximation of fair value.

2) Financial instruments that cannot be measured reliably using any of the methods described in paragraph 1 must be measured in accordance with Art. 1085.

Art. 1116c

3. Change in fair value

1) If a financial instrument is valued in accordance with Art. 1116b Para. 1, a change in value must be recognized in the income statement. In deviation from this principle, the change in value must be recognized directly in equity in a separate item under the appropriate designation if:

1. the financial instrument is a hedging instrument and is recognized in hedge accounting where a change in value is not or only partially recognized in the income statement; or

2. it is attributable to an exchange rate difference affecting a monetary item that forms part of an entity's net investment in a foreign entity.

2) The change in value of an available-for-sale financial asset that is not a derivative financial instrument may also be recognized directly in equity under a separate item with the appropriate designation instead of in the income statement.

3) The separate item pursuant to paragraphs 1 and 2 shall be reversed to the extent that the amounts reported therein are no longer required for the application of paragraphs 1 and 2. Reversal in other cases is not permitted.

Art. 1116d

4. Notes

If financial instruments are measured at fair value, the following information must be disclosed:

1. the key assumptions underlying the valuation models and methods used to determine the fair value in accordance with Art. 1116b Para. 1 No. 2;

2. for each group of financial instruments, the fair value itself, the changes in value recognized directly in the income statement, and the changes recognized in a separate item under equity;

3. for each class of derivative financial instruments, the extent and nature of the instruments, including the significant terms and conditions that may affect the amount, timing and certainty of future cash flows;

4. an overview of the movements within the separate item in equity (Art. 1116c) during the financial year.

F. Associated companies

Art. 1117

I. Definition; Exemption

1) If an entity included in the consolidated financial statements exercises significant influence over the operating and financial policies of an entity not included in the consolidated financial statements in which the entity has an interest in accordance with Art. 1073 para. 1 (associated entity), this interest shall be disclosed in the consolidated balance sheet under a special heading with an appropriate designation. Significant influence is presumed if an entity holds at least one fifth of the shareholders' voting rights in another entity; Art. 1097 paras. 2 and 3 apply.

2) Paragraph 1 and Art. 1118 do not have to be applied to an investment in an associated company if the investment is of minor importance for the presentation of a true and fair view of the financial position and performance of the companies included in the consolidated financial statements as a whole.

Art. 1118

II. Valuation of the investment and treatment of the difference

1) An investment in an associate is included in the consolidated statement of financial position either

1. at the carrying amount or

2. with the amount corresponding to the proportionate equity of the associated company,

to be recognized. In the case of recognition at the carrying amount in accordance with sentence 1 no. 1, the difference between this amount and the pro rata equity of the associated company must be disclosed separately in the consolidated balance sheet or in the notes to the financial statements when these provisions are applied for the first time. In the case of recognition at the pro rata equity capital pursuant to sentence 1 item 2, the equity capital shall be recognized at the amount resulting from the recognition of the assets, liabilities, provisions and prepaid expenses of the associated enterprise at the value to be attributed to them on the date chosen in accordance with paragraph 3; the difference between this value and the book value of the participation shall be shown separately in the consolidated balance sheet or disclosed in the notes to the financial statements when these provisions are applied for the first time. The method used shall be disclosed in the notes.

2) The difference pursuant to subsection 1 sentence 2 shall be allocated to the carrying amounts of the assets, liabilities, provisions and prepaid expenses of the associated company to the extent that their value is higher or lower than the previous carrying amount. The amount allocated pursuant to sentence 1 or the amount resulting pursuant to paragraph 1 sentence 1 item 2 shall be carried forward, written down or reversed in the consolidated financial statements in accordance with the treatment of the carrying amounts of these assets, liabilities, provisions and prepaid expenses in the annual financial statements of the associated company. On a post allocation basis

remaining after sentence 1 and a differential under para. 1 sentence 3 second half-sentence, Art. 1116 shall apply mutatis mutandis.

3) The valuation of the investment and the differences are determined on the basis of the valuations at the time of the first application of Art. 1117 par. 1 to the investment or at the time of the acquisition of the shares or, in the case of acquisition of the shares at different times,

The date selected must be disclosed in the notes to the consolidated financial statements. The date selected must be disclosed in the notes.

4) The carrying amount of an investment determined in accordance with paragraph 1 shall be increased or decreased in subsequent years by the amount of changes in equity corresponding to the shares in the capital of the associated company belonging to the parent company; profit distributions attributable to the investment shall be deducted. In the consolidated income statement, the profit or loss attributable to investments in associates shall be shown as a separate item.

5) If the associated company applies valuation methods in its annual financial statements that differ from the consolidated annual financial statements, assets or liabilities valued differently may be valued for the purposes of paragraphs 1 to 4 in accordance with the valuation methods applied to the consolidated annual financial statements. If the valuation is not adjusted, this must be stated in the notes. Art. 1111 on the treatment of interim results shall be applied mutatis mutandis insofar as the facts relevant to the assessment are known or accessible. Intercompany profits and losses may also be omitted on a pro rata basis according to the shares in the capital of the associated company belonging to the parent company.

6) The most recent annual financial statements of the associated company shall be used as a basis. If the associated company prepares consolidated financial statements, these shall be used as a basis and not the financial statements of the associated company.

G. Appendix

Art. 1119

I. In general

1) The notes to the financial statements shall contain the information required by Articles 1091 to 1094, as well as the additional information required by other provisions of this Title. This shall be done in such a manner as to facilitate the assessment of the financial position of the companies included in the consolidation taken as a whole. In doing so, the material adjustments resulting from the particularities of the consolidated annual report in comparison with the annual report shall be made.

2) In making the material adjustments under subsection 1, particular consideration shall be given to the fact that:

1. the disclosure pursuant to Art. 1092 para. 16 shall not include transactions between companies included in the consolidation which are omitted in the consolidation;

2. the disclosure required by Art. 1092 item 9 shall only include the amount of remuneration and advances and loans granted by the parent company and its subsidiaries to members of the administrative and management body, a supervisory board, an advisory board or a similar body of the parent company.

Art. 1120

II. Information on shareholdings

1) The following information on shareholdings must be disclosed in the notes:

1. The name and registered office of the undertakings included in the consolidated financial statements, the proportion of the capital of the subsidiary undertakings held by the parent undertaking and the subsidiary undertakings included in the consolidated financial statements, or held by a person acting on behalf of those undertakings, as well as the facts obliging inclusion in the consolidated financial statements, unless inclusion is based on a majority of voting rights corresponding to the share of capital and the proportion of capital and voting rights do not coincide. This information shall also be provided for subsidiaries which have not been included in the consolidation pursuant to Art. 1101a and 1104; in the case of Art. 1104, the reasons for the application of this provision shall be stated;

2. Name and registered office of the associated companies and the share in the capital of the associated companies owned by the parent company and the subsidiaries included in the consolidated financial statements or held by a person acting on behalf of these companies;

3. the names and registered offices of companies other than those referred to in items 1 and 2 in which the parent company, a subsidiary or a person acting on behalf of such companies holds at least one-fifth of the shares, indicating the proportion of capital and the amount of equity and the result for the last financial year for which annual financial statements have been drawn up

is. Equity and profit or loss need not be disclosed if the investor entity is not required to disclose its financial statements.

2) The information required by paragraph 1 need not be disclosed if it is likely that the parent company, a subsidiary or another company referred to in paragraph 1 will suffer significant disadvantages as a result of the information. The application of the exemption shall be disclosed in the notes.

Art. 1121

H. Consolidated annual report (consolidated management report)

1) The consolidated annual report shall contain, in addition to the other information required by this title, at least the information referred to in Art. 1096 and, to the extent applicable, Art. 1096a and 1096b; it shall be prepared in compliance with the requirements set out in these provisions, the reference in Art. 1096b para. 8 item 1 to Art. 1122 and 1123 being deemed to be a reference to Art. 1124 and 1125. Paragraphs 2 and 3 are reserved. In preparing the consolidated annual report, account shall be taken of the material adjustments arising from the special features of the consolidated annual report as compared with an annual report, in such a way as to facilitate the assessment of the course of business, the business results and the situation of the undertakings included in the consolidated annual financial statements as a whole.

2) Art. 1096 para. 4 item 4 concerning the reporting of treasury shares shall be applied with the proviso that the number and the nominal amount or the calculated value (in the case of quota shares) of all shares of the parent company held either by the parent company itself, by subsidiaries of this parent company or by a person acting in his own name but on behalf of one of these companies shall be disclosed.

3) Art. 1096a para. 1 item 3 shall be applied with the proviso that the description of the most important features of the internal control and risk management system with regard to the accounting process shall include the entirety of the companies included in the consolidation.

4) The consolidated annual report and the annual report of the parent company may be combined.

3. Subsection Disclosure

A. Principle

I. Annual Report

Art. 1122

1. Annual financial statement

1) The legal representatives of companies within the meaning of Art. 1063 must submit the duly approved annual financial statements and, unless the review pursuant to Art. 1058a has been waived, the audit report to the Office of Justice no later than the end of the twelfth month after the balance sheet date. Upon reasoned request, the Office of Justice may extend the deadline for the submission of the documents referred to in sentence 1. After the documents have been submitted, the Office of Justice shall publish in the official gazettes, at the expense of the submitting companies, the registration number under which these documents have been submitted to the Office of Justice.

2) Companies that have issued bonds with public subscription or whose shares are listed on a stock exchange must also publish their annual financial statements in printed form and to the press and the general public,

who requests it, to make it available.

3) Companies within the meaning of Art. 1063 para. 2 may keep the documents referred to in para. 1 available for inspection by any person at the registered office of the company instead of filing and publishing them in accordance with para. 1, provided that

1. all of its partners with unlimited liability are companies within the meaning of Art. 1063, para. 1, which are governed by the law of an EEA member state other than the Principality of Liechtenstein, and none of these companies publishes the designated documents of the company in question with its own documents, or

2. all of its partners with unlimited liability are companies which are not governed by the law of an EEA Member State, but whose legal form is comparable to the legal forms pursuant to Art. 1063 para. 1.

4) In the case of application of paragraph 3, a copy of the annual financial statement must be available upon request. The fee charged for this may not exceed the administrative costs.

5) Instead of paras. 3 and 4, companies within the meaning of Art. 1063 par. 2 whose securities are admitted to trading on a regulated market within the meaning of Art. 4 par. 1 fig. 21 of Directive 2014/65/EU in an EEA member state shall apply paras. 1 and 2.

6) The documents referred to in paragraph 1 must be submitted in electronic form using an advanced electronic signature in accordance with Art. 2 par. 1 letter c of the Signature Act.

Art. 1123

2. Annual Report

1) The annual report to be prepared by medium-sized and large companies within the meaning of Art. 1064 need not be filed with the Office of Justice; however, it must be made available for inspection by anyone at the company's registered office. A complete or partial copy of the annual report must be available upon request. The fee charged for this may not exceed the administrative costs.

2) Medium-sized and large companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market in an EEA member state within the meaning of Art. 4 par. 1 fig. 21 of Directive 2014/65/EU shall disclose the annual report (Art. 1065 par. 3 sentence 2) within the meaning of Art. 1122 par. 1 and 2.

3) Small companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4 par. 1 fig. 21 of Directive 2014/65/EU in an EEA member state shall disclose the annual report (Art. 1065 par. 3 sentence 2) within the meaning of Art. 1122 par. 1 and 2.

II. Consolidated Annual Report

Art. 1124

1. Consolidated financial statements

1) The legal representatives of a company that is required to prepare consolidated financial statements shall submit the duly approved consolidated financial statements and the auditor's report at the latest before the expiry of

of the twelfth month after the balance sheet date to the Office of Justice. Art. 1122 par. 1 sentences 2 and 3, par. 3, 4 and par. 6 shall apply mutatis mutandis.

2) If one of the companies included in the consolidated financial statements has issued bonds with public subscription or its shares are listed on a stock exchange, the consolidated financial statements must also be published in printed form and made available to the press and to anyone who requests it.

Art. 1125

2. Consolidated annual report

1) The consolidated annual report need not be filed with the Office of Justice; however, it must be available for inspection by anyone at the registered office of the company. A complete or partial copy of the consolidated annual report must be available upon mere request. The fee charged for this may not exceed the administrative costs.

2) If the securities of a company included in the consolidated financial statements are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 item 21 of Directive 2014/65/ EU in an EEA member state, the consolidated annual report must be disclosed within the meaning of Art. 1122 paras. 1 and 2.

B. Facilitations

Art. 1126

I. Size-dependent relief for small companies

1) Art. 1122 par. 1 shall apply to small companies within the meaning of Art. 1064, with the proviso that the legal representatives shall only submit the balance sheet abridged in accordance with Art. 1068 par. 4 sentence 1 and the notes to the financial statements abridged in accordance with Art. 1095 par. 1. The notes need not contain the information relating to the income statement.

2) Art. 1122 par. 1 shall apply to micro-entities within the meaning of Art. 1064 with the proviso that the legal representatives shall only submit the balance sheet abridged in accordance with Art. 1068 par. 4 sentence 2; this shall not apply to investment undertakings and investment companies within the meaning of Art. 2 items 14 and 15 of Directive 2013/34/EU.

3) Small companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4 par. 1 fig. 21 of Directive 2014/65/EU in an EEA member state may not make use of the facilitations pursuant to par. 1 and 2.

Art. 1127

II. Size-dependent relief for medium-sized companies

1) Art. 1122 para. 1 shall apply to medium-sized companies within the meaning of Art. 1064 para. 2 with the proviso that the legal representatives shall

1. must file the balance sheet only in the form prescribed for small companies within the meaning of Art. 1064 under the first sentence of Art. 1068(4).

a) However, when applying Art. 1068, para. 2, the following items shall be additionally disclosed separately in the balance sheet or in the notes:

On the assets side

A.I.1 Expenses for the establishment and expansion of business operations

A.I.4 Goodwill, if acquired for consideration

A.II.1 Land, rights to land, rights equivalent to land and buildings, including buildings on third-party land

A.II.2 Technical equipment and machinery

A.II.3 Other equipment, factory and office equipment

A.II.4 Advance payments made and assets under construction

A.III.1 Shares in affiliated companies

A.III.2 Receivables from affiliated companies

A.III.3 Shareholdings

A.III.4 Receivables from companies in which an equity interest is held

B.II.2 Receivables from affiliated companies

B.II.3 Receivables from companies in which an equity investment is held

B.III.1 Shares in affiliated companies

B.III.2 Own shares or interests

On the liabilities side

C.1 Bonds, thereof convertible

C.2 Liabilities to banks

C.6 Liabilities to affiliated companies

C.7 Liabilities to companies in which an equity investment is held

b) In case of application of Art. 1068, para. 3, the following items shall be additionally disclosed separately in the balance sheet or in the notes to the financial statements:

A.I.1 Expenses for the establishment and expansion of business operations

A.I.4 Goodwill, if acquired for consideration

A.II.1 Land, rights to land, rights equivalent to land and buildings, including buildings on third-party land

A.II.2 Technical equipment and machinery

A.II.3 Other equipment, factory and office equipment

A.II.4 Advance payments made and assets under construction

A.III.1 Shares in affiliated companies

A.III.2 Receivables from affiliated companies

A.III.3 Shareholdings

A.III.4 Receivables from companies in which an equity investment is held

B.II.2 Receivables from affiliated companies

B.II.3 Receivables from companies in which an equity investment is held

B.III.1 Shares in affiliated companies

B.III.2 Own shares or interests

D.1 Bonds, thereof convertible

D.2 Liabilities to banks

D.6 Liabilities to affiliated companies

D.7 Liabilities to companies in which an equity investment is held

G.1 Bonds, thereof convertible

G.2 Liabilities to banks

G.6 Liabilities to affiliated companies

G.7 Liabilities to companies in which an equity investment is held

c) For the separately disclosed items of receivables and payables, the information according to Art. 1071 must also be provided.

2. the notes to the financial statements without the information pursuant to Art. 1091 para. 2 items 8 and 9 and Art. 1092 item.

13 may submit.

2) Medium-sized companies within the meaning of Art. 1064 whose securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 item 21

of Directive 2014/65/EU may not make use of the facilitations pursuant to Par. 1.

Art. 1128

C. Branches of companies with registered office abroad

1) In the case of a domestic branch of a company with its registered office abroad that is comparable to a company within the meaning of Art. 1063, its legal representatives must disclose their annual and consolidated annual report prepared, audited and disclosed in accordance with the law applicable to them and the audit reports in accordance with Art. 1122 to 1125, 1129 and 1130 para. 1.

2) If the documents referred to in paragraph 1 have not been drawn up in German, a copy certified by the registry office of the principal place of business shall be submitted to the Office of Justice. A certified translation in German of the certification of the registry office must be submitted.

Art. 1129

D. Form and content of the documents upon disclosure; publication and duplication based on the articles of incorporation, the

Articles of Association or for other reasons

1) The following requirements must be complied with in the full or partial disclosure of the annual financial statements and the consolidated financial statements and in the publication or reproduction in any other form on the basis of the articles of incorporation or the bylaws:

1. The annual financial statements and the consolidated financial statements shall be presented in such a way that they comply with the provisions applicable to their preparation, unless relief is claimed under Articles 1126 and 1127; within this framework, they shall be complete and correct.

2. In addition, the full text of the audit report issued by an auditor or a re vision company must be reproduced in each case.

3. If the annual financial statements are only partially disclosed due to the use of simplifications and the audit report refers to the complete annual financial statements, this must be pointed out.

4. The annual financial statements shall contain the name, the legal form, the registered office and the commercial register number of the company, supplemented, if necessary, by the addition that it is in liquidation. Sentence 1 shall apply mutatis mutandis to the consolidated annual financial statements.

2) If the annual financial statements or the consolidated financial statements are not reproduced in the form prescribed by paragraph 1 in publications or reproductions which are not required by law, the articles of association or the articles of incorporation, then

The auditor's report shall be accompanied by a heading indicating that it is not a publication in accordance with the law. An auditor's report may not be attached; however, it must be stated whether the auditor's report is unqualified or qualified or whether the annual financial statements or the consolidated financial statements have been rejected if the auditors or the auditing company were not in a position to express an opinion. It must also be stated whether the audit report refers to circumstances to which the auditors or the auditing company drew attention in a special way without qualifying the audit report. In addition, it is to be stated under which register number

the filing with the Office of Justice has been made or that the filing has not yet been made.

3) Para. 1 shall apply mutatis mutandis to the annual report, the consolidated annual report and the list of shareholdings.

Art. 1130

E. Duty of examination of the Office of Justice

1) The Office of Justice shall check whether the documents to be disclosed have been submitted in due time and in full and have been signed by the competent persons in accordance with Art. 1056. If documents are missing or their signature is defective, the Office of Justice shall issue an order for improvement and set a reasonable deadline for this of no more than four weeks.

2) If the examination pursuant to paragraph 1 gives rise to the assumption that relief depending on the size of the company should not have been claimed, the Office of Justice may request the company to provide information on net sales and the average number of employees within a reasonable period of time. If the company fails to provide the information within the time limit, the relief shall be deemed to have been wrongly claimed.

3) The date of submission of the documents to be disclosed shall be recorded in the Commercial Register.

Art. 1130a

F. Reservation of the Disclosure Act

The special provisions of the Disclosure Act remain reserved.

3. Section

Supplementary regulations for certain sectors of the economy

1. Subsection Banks and Investment Firms

Art. 1131

A. Scope of application; applicable regulations; exceptions

1) Banks and investment firms within the meaning of Art. 3 of the Banking Act shall, irrespective of their legal form and unless otherwise provided hereinafter, be subject not only to the provisions of the first section of this title but also to the provisions of the second section of this title for large companies and to Art. 10 of the Banking Act; Art. 1096b and 1121 para. 1 shall apply irrespective of whether or not they are listed on a stock exchange in an EEA member state, provided that the average number of employees during the financial year exceeds 500. For the purposes of this subsection, banks and investment firms also include parent companies whose purpose is to acquire interests in subsidiaries and to manage and exploit such interests (holding companies), provided that such subsidiaries are predominantly banks, investment firms, electronic money institutions or payment institutions; Articles 6 and 9 of the Financial Conglomerates Act shall apply mutatis mutandis in assessing the criterion of "predominantly".

2) Art. 1051 paras. 3 and 4, Art. 1057, 1064, 1065 paras. 3, Art. 1067 paras. 5 and 6, Art. 1068, 1071, 1074 par. 1 sent. 2, Art. 1075 par. 2, Art. 1078 to 1081, 1083, 1086, 1090, 1091 par. 2 para. 3, art. 1092 paras. 1, 4, 8, 9 let. C and para. 10 last sentence, art. 1094 para. 2, art. 1095, Art. 1095a, 1096 paras. 5 to 7, Art. 1101, 1101a, 1122 to 1128 and 1130 para. 2 shall not apply.

3) Banks and investment firms shall prepare the exempting consolidated annual report pursuant to Art. 1099 para. 2 in accordance with Directive 86/635/EEC, without prejudice to the other requirements.

Art. 1132

B. Provisions for general banking risks

1) On the liabilities side of the balance sheet, an item "Provisions for general banking risks" may be included as a hedge against general banking risks.

are formed to the extent that this is necessary for reasons of prudence due to the special risks of the banking business.

2) Additions to provisions for general banking risks or income from the reversal of provisions for general banking risks must be shown separately in the income statement.

C. Valuation rules Art. 1133

I. Valuation of assets

1) For the application of Art. 1085, para. 2, intangible assets and tangible fixed assets pursuant to Art. 1068, paras. 2 and 3, items A.I. and II. as well as participations are always considered fixed assets.

2) For the application of Art. 1085, para. 3, all assets not mentioned in para. 1, in particular receivables and securities, shall always be considered current assets, unless they are intended to permanently serve the business operations; in

in which case they shall be valued in accordance with paragraph 1.

3) The option of recognizing financial assets at the lower value to be attributed to them on the balance sheet date if the impairment is not expected to be permanent applies to all investments as well as shares in affiliated companies and securities that are intended to serve the business operations on a permanent basis.

4) In deviation from Art. 1085, para. 1, fixed-interest securities which are intended to serve the business on a permanent basis and which are intended to be held until final maturity shall always be valued at the redemption amount. If the acquisition cost of these securities is higher than the redemption amount, the difference must be written off pro rata temporis and at the latest at the time of redemption of these securities. If the acquisition cost of these securities is lower than the repayment amount, the difference must be recognized as income pro rata temporis over the entire remaining term until repayment. The difference in accordance with sentences 2 and 3 shall be disclosed separately in the notes.

5) In deviation from Art. 1085 Para. 1, positions held for trading purposes (trading portfolio) must always be valued at the market price on the balance sheet date.

The Group's financial instruments are measured at fair value on the balance sheet date, provided that they are traded on a recognized stock exchange or on a representative market. Only positions that are not intended to serve business operations on a permanent basis are considered to be positions held for trading purposes.

Art. 1134

II. Currency conversion

1) Assets, liabilities, accruals and deferred income denominated in currencies other than the reporting currency, as well as spot transactions not yet settled at the balance sheet date, must be translated into the reporting currency at the spot rate on the balance sheet date. Forward transactions are to be translated into the currency of the financial statements at the forward rate on the balance sheet date.

2) Expenses and income resulting from currency translation must be recognized in the income statement.

Art. 1135

III. Valuation of financial instruments

If financial instruments, including derivative financial instruments, are measured at fair value in the preparation of the consolidated financial statements (Art. 1116a para. 1), Art. 1133 paras. 2, 4 and 5 and Art. 1134 may not be applied.

Art. 1136

D. Companies to be included in the scope of consolidation

1) Retrieved

2) If a bank or investment firm does not include a subsidiary that is a bank or investment firm in its consolidated financial statements pursuant to Art. 1104, para. 1, item 3, and if the temporary holding of shares or units of this entity is due to a financial support operation to reorganize or rescue the aforementioned entity, it shall attach the financial statements of this entity to its consolidated financial statements and provide additional information in the notes to the consolidated financial statements on the nature and conditions of the financial support operation.

2. Subsection Insurance Companies

Art. 1137

A. Scope of application; applicable regulations; exceptions

1) Domestic insurance undertakings and foreign insurance undertakings which are required to prepare separate accounts for their domestic business activities pursuant to Article 117(1)(c) of the Insurance Supervision Act shall be subject to the provisions of Section 1 of this Title for large companies and Articles 75 and 99 of the Insurance Supervision Act, irrespective of their legal form, unless otherwise provided below. Section 1 of this title, the provisions of Section 2 of this title for large companies and Articles 75 and 99 of the Insurance Supervision Act shall apply; Articles 1096b and 1121(1) shall apply regardless of whether the company is listed on a stock exchange in an EEA member state, provided that the average number of employees in the financial year exceeds 500. For the purposes of this subsection, insurance undertakings also include parent undertakings whose sole or predominant purpose is to acquire holdings in subsidiaries and to manage and exploit these holdings (holding companies), provided that these subsidiaries are exclusively or predominantly insurance undertakings.

2) Art. 1051 par. 3 and 4, Art. 1057, 1064, 1065 par. 3, Art. 1067 par.

5 and 6, arts. 1068, 1070, 1071, 1074 para. 1 sentence 2, arts. 1078 to 1081, art.

1092 item 4, Art. 1094 par. 2, Art. 1095, 1098, 1101, 1106 par. 2, Art. 1120

Paragraph 1 item 3 and paragraph 2, Art. 1122 items 3 and 4, Art. 1126 to 1128, 1130 item 2 and Art. 1139 are not applicable. The information pursuant to Art. 1092 para. 8 shall be provided.

3) Retrieved

4) Art. 1091 par. 2 fig. 6 does not apply to obligations arising in the course of insurance business.

5) Insurance undertakings shall prepare the exempting consolidated annual report pursuant to Art. 1099 par. 2 in accordance with Directive 91/674/EEC, without prejudice to the other requirements.

6) Art. 1107, para. 2, shall apply with the proviso that the period of three months specified therein shall be six months.

7) Art. 1111 para. 2 item 1 is also applicable if the determination of the valuation prescribed in para. 1 would not require a disproportionately high effort, but the transaction has created legal claims in favor of the policyholders. The application of this exception must be disclosed in the notes and, if the effect on the net assets, financial position and results of operations of the companies included in the consolidated financial statements as a whole is material, explained.

8) Art. 1115 paras. 1 and 2 do not apply to assets whose changes in value affect or give rise to policyholders' rights if their valuation in the annual financial statements of the companies included in the consolidated financial statements is based on the application of insurance-specific rules, and to liabilities whose valuation in the annual financial statements of the companies included in the consolidated financial statements is based on the application of such rules. The application of this exception must be disclosed in the notes.

Art. 1138

B. Valuation rules

1) For the application of Art. 1085 para. 2, intangible assets, all capital assets, other tangible assets as well as inventories are considered as fixed assets. However, investments for the account and risk of life insurance policyholders shall be valued in accordance with the special rules applicable to such investments. The option of recognizing assets at the lower value to be attributed to them on the balance sheet date if the impairment is not expected to be permanent applies to all investments with the exception of those for the account and risk of life insurance policyholders, as well as land, rights to land, rights equivalent to land, and buildings, and also to treasury shares.

2) For the application of Art. 1085, para. 3, all receivables not included in investments, with the exception of called but not yet paid-in subscribed capital, as well as current bank balances, postal check balances, checks and cash on hand, shall be considered current assets.

3) Art. 1137 shall apply mutatis mutandis.

3. Subsection

Companies in the extractive industries and logging in primary forests

Art. 1138a

A. Terms

For purposes of this subsection, the following shall be considered:

1. "Extractive industry undertaking" means an undertaking engaged in the exploration, prospection, discovery, development and extraction of minerals, oil, natural gas or other substances in the economic sectors listed in Divisions 05 to 08 of Section B of Annex I to Regulation (EC) No 1893/2006;

2. "Logging company in primary forests" means a company operating in primary forests on the branches listed in Section A Division 02 Group 02.2 of Annex I to Regulation (EC) No 1893/2006;

3. "public authority" means a national, regional or local authority of an EEA Member State or a third country. This also includes departments or agencies controlled by this authority or companies controlled by it within the meaning of Art. 1097;

4. "Project" means the operational activities governed by a single contract, li- cense, lease, concession, or similar legal agreement that forms the basis for payment obligations to a governmental entity. However, if several such agreements are materially interrelated, they are considered as one project;

5. "Payment" means an amount paid in cash or in kind for the following types of activities as defined in items 1 and 2 above:

a) Production payment claims;

b) Taxes levied on the revenues, production or profits of enterprises, exclusively taxes levied on consumption, such as value-added taxes, income taxes or sales taxes;

c) User fees;

d) Dividends;

e) Signing, discovery and production bonuses;

f) License, rental and access fees and other consideration for licenses and/or concessions; and

g) Payments for infrastructure improvements.

Art. 1138b

B. Scope; obligation to prepare and publish a report

1) Large companies within the meaning of Art. 1064 that are active in the extractive industries or in the field of logging in primary forests shall prepare and disclose annually a report on payments to government agencies.

2) The obligation under paragraph 1 shall not apply to a company that is a subsidiary or parent company, provided that both of the following conditions are met:

1. the parent company is governed by the law of an EEA Member State; and

2. the company's payments to government entities are included in the consolidated report on payments to government entities prepared by the parent company in accordance with Art. 1138d.

Art. 1138c

C. Report content

1) Payments, whether made as a single payment or as a series of linked payments, do not have to be included in the report if they are less than 123,600 Swiss francs in the financial year.

2) The report shall contain the following information on the financial year in question in connection with the activities referred to in Art. 1138a items 1 and 2:

1. the total amount of payments made to each government entity;

2. The total amount per type of payment made to each governmental entity under section 1138a(5); and

3. if such payments were made for a specific project, the total amount per type of payment under Article 1138a(5), for each project, and the total amount of payments for each project; payments

of the company to fulfill obligations imposed at the company level can be stated at the company level instead of at the project level.

3) If payments to a governmental entity are made in kind, they shall be reported according to their value and, if applicable, their amount. Supplementary explanations shall be included to show how their value has been determined.

4) In specifying payments, reference shall be made to the substance of the payment or activity in question, and not to its form. Payments and activities shall not be artificially divided or combined for the purpose of avoiding the application of the provisions of this subsection.

Art. 1138d

D. Consolidated report on payments to government entities

1) Large companies within the meaning of Art. 1064 that are active in the extractive industries or in the field of logging in primary forests shall prepare annually a consolidated report on payments to government entities in accordance with Art. 1138b and 1138c, provided that they are required to prepare a consolidated annual report in accordance with Art. 1097 to Art. 1101a. Large companies within the meaning of Art. 1064, which are parent companies, shall be deemed to be engaged in extractive industries or in logging in primary forests if any of their subsidiaries is engaged in extractive industries or in logging in primary forests. The consolidated report covers

only to payments arising from operations in the extractive industry or in the field of logging in primary forests.

2) The obligation to prepare a consolidated report pursuant to para. 1 exists in any case if an affiliated company (Art. 1073 para. 2) of the ultimate parent company is a company whose securities are admitted to trading on a regulated market within the meaning of Art. 4 para. 1 no. 21 of Directive 2014/65/EC in an EEA member state, a bank or an insurance company.

3) Companies, including companies, whose securities are admitted to trading on a regulated market in an EEA member state within the meaning of

of Art. 4 (1) No. 21 of Directive 2014/65/EU, banks and insurance undertakings, need not be included in a consolidated report on payments to government entities if at least one of the following conditions is met:

1. significant and continuing restrictions on the parent's ability to exercise its rights over the assets or management of the entity;

2. there is an extremely rare case in which the information necessary to prepare a consolidated report on payments to governmental entities under this subsection cannot be obtained without unreasonable cost or undue delay; and

3. the shares of this company are held exclusively for the purpose of resale.

Art. 1138e

E. Disclosure; Responsibility

1) The report pursuant to Art. 1138b as well as the consolidated report pursuant to Art. 1138d shall be disclosed in accordance with Art. 1122 et seq.

2) The members of the competent bodies shall be responsible for ensuring that the report referred to in Article 1138b and the consolidated report referred to in Article 1138d are prepared and disclosed to the best of their knowledge and ability in accordance with the requirements of this title.

Art. 1138f

F. Exemption from the preparation of a report; equivalence

1) Companies that prepare and disclose a report in accordance with Art. 1138b or a consolidated report in accordance with Art. 1138d that fulfills the reporting requirements of a third country and has been assessed as equivalent in accordance with Art. 47 of Directive 2013/ 34/EU are exempt from the requirements of this subsection.

2) Para. 1 does not apply to the duty of disclosure. The report under Art. 1138b and the consolidated report under Art. 1138d shall be disclosed in accordance with Art. 1122 et seq.

3a. SubsectionCompanies of public interest

Art. 1138g

Term and applicable regulations

1) For the purposes of this Act, public interest entities are:

a) Companies under Liechtenstein law whose transferable securities are admitted to trading on a regulated market of an EMRA member state within the meaning of Art. 4 (1) No. 21 of Directive 2014/65/EU;

b) Banks within the meaning of Art. 3 of the Banking Act;

c) Insurance undertakings within the meaning of Art. 2 of the Insurance Supervision Act.

2) The provisions of this Act shall apply mutatis mutandis to the audit of the financial statements of public interest entities. In all other respects, the provisions of Regulation (EU) No. 537/2014 shall apply, subject to Art. 192 (10) and (11), Art. 196 (9), Art. 201 (7), Art. 347a and Section 67a SchlT.

4. Section

International Financial Reporting Standards

Art. 1139

1) For the preparation of the annual financial statements and the consolidated financial statements, the international accounting standards of the International Accounting Standards Board (IASB) may be applied instead of the accounting provisions otherwise applicable (Art. 1045 et seq.). Paragraph 3 remains reserved.

2) The IASB's international accounting standards are the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and related interpretations (SIC/IFRIC interpretations), subsequent amendments to these standards and related interpretations, and future standards and related interpretations.

3) The Government shall determine by regulation which provisions of this title shall also be applied when applying the IASB's international accounting standards.

4) Companies whose shares or units are listed on a stock exchange and companies that have issued bonds with public subscription must prepare their consolidated financial statements in accordance with the IASB's international accounting standards.

5) The IASB's international accounting standards within the meaning of this Article may be applied only to the extent that their applicability in the European

Union by the EU Commission in accordance with the procedure laid down in Art. 3 in conjunction with Art. 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 June 2002 (Endorsement). Article 6 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of June 19, 2002 (Endorsement) and by the EEA Joint Committee.

Closing section

Introductory and transitional provisions

§ 1

A. Referral

Articles 1 to 4 of the Transitional Provisions on Property Law shall apply accordingly.

B. Individuals

§ 2

I. Capacity to act

1) The capacity to act is assessed in all cases according to the provisions of the new law.

2) However, anyone who was capable of acting under the previous law at the time of the entry into force of this Act, but who would not be capable of acting under the provisions of the new law, shall be recognized as capable of acting even after that time.

3) Paragraph 2 of Art. 12 shall enter into force only at the moment when a new family law is enacted.

§ 3

II. Women

1) Retrieved

2) Retrieved

3) Retrieved

4) Retrieved

5) Retrieved

6) Retrieved

7) Persons of the female sex may appear as witnesses in all cases, in particular as witnesses for a deed, in the same way as persons of the male sex.

8) Section 591 of the General Civil Code, as amended in accordance with Section 2(c) of the Introductory Patent to the Law of Succession of April 6, 1846, No. 3877, shall be amended to the effect that it shall apply to all estates which have not been legally settled at the time of the entry into force of this Act.

§ 4

III. Extra-marital

1) The provision of Art. 485, para. 3 of this Act shall also be applicable in favor of children still living at the time of its entry into force whose parents are not married to each other

and who were previously excluded from this right, and their descendants.

2) Until the enactment of a new law of succession, Section 754 of the General Civil Code shall read:

"The extramarital blood relatives shall be treated as equal to the marital ones in the maternal relationship in the right of inheritance.

There is no right of inheritance in paternal kinship."

3) This provision shall apply to probate proceedings which have not yet been legally terminated on the day of the entry into force of this Act.

IV. Missing

§ 5

1. In general

1) The declaration of disappearance shall be subject to the provisions of the new law after the entry into force of this Act.

2) Declarations of death under the previous law shall have the same effects after the entry into force of this Act as declarations of death under the new law, but the consequences that occurred before that time under the previous law, such as succession or dissolution of marriage, shall continue to apply.

3) Proceedings pending at the time of the entry into force of the new law shall be restarted, taking into account the time elapsed, in accordance with the provisions of this Act, or, at the request of the parties, shall be completed in accordance with the previous procedure and subject to the observation of the previous time limits.

2. Effects

§ 6

a) Marriage

1) If one spouse is declared missing, the other spouse may enter into a new marriage only if the previous marriage has been dissolved by a court.

2) The dissolution of the marriage may be requested at the same time as the declaration of disappearance or in a special procedure.

3) For the rest, the same provisions apply to the procedure as to the separation (§ 112 of the General Civil Code).

b) Inheritance law

§ 7

aa) Inheritance of a missing person

1) If a person is declared missing, the heirs or beneficiaries shall provide security for the return of the property to the beneficiaries or to the missing person himself before the delivery of the inheritance.

2) This security shall be provided for five years in the case of disappearance in grave danger of death, and for 15 years in the case of absence without notice, but in no case longer than the day on which the missing person would be 100 years old.

3) The five years are counted from the date of delivery of the inheritance and the 15 years from the last news.

4) If the missing person returns, or if better-entitled persons assert their claims, the persons committed shall surrender the inheritance in accordance with the rules of possession.

5) To the better entitled they are liable, if in good faith, only during the period of the inheritance action.

§ 8

bb) Right of inheritance of the missing person

1) If the life or death of an heir cannot be proven at the time of an inheritance because he or she has disappeared, his or her share shall be placed under official administration.

2) The persons who would have received the inheritance if the disappeared person had not been present shall have the right to apply to the judge for a declaration of disappearance one year after the disappearance in great danger of death or five years after the last news about the disappeared person and, after this has been done, for the delivery of the share.

3) Delivery of the share shall be made in accordance with the rules on delivery to the heirs of a missing person.

§ 9

cc) Relationship of the two cases to each other

1) If the heirs of the person who has disappeared have already obtained admission of his property, his co-heirs, if an inheritance accrues to him, may invoke this and claim the accrued assets without the need for a new declaration of disappearance.

2) Likewise, the heirs of the disappeared person may rely on the declaration of disappearance obtained by his co-heirs.

§ 10

dd) Procedure ex officio

1) If the property or inheritance of a disappeared person had been in official administration for ten years, or if the disappeared person had reached the age of 100 years, on

If the competent authority so requests, the declaration of disappearance shall be carried out ex officio.

2) If no beneficiary reports within the notice period, the assets shall be transferred to the poor relief fund of the home municipality or the home municipality itself or, if the missing person has never lived in Liechtenstein or is a foreigner, to the country.

3) The same duty of restitution exists towards the missing person himself and the better-entitled persons as towards the heirs who have been admitted.

§ 11[2103]

V. Adoption in lieu of child

Retrieved

§§ 12 to 14

Retrieved

§§ 15 to 21Deleted

IV. Procedure

§§ 22 to 25Revoked

§ 26[2107]

5. Referral

Retrieved

V. End of paternalism

§ 27[2108]

1. For minors and convicts

Retrieved

2. In other paternalism cases

§§ 28 to 30Deleted

§ 31

D. Association persons

1) Persons who have acquired personality under the previous law shall retain it under the new law, even if under its provisions they would not have acquired personality or would have acquired it only in a different legal form.

2) However, the already existing legal entities, for the creation of which the entry in the public register is required according to the pre-writing of this Act, must make this entry, even if they are

The new law shall not apply to legal entities which were not provided for under the previous law within ten years of the entry into force of the new law and which are no longer recognized as legal entities without registration after the expiry of this period.

3) The district court shall draw attention to this provision by public notices in the course of the last year before the expiry of this period.

4) The content of personality is determined for all legal entities, as soon as this law has entered into force, according to the new law.

5) If, at the time of the entry into force of this Act, there is a rightly existing practice that deviates from Art. 486 par. 2, it shall be recognized, but may no longer arise.

6) Art. 141 shall apply mutatis mutandis, with regard to the procedure, also to the association persons dissolved before the entry into force of this Act.

7) Official asset management at foundations for foundations created after the entry into force shall only take place if it is permissible under the new law.

8) Whenever the laws speak of moral persons, moral bodies, corporations, or the like, they shall be understood to mean legal persons, unless the obvious meaning of a provision indicates otherwise.

9) The obtaining of a license (police permit) is only necessary where required by law, and the legal, statutory or other provisions concerning state supervision or a state commissioner or the like shall cease to have effect upon the entry into force of this Act.

§ 32

E. Societies without personality

1) Companies without legal personality established prior to the entry into force of this Act shall be governed by the old law with respect to their formation and legal status prior to that date and by the new law after the entry into force of this Act.

2) Wherever the term "general partnership" is used in the previous law, it is to be understood as a general partnership which conducts a business in a commercial manner under the new law.

3) Whether the terms "company" or "community" used in laws or ordinances until the entry into force of this Act mean a legal entity or a company without personality or any other community shall be determined in each case.

§ 33

F. Trading companies and merchants

1) Where the previous law refers to commercial companies, it includes, unless the meaning of the individual provisions indicates otherwise, the general partnership, the limited partnership, the joint-stock company and the limited joint-stock company, but insofar as commercial companies come into question which have come into being under the new law, it includes companies with personalities and their equivalent associations and companies without personalities with firms.

2) Wherever other laws or regulations speak of merchants, traders or the like, they shall in future be understood to mean those who, in accordance with this law, are able to earn a living as a result of operating a trading company.

The law requires companies that are engaged in trade, manufacturing or other commercial activities to be entered in the Commercial Register, regardless of whether they are engaged in commercial activities, and the companies designated under para. 1 in accordance with the new law.

§ 34

G. Representative and trustee

1) The provisions of this Act on the appointment of representatives shall be applicable to associations and general partnerships and limited partnerships existing at the time of entry into force, if the conditions for the obligation to appoint apply.

2) The representatives must be appointed no later than within one year of the entry into force of this Act. However, the government may reasonably extend this period or order that older companies need not appoint one.

3) The provisions on the implied fiduciary relationship shall apply in particular to indirect representation, contracts for services in favor of a third party, transfers of ownership by way of security, fiduciary legal transactions on the guardian, the

Succession and substitute succession, the legacy and substitute legacy and similar legal relationships.

H. Code of Obligations

§ 35

I. General regulations

1) The general provisions of the Code of Obligations within the meaning of this Act and of property law shall, in the case of persons and companies carrying on a trade conducted in a commercial manner, primarily be those of the Commercial Code on commercial transactions and, subsidiarily and in all other cases, those of the General Civil Code.

2) Where reference is made in this law to damage, it shall in all cases include loss of profit.

3) In all other respects, the provisions of the Commercial Code apply to all companies entered in the Commercial Register, unless an exception applies.

4) In the case of documents, such as promissory bills and the like, which cannot be declared invalid in accordance with the provisions on securities, the obligor may, in return for performance, demand that the beneficiary declare the invalidation and, if necessary, the redemption of the debt in a public or certified document.

II. Procuration

§ 36

1. Commercial and non-commercial procuration

1) Any person who carries on a trade, business, or other business conducted in a commercial manner, or any other trade, business, or profession, may, by registration in the Commercial Register, appoint authorized signatories with power of attorney to carry on the trade or business on behalf of the owner and to sign by procura or in a similar manner.

2) Individuals, companies or association persons can be appointed as authorized signatories.

3) The application to the Commercial Register, registration and announcement shall contain:

1. Name, profession and domicile or company name and registered office of the principal (principal) and the authorized signatory;

2. if the procuration is to be limited only to the branch office or in some other way, an indication of this.

4) The authorized signatory shall sign the company name or the name in such a way that he or she adds his or her own handwritten signature to the company name or the name written or otherwise attached by whomever, with an addition indicating the procuration, such as "per prokura".

5) If a company or association person is itself an authorized signatory of another company or association person, the signature shall be effected by applying mutatis mutandis the provisions set out under the general provisions for association persons on signatures.

§ 37

2. Scope of the power of attorney

1) The authorized signatory shall be deemed to be authorized vis-à-vis bona fide third parties to bind the principal by signing bills of exchange and to execute on the principal's behalf all types of legal

The Company shall not undertake any actions that the purpose of the trade or business of the principal may entail.

2) The authorized signatory is authorized to sell and encumber real property or rights equivalent thereto only if this authority has been expressly granted to him or if the law so provides.

§ 38

3. Limitability

1) The procuration may be limited to the scope of business of a branch office.

2) It may be granted to several persons for joint signature (collective procuration) with the effect that the signature of the individual is not binding without the prescribed cooperation of the others.

3) Restrictions on procuration other than those provided for by law shall have no legal effect vis-à-vis bona fide third parties.

§ 39

4. Deletion

1) The expiration of the procuration must be entered in the Commercial Register, even if the entry was not made when the procuration was granted under the old law.

2) As long as the cancellation has not taken place and has not been announced, the pro- curation remains in force vis-à-vis bona fide third parties.

III. Contract law

§ 40

1. In general

1) The effective clause in contracts may also be expressly agreed in favor of monetary performance in Swiss currency, in which case the debtor cannot perform by performance in Liechtenstein franc currency.

2) In the livestock trade, unless otherwise agreed, benefit and risk shall pass to the purchaser upon conclusion of the sale transaction.

3) A contract by which one party undertakes to transfer his future property or a fraction of his future property or to encumber it with a usufruct shall be void.

4) Reception debts and debts from the retail sale of spirituous beverages are not actionable, with the exception of debts for formal banquets, to transient lodgers and to pensioners.

2. Fulfillment of contracts against payment

§ 41

a) In general It

shall read the following §§ of the ABGB:

1. § Section 918. If a contract for valuable consideration is not performed by one party either at the proper time or place or in the manner required, the other party may not recover performance or damages for the failure.

delay or declare withdrawal from the contract, setting a reasonable period of time for catching up.

If the performance is divisible for both parties, the rescission may only be declared with regard to the individual or all outstanding partial performances due to delay of a partial performance.

2. § If performance is required at a fixed time or within a fixed period in the case of other rescission, the party entitled to rescind the contract must, if he wishes to insist on performance, notify the other without delay after the expiry of the time; if he fails to do so, he may not insist on performance at a later date. The same shall apply if the nature of the transaction or the purpose of the performance known to the obligor indicates that the delayed performance or, in the case of delay of a partial performance, the remaining performances are of no interest to the recipient.

3. § If performance is frustrated through the fault of the obligor or through an accident for which he is responsible, the other party may either claim damages for non-performance or rescind the contract. In the event of partial frustration, he shall be entitled to rescind the contract if the nature of the transaction or the purpose of the performance known to the obligor indicates that partial performance is of no interest to him.

SchlT

4. § Withdrawal from the contract shall not affect the right to compensation for damage caused by culpable non-performance. The remuneration already received shall be returned or compensated in such a way that neither party profits from the other's loss.

§ 42

b) In the case of contracts of

exchange and sale The following §§ of the ABGB shall read:

§ The exchanging parties are obliged by virtue of the contract to hand over and take over free possession of the exchanged objects in accordance with the agreement, with their components and with all appurtenances, at the right time, at the right place and in the same condition in which they were at the time of the conclusion of the contract.

§ Section 1052. Whoever wishes to insist on the surrender must have fulfilled his obligation or be prepared to fulfill it. The party obligated to make advance performance may also demand its performance

until the counter-performance has been effected or secured, if this is due to poor financial circumstances.

The customer shall be entitled to terminate the contract if the other party's financial situation is endangered which he did not have to be aware of at the time of the conclusion of the contract.

§ 43

c) Old contracts

The consequences of non-performance of contracts for consideration concluded before the entry into force of this Act shall be determined in accordance with the old law.

§ 44

3. Liability for auxiliary persons

1) Anyone who has an auxiliary person, such as a housemate, worker or employee, perform his obligation or exercise a right arising from an obligation, albeit in an authorized manner, shall compensate the other for the damage caused by the auxiliary person in the course of his work.

2) This liability may be limited or waived by an agreement made in advance.

3) If, however, the waiving party is in the service of the other party or if the responsibility arises from the operation of a trade licensed by the authorities, liability may be waived at most for slight fault.

§ 45

4. Acquisition of an asset or a business

1) A person who takes over a property or a business with assets and liabilities shall become liable to the creditors from the debts connected therewith without further ado as soon as the takeover has been notified to the creditors by the transferee or announced in public gazettes.

2) However, the previous debtor shall still be jointly and severally liable with the new one for a period of two years, which shall commence upon notification or termination in the case of due claims and upon the occurrence of the due date in the case of claims falling due at a later date.

3) In other respects, this assumption of debt has the same effect as the assumption of an individual debt.

§ 46

5. Association, transformation of business, division of inheritance and purchase of land

1) If a transaction is combined with another by mutual assumption of assets and liabilities, the creditors of the two transactions shall be subject to the effects of the mutual assumption of assets and liabilities.

of the asset takeover and it becomes liable to them the combined business for all school-the.

2) The same applies in the case of a general or limited partnership with respect to the liabilities of the business that was previously managed by a sole proprietor.

3) The special provisions concerning the assumption of debt in the event of the division of an estate and the sale of pledged real estate are reserved.

IV. Unauthorized actions

§ 47

1. Liability of the principal

1) The principal shall be liable for damage caused by his employees or workers in the course of their official or business duties, unless he proves that he exercised all due care required by the circumstances to prevent such damage or that the damage would have occurred even if he had exercised such care.

2) The principal may have recourse to the person who caused the damage to the extent that the latter is himself liable for damages.

§ 48[2116]

Retrieved

J. Register

§ 49

I. Civil registration

1) The registers (matrices) of civil status kept up to now shall continue to be kept according to the old regulations with the previous effects until the new regulations on the civil status register are put into force by the government.

2) As long as the marriage register is not regulated by law, the establishment and maintenance of the register, the determination of the facts that must be reported and registered, and the persons obliged to report them shall be regulated by ordinance; in this case, new civil status register law shall apply.

3) The fees for registration, extracts, etc., to be paid by the parties shall also be determined by ordinance; until then, the old law shall apply.

4) In addition, the provisions of the Civil Registry Law on family law institutions, such as the recognition of paternity and the like, insofar as they have not yet been introduced by law, will only apply after their introduction by the new family law.

5) Divorce within the meaning of the regulations on the civil status register corresponds to the

Separation of marriage under the previous law.

6) The offices previously entrusted with the keeping of the registers shall retain the right and duty to issue certificates on the births, marriages and deaths registered until the effectiveness of this Act, unless the registers are surrendered or demanded.

7) This does not affect the keeping of registers for ecclesiastical purposes.

II. Public Register

§ 50

1. In general

1) Until the Government directs the new registers to be used, the Commercial Register heretofore kept shall continue to be kept as a substitute for the Public Register, and all entries of facts and circumstances required or permitted by this Act shall be made therein, the formal entry in the registers being left to the discretion of the Registrar.

2) In all other respects, the Public Registry Law shall enter into force immediately.

3) Unless the Government orders otherwise, the facts and circumstances recorded in the previously kept commercial register shall continue to exist without transfer to the new public register with the same effects as if they had been recorded in the latter register.

4) Where the commercial register is mentioned in the laws and regulations, the public register takes its place as the commercial register.

5) Retrieved

§ 51

2. Annotation of property rights contracts

1) Until regulations on the register of matrimonial property rights are issued, the following provisions shall replace Art. 996:

2) The property rights granted to the wife of the owner of a sole proprietorship, with the exception of the owner of a sole proprietorship with limited liability, of a general partner or of a partner with unlimited liability of a limited partnership, limited partnership, limited partnership or limited joint partnership by the matrimonial property agreements must be recorded in the Public Register upon the application of one of the parties to the agreement, In order to be legally effective vis-à-vis the creditors of the company, the property rights granted by the marital property rights contracts must be recorded in the relevant entry in the Public Register upon application by one of the parties involved, whether the property rights contracts were concluded before the company was registered or not until later.

3) These rights shall become effective against the aforementioned creditors only on the date of the executed annotations, irrespective of whether they have become aware of them or not.

have or not.

4) In the event of insolvency proceedings, the claims of the company's creditors, which arose prior to the entry in the public register, take precedence over the claims arising from a marital property contract.

5) The preceding provisions on matrimonial property contracts shall also apply to any modification of the same, whether made by the parties or by legal process.

6) The application to the register and the annotation and the publication shall contain: the date of the contract, surname, first name, status and place of residence of the woman and the annotation, moreover the date of her registration.

7) The provisions established for the wife shall apply mutatis mutandis if the requirements apply to the husband.

§ 52[2121]

Retrieved

§ 53[2122]

Retrieved

M. Penal provisions

I. Honor insults

§§ 54 to 59Revoked

§ 60

6. Common provisions for all honor insults

1) If the honorable offense has been committed in a newspaper or periodical, it shall be a misdemeanor and, upon request of the petitioner, it shall be ordered that the judgment be published by public gazette at the discretion of the court.

2) Retrieved

§ 61[2125]

II. Minor bodily injury, etc.

Retrieved

§ 62[2126]

III. For sole proprietors with limited liability

Retrieved

§ 63

IV. Trustee

If a settlement reveals a shortfall that the actual fiduciary

If the trustee cannot immediately cover the costs from his own funds, he is also subject to the criminal law provisions on misappropriation of third-party property.

§ 642127

V. Cruelty to animals

Retrieved

VI. Misdemeanors; infractions

§ 65

1. Civil status and commercial register

1) Anyone who fails to declare facts and circumstances relating to birth, death or marriage that must be declared in accordance with the provisions of civil status law may be fined up to 500 francs by the registrar in accordance with the administrative procedure and the decision or order may be forwarded.

2) If persons of clerical status are registrars, the government is responsible for the imposition of fines in the first instance, but the registrars are subject to notification.

3) Any person who wilfully fails to comply with the obligation to register in the Commercial Register shall be fined by the Office of Justice, upon application or ex officio in administrative proceedings, up to 5,000

francs. If the offender acts negligently, the administrative fine shall be up to 1,000 francs.

4) This administrative fine may continue to be imposed until either registration has taken place or proof has been provided that there is no obligation to register.

5) Furthermore, the legal consequences arising under the provisions governing the commercial register shall remain unaffected.

§ 66

2. Accounting, auditing and disclosure requirements

1) The district court shall, on application or ex officio, punish with an administrative fine of up to 10,000 francs, or with an administrative fine of up to 5,000 francs in the case of negligence, in non-contentious proceedings, any person who:

1. fails to comply with the obligation to keep or replace books of account and to keep them together with business letters and other business correspondence in whatever form in accordance with the regulations on accounting;

2. fails to comply with the duty to conduct an audit or a review in accordance with the provisions on the duty to audit and review (Art. 1058 f.).

2) If the duty of disclosure or other duties under the provisions of Articles 1122 to 1130 are not complied with, the person making the association shall be punished by the Office of Justice ex officio in administrative proceedings with an administrative fine of 1,000 francs or, in the case of microenterprises (Article 1064 paragraph 1a), 500 francs.

2a) Any person who wilfully fails to comply with his duty under Art. 182a para. 2 to make the books of account or records and vouchers available at the registered office of the person making the association within a reasonable period of time shall be liable to an administrative fine of up to 5,000 francs imposed by the District Court on application or ex officio in the non-contentious proceedings. If the offender acts negligently, the administrative fine shall be up to 1,000 francs. This applies mutatis mutandis to the trustees of a trust (Art. 923 Para. 1).[2135]

3) The administrative fines under paras. 1, 2 and 2a may continue to be imposed until either the obligations under paras. 1, 2 or 2a have been fulfilled or proof has been furnished that an obligation under paras. 1, 2 or 2a does not exist.

4) If the obligations contained in subsection 1 or 2a are not complied with in the business operations of an association person, the penal provision shall apply to the directors, authorized representatives, liquidators or members of the administrative bodies who have not complied with the obligation.

5) If the acts are committed in the course of business of a company without a corporate personality, the criminal provision shall apply to the guilty partners or responsible third parties.

6) The right to criminal prosecution is reserved.

7) These provisions shall apply mutatis mutandis if other forms of companies or associations permitted under this Act are formed.

§ 66a[2141]

3. Declaration obligation

1) Any person who, against his or her better knowledge, makes a declaration pursuant to Art. 182b para. 1 that is incorrect in content shall be liable to a fine of up to 20,000 francs or, in the event of non-collection, to a custodial sentence of up to three months.

2) Any person who intentionally issues a confirmation in accordance with Art. 182b para. 4 that is incorrect in content shall be punished by the regional court for a misdemeanor with a fine of up to 50,000 francs, and in the event of non-collectibility with imprisonment for up to six months. If the offender acts negligently, he shall be punished by the regional court for a misdemeanor with a fine of up to 20,000 francs, and in the case of non-collectibility with imprisonment for a term of up to three months.

3) Disciplinary measures remain reserved.

4) § Section 66 (4) and (5) shall apply mutatis mutandis.

§ 66b

4. Information on letters, order forms and websites

1) If the obligation to comply with certain information on letters, order forms and websites set out in Art. 120a is not complied with, the association person or branch office shall be punished by the regional court on application or ex officio in the disputes procedure with an administrative fine of up to 5,000 francs.

2) This administrative fine may continue to be imposed until the legal condition is established.

§ 66c

5. Registration, filing and declaration requirements for foundations

1) Upon notification by the foundation supervisory authority, the district court may impose an administrative fine of up to 10,000 francs on any person who, as a member of the board of trustees:

1. fails to register a foundation with the Commercial Register contrary to Art. 552 § 19 par. 5; or

2. fails to file a notification of formation with the Office of Justice in violation of Article 552 § 20 par. 1 in conjunction with par. 2 or a notification of amendment in violation of Article 552 § 20 par. 3.

2) The administrative fine under paragraph 1 may be imposed continuously until the legal condition is restored.

3) Any person who intentionally makes a declaration that is incorrect in terms of content in accordance with Art. 552

§ 20 para. 1 in conjunction with para. 2 or in accordance with Art. 552 § 20 para. 3 shall be punished by the regional court for an infringement with a fine of up to 50,000 francs, in the event of non-collectibility with imprisonment for up to six months. If the offender acts negligently, he shall be punished by the regional court for a misdemeanor with a fine of up to 20,000 francs, and in the event of non-collectibility with imprisonment for a term of up to three months.

4) Likewise, according to para. 3, whoever, as a lawyer, trustee or holder of an authorization according to Art. 180a, intentionally or negligently makes an incorrect confirmation of the information according to Art. 552 § 20 para. 1 in conjunction with para. 2 or according to Art. 552 § 20 para. 3 shall be punished.

5) Disciplinary measures remain reserved.

§ 66d[2153]

6. Deposit of bearer shares

1) The district court may, upon notification of the Office of Justice, impose an administrative fine of up to 10,000 Swiss francs on any person who intentionally:

1. as custodian, violates the obligations to keep the register properly in accordance with Art. 326c par. 1;

2. as depositary, an incorrect confirmation of the deposit of bearer shares

pursuant to Art. 326c Para. 6;

3. issues bearer shares as a custodian in contravention of Art. 326e; or

4. as the person who conducted the audit or review, issues an incorrect confirmation in accordance with Art. 326i Para. 1 or fails to submit a report in accordance with Art. 326i Para. 2.

2) The administrative fine under paragraph 1 may be imposed continuously until the legal condition is restored.

3) If the offender acts negligently, the administrative fine shall be up to 5,000 francs.

§ 66e2154

7. Maintenance of the share register

1) The district court may, upon application or ex officio, impose an administrative fine of up to 10,000 francs on anyone who intentionally acts as a responsible body of the company:

1. violates the duty to keep the share register in a proper manner pursuant to Art. 328 para. 1;

2. contrary to Art. 329a para. 1, fails to ensure that a share register kept electronically can be made readable at any time; or

3. does not keep the share register at the registered office of the company contrary to Art. 329a para. 2.

2) The administrative fine pursuant to para. 1 may be imposed continuously until the legal condition is established.

3) If the offender acts negligently, the administrative fine shall be up to 5,000 francs.

§ 66f2156

8. Shareholder participation in stock corporations listed in the EEA

The district court shall impose an administrative fine of up to 25,000 francs on anyone who:

1. as an intermediary, violates its information disclosure obligations under Art. 367b par. 2 or 3;

2. as an intermediary or company violates the information transmission obligations pursuant to Art. 367c par. 1, 2, 4 or 5;

3. as intermediary violates its duties to facilitate the exercise of shareholder rights pursuant to Art. 367d para. 1 or fails to forward the confirmation pursuant to para. 4 without undue delay to the shareholder, the third party designated by the shareholder or to the next intermediary in the chain;

4. as an intermediary, violates its disclosure obligations under Art. 367e par. 1 or violates the prohibition under par. 2 to charge discriminatory or unreasonable fees,

violates;

5. as an intermediary or company, processes personal data contrary to Art. 367f par. 1 or stores personal data contrary to Art. 367f par. 2 for longer than twelve months;

6. as an institutional investor or asset manager, violates the obligation to draw up a participation policy pursuant to Art. 367h par. 1 or its disclosure obligations pursuant to Art. 367h par. 1 to 4;

7. as an institutional investor violates its disclosure obligations under Art. 367i;

8. as asset manager violates its disclosure obligations under Art. 367k;

9. as voting rights advisor fails to make information publicly available for a period of at least three years or fails to make such information publicly available for a period of at least three years or fails to make such information publicly available or fails to make such information publicly available in a correct, complete or timely manner in contravention of Art. 367l para. 4;

10. as a company, fails to establish a remuneration policy in accordance with Art. 367m paras. 1 to 4, violates the obligations under Art. 367m para. 5 in the event of amendments thereto or fails to submit the remuneration policy to the General Meeting of Shareholders for a vote in accordance with Art. 367n para. 1;

11. as a company, fails to prepare a compensation report or prepares an incomplete compensation report in accordance with Art. 367o par. 1 and 2, fails to submit it to the General Meeting of Shareholders for voting in accordance with Art. 367p par. 1 or fails to make it publicly available for at least ten years in contravention of Art. 367q par. 1,

12. as a company includes data in the compensation report contrary to Art. 367o para. 3 or uses such data for purposes other than those specified in Art. 367o para. 4 or continues to make such data publicly available contrary to Art. 367o para. 5 ten years after publication of the compensation report;

13. as a company, fails to submit a material transaction with a related party to the Supervisory Board or the General Meeting for approval in accordance with Art. 367r par. 1 or fails to make an announcement in accordance with Art. 367r par. 4 or 7, or fails to make such an announcement correctly, completely or in a timely manner.

§ 67

VII. Associations and societies with companies

Insofar as pecuniary penalties may be imposed by a court or in administrative penal proceedings, the association persons and corporate companies shall also be subject to them in place of the guilty individuals, however, with the possible right of recourse against them.

M. Measures

§ 67a2158

Prohibition of activity in public interest entities

1) The regional court shall, upon a complaint or in an out-of-court proceeding, prohibit a person from working in a public interest entity (Art. 1138g) for a period of up to three years if the person has committed a gross violation of Art. 192 or 347a of this Act or Art. 16 and 17 of Regulation (EU) No. 537/2014 in the course of his or her activities in an administrative or supervisory body of such an entity.

2) The district court shall inform the Office of Justice and the FMA of the imposition of a ban on activities under par. 1.

1. Retrieved
2. Retrieved
3. Retrieved
4. Retrieved

N. Fiscal law

5. Unless a special exception is granted by the Government or waived with its consent, associations, companies, sole proprietorships with limited liability, trusts and fiduciaries shall pay the transfer fee for real estate owned by them at least once every 30 years as in the case of a change of ownership by sale.

6. For the construction and transfer of homesteads, only half of the otherwise prescribed fees (taxes), in particular land registry taxes, may be charged if the construction is carried out by residents or the transfer is made to such residents; the government may grant a total or partial fee waiver if there are important reasons.

7. This provision shall apply mutatis mutandis to the establishment or acquisition of sole proprietorships with limited liability by residents and to the fees for registration in the Commercial Register of self-help and so-called small cooperative societies, small insurance associations, associations and non-profit institutions and foundations.

8. Retrieved

9. Retrieved

10. Retrieved

11. Retrieved

12. Retrieved

13. Retrieved

14. Retrieved

1) Retrieved

§ 69

O. Building codes, etc.

2) In built-up areas, land adjoining public streets, alleys and squares may be used for dumping purposes up to 3 meters from the boundary, unless it is demarcated by a fence, wall or other means, otherwise the government may order its removal by administrative procedure.

3) The government is authorized to make observations and recordings about the water forces of the country.

§ 70

P. International Law

1) At the request of other domestic or foreign authorities, the domestic authorities are obliged to provide them with information on the right existing in the domestic country.

2) If an authority is not called upon to administer the law in question, it shall forward the request to the competent official body, which in turn shall provide information.

3) There is no obligation to provide information on tax matters.

4) Retrieved

5) Retrieved

6) Retrieved

§ 71

Q. Concession requirement. Asset management

1) Retrieved

2) Retrieved

3) Retrieved

4) The Government may authorize institutions other than the Landesbank to issue Mortgage Pfandbriefe on foreign real estate and may, by ordinance, make provisions with respect to the security, the trustee, the penalties, and as otherwise required.

5) The provisions of property law relating to Pfandbriefe shall apply only to the extent determined by the Government.

6) Retrieved

7) Retrieved

§ 72[2182]

R. Citizenship, etc.

Retrieved

§ 72a

1) Insofar as an affidavit or similar before a domestic authority is required for the exercise or prosecution of the right abroad, the Regional Court shall be authorized and obligated to take and certify such affidavit or similar before a domestic authority in out-of-court proceedings.

2) If the circumstances require it according to foreign law, the confirmation of the higher court or its president can be obtained.

S. The securities

1. Title

The registered, order and bearer securities

1. Section General Provisions

§ 73

A. Concept and form of the security

1) A security within the meaning of the law is any document in which a right is evidenced in such a way that without the document it can neither be realized nor asserted nor transferred to others.

2) Insofar as a deviation does not result from the provisions on securities or from the nature of individual securities or from the existence of a membership claim, the provisions on the share certificate shall apply additionally with regard to the form.

3) Retrieved

§ 74

B. Obligation from the security and its redemption

1) The debtor under a security is obliged to perform only against presentation and delivery.

2) The debtor shall be discharged by a payment made at the time of forfeiture to the creditor correctly designated if he is not guilty of malice or gross negligence.

C. Transfer of the security

§ 75

I. General form

1) The transfer of the security to ownership or to a limited right in rem can always take the form of drawing up a written contract and transferring the security.

2) In addition to the transfer of the bearer instrument by delivery of the deed, cases are reserved where the law or the contract requires the participation of other persons, such as the debtor, as well as the special effects which, in the case of negotiable instruments, can only be produced by endorsement.

II. Endorsement

§ 76

1. Effect

1) Endorsement, in connection with the delivery of the endorsed instrument, shall have the effect of a declaration of assignment placed on all assignable securities, unless the content or nature of the instrument indicates otherwise, and likewise on instruments not having the character of securities.

2) An independent claim detached from the endorser's right with limitation of the debtor's defenses or liability of the endorser and recourse of the endorser to the prior endorsers result from the endorsement only in the case of securities for which the law provides for one or the other effect of the endorsement.

3) If the full endorsement and transfer of the endorsed document is carried out in the manner mentioned in para. 1, but only for the purpose of collection, the creation of a right in limited rem or the possible assertion of claims arising from the security in the interest of the endorser or a third party, the legal relationship shall moreover be subject to the provisions on the implied fiduciary relationship.

§ 77

2. Form

1) Endorsement, even where it is not an order paper, shall be made in accordance with the provisions of the bill of exchange regulations.

2) The completed endorsement shall be deemed a sufficient form of assignment in all cases in connection with the delivery of the deed.

D. Declaration of invalidity

§ 78

I. Enforcement

1) If a security is missing, whoever is entitled to it at the time when the loss takes place or is discovered may demand its cancellation by the court in non-contentious proceedings.

2) For this purpose, the applicant shall establish to the satisfaction of the judge at the debtor's domicile, and in the case of securities on membership at the issuer's domicile, his right to the security and the loss or destruction of the instrument.

§ 79

II. Effect and process

1) As a result of the declaration of invalidity, the beneficiary may assert his right without the document or request the issuance of a new document at his expense.

2) The interruption of the limitation period for the applicant shall commence on the day on which the application for the initiation of the invalidation proceedings is filed with the judge.

3) In all other respects, the procedure and effect of cancellation shall be governed by the rules established for each type of security.

§ 79a2187

g)Delivery of new papers in case of damage or defacement

If a security is no longer suitable for circulation as a result of damage or defacement, the beneficiary may demand from the issuer (or, if applicable, from the company or association) the delivery of a new certificate against surrender of the damaged or defaced one and reimbursement of the costs, provided that nothing to the contrary results from the content of the certificate or the articles of association or the like.

§ 802189

E. Obligation to issue a prospectus

Retrieved

§ 80a2190

Retrieved

§ 81

F. Special rules

The special provisions concerning the individual types of securities, such as bills of exchange, checks and pledged securities, including mortgage bonds, are reserved.

§ 81a2191

G. Value rights

1) The debtor may issue rights with the same function as securities (uncertificated securities) or replace fungible securities with uncertificated securities, provided that the terms and conditions of issue or the company's articles of association provide for this or the beneficiaries have given their consent.

2) The debtor shall keep a book of the book-entry securities issued by it, in which the number and denomination of the issued book-entry securities and the creditors shall be entered.

are. The book-entry securities ledger may also be maintained using trustworthy technologies within the meaning of the TVTG. It must be organized in such a way that unauthorized interference by the debtor with the rights of creditors is excluded.

3) The uncertificated securities shall come into existence upon entry in the register of uncertificated securities and shall exist in accordance with such entry.

4) The transfer of uncertificated securities or the creation of limited rights in rem shall be effected by registration of the acquirer or the pledgee in the book-entry securities register. If the book-entry securities book is kept using trustworthy technologies within the meaning of the TVTG, the disposition of the book-entry securities shall be governed exclusively by the provisions of the TVTG.

5) Anyone who acquires book-entry securities or rights to book-entry securities in good faith from the person entered in the book-entry securities register is protected in his acquisition, even if the transferor was not authorized to dispose of the book-entry securities.

6) The debtor shall only be obliged to pay to the creditor entered in the book-entry securities register. The debtor shall be discharged by payment to the creditor entered in the book-entry securities register at the time of forfeiture, unless the debtor is guilty of fraudulent intent or gross negligence.

2. Section The registered papers

§ 82

A. In general

1) A security is treated as a registered security if it is denominated in a specific name and is neither placed to order nor declared by law to be an order security.

2) Registered securities may be transferred to another person only by way of assignment of the right and transfer of the document.

3) The assignment gives the transferee a personal claim against the assignor for delivery of the deed, and the delivery of the deed made for the purpose of the assignment gives the transferee a personal claim against the grantor for acceptance of the assignment in due form.

B. Creditor right statement

§ 83

I. Debtor's right and duty

1) The debtor is obliged to pay only to the claimant who is the holder of the deed and identifies himself as the person to whom the deed is made out or as his successor in title.

2) If the debtor performs without such identification, he shall not be discharged vis-à-vis the person who is able to identify himself as entitled.

§ 84

II. Reservation of expulsion by holding

1) If the debtor has reserved in the registered document the right to perform to any holder of the document as the authorized creditor, he shall be discharged by performance in good faith to such a creditor, even if he has not requested the creditor's right certificate.

2) However, he is not obliged to recognize the holder as his creditor without such identification.

3) Moreover, such a security is also subject to the provisions on na- men securities.

§ 85

III. Transfer of a bearer paper to a specific name

1) A bearer instrument may be rewritten into a registered instrument only with the debtor's consent, which must be noted on the instrument itself.

2) Without this annotation, a transfer has effect only between the creditor who made it and his immediate successor in title.

§ 86

C. Invalidation of the registered paper

1) Where no special provisions have been made, registered securities shall be cancelled in accordance with the provisions on the cancellation of bearer securities, with the exception that the notification period shall be set at a minimum of three months.

2) The debtor of the registered document may reserve in the deed the right to perform validly even without presentation of the document and without invalidation if the creditor expresses invalidation of the promissory bill and discharge of the debt in a public or notarized deed.

3) In accordance with the regulations on registered securities, the savings bank booklets or booklets issued by the Landesbank shall be declared invalid.

3. Section The Order Papers

A. In general

§ 87

I. Requirements

1) A security is treated as an order security if it is denominated to order.

2) The bill of exchange is an order instrument even if it is not expressly made out to order.

§ 88

II. Defences of the debtor

The debtor under an order document may only avail himself of such defenses as arise from the existence and contents of the document or to which he is directly entitled against the claimant.

B. Papers similar to bills of exchange

§ 89

I. Instructions in general

Instructions which are neither designated as bills of exchange nor as checks in the text of the document, but which are expressly made out to order and otherwise meet the requirements of the drawn bill of exchange, are equivalent to drawn bills of exchange.

§ 90

II. No obligation to accept

1) These instructions to Order are not presented for acceptance.

2) If the presentation is made and acceptance is refused, the holder is not entitled to recourse.

§ 91

III. Consequences of the adoption

1) However, if such an instruction to order is voluntarily accepted, the acceptor of the instruction is equal to the acceptor of the drawn bill of exchange.

2) However, the holder may not take recourse before expiry if insolvency proceedings have been instituted against the assets of the pledged party or if the pledged party has suspended payments or if enforcement proceedings against his assets have been unsuccessful.

3) Likewise, the holder shall not be entitled to recourse prior to forfeiture if insolvency proceedings have been opened against the instructing party's assets.

§ 92

IV. No change procedure

The provisions of the Code of Civil Procedure on the procedure in disputes concerning bills of exchange shall not apply to this instruction to order, also insofar as the obligation of a possible acceptor is concerned.

§ 93

V. Promise to pay to order

1) Promises to pay, which in the text of the deed are not bills of exchange, but expressly

to order, and otherwise meet the requirements of the own bill of exchange, are equivalent to own bills of exchange.

2) However, the provisions on honorary payment applicable to its own bill of exchange shall not apply to such promises to pay to order.

3) The provisions of the Code of Civil Procedure on proceedings in disputes over bills of exchange shall not apply.

§ 94

C. Other endorsable papers

1) Deeds in which the subscriber undertakes to make certain payments of money or to deliver certain quantities of fungible goods, or which embody transferable rights in rem, personal rights or rights of membership, may be transferred by endorsement if they are expressly made out to order.

2) For these, as well as for all other endorsable papers, the provisions applicable to bills of exchange apply with regard to the form of the endorsement, the legitimation of the holder, the declaration of invalidity, as well as with regard to the obligation of the holder to surrender.

3) The provisions on recourse to bills of exchange shall not apply to such papers.

4. Section The bearer securities

§ 95

A. Creditor designation Bearer securities with premiums

1) A security is treated as a bearer security if it is evident from the wording or form of the document that the respective holder is recognized as the beneficiary.

2) However, even in this case, the obligor may not consider the holder to be entitled if a court or police order prohibiting payment has been issued against him.

3) Bearer bonds in which, in addition to the payment of the prescribed sum of money, all or part of the holders are guaranteed a premium in such a way that the bonds to be awarded and the amount of the premium to be paid to them are to be determined by drawing lots or by some other random method (bearer bonds with premiums), may be issued only with the consent of the Government, subject to other nullities and to the unlimited and joint and several liability of the issuers and, insofar as they are at fault, of the other participants for any damage caused to the holders by the issue.

§ 96

B. Defences of the debtor

1) The debtor may only oppose the claim arising from a bearer instrument with such defences as are either directed against the validity of the instrument or arise from the instrument itself, as well as those to which he is personally entitled against the respective creditor.

2) The objection that the document came into circulation against his will is excluded.

3) Furthermore, he may not raise the defense that the principal debt has been repaid against the claim arising from the bearer interest coupon, but shall be entitled, upon payment of the principal debt, to retain the amount of any bearer interest coupons which have not yet expired and which have not been delivered to him with the principal title until after the expiry of the limitation period, unless the undelivered coupons have been declared invalid or their amount is secured.

C. Declaration of invalidity

I. For bearer securities in general

§ 97

1. Justification of the request

1) Bearer securities, such as shares, bonds, dividend-right certificates, coupon bonds, subscription certificates for coupon sheets, but excluding individual coupons, shall be declared invalid in accordance with the following provisions.

2) The applicant shall prove the possession and loss of the document to the satisfaction of the judge of the debtor's domicile.

3) If the holder of a document bearing a coupon sheet or subscription certificate has merely lost the coupon sheet or subscription certificate, it shall be sufficient to produce the principal document in support of the application.

§ 98

2. Bid, registration deadline

If the judge considers the account of the possession and loss of the paper to be credible, he shall, by public notice, require the

the unknown holder to produce the document within a period of at least one year from the date of the first publication, otherwise the document will be cancelled.

§ 99

3. Payment ban

1) The issuer of the paper may, at the request of the applicant, be prohibited from redeeming it if payment is avoided again.

2) In the case of the cancellation of coupon sheets, the provision on the cancellation of interest coupons shall also apply mutatis mutandis to the individual coupons expiring during the proceedings.

§ 100

4. Announcement type

1) The call must be announced three times in the Official Gazette.

2) It is left to the discretion of the judge to still provide for adequate publication in other ways.

§ 101

5. Registration of the owner

1) If the lost bearer document is presented as a result of the alert, the applicant shall be given a reasonable period of time to verify the identity and authenticity of the presented document, as well as to file relevant applications, namely for temporary injunction by official orders in the interest of vindication proceedings or criminal proceedings to be initiated by him.

2) If, within this period, no applications are made which prompt the judge to take further steps, the document presented shall be returned, the prohibition of payment issued to the drawer shall be revoked and the request for a declaration of invalidity shall be dismissed.

§ 102

6. Judicial orders

1) If the time limit set in the public summons has expired without the lost document being produced, the judge may declare the document null and void or make further orders depending on the circumstances.

2) The declaration of invalidity of a deed to the holder shall be published immediately in the Official Gazette and otherwise at the discretion of the judge.

3) After cancellation, the applicant is entitled to demand, at his own expense, the issue of a new certificate and, depending on the circumstances, the issue of a new coupon sheet or, if the benefit is already due, its fulfillment.

§ 103

II. With the coupon in particular

1) If individual coupons have been lost, the judge may, at the request of the person entitled, order that the amount be refunded after the expiration date or, if the paper has been

has already expired, is immediately deposited with the court.

2) After the expiry of three years from the date of forfeiture, if in the meantime no entitled person has come forward to claim, the amount shall be returned to the claimant at the discretion of the judge.

§ 104

III. For banknotes and the like

Banknotes and similar bearer instruments issued in large numbers, payable on demand and intended for circulation as a substitute for money and denominated in fixed amounts are not subject to cancellation.

§ 1052197

D. Reservation concerning the paper IOU

The special provisions relating to the paper borrower's note in the name of the bearer are reserved.

5. Section The Check

§§ 106 to 119Revoked

6. Section The goods documents

§ 120

A. Shape of the commodity paper

The commodity document issued by a warehouse keeper or carrier as a security must contain:

1. the place and date of issue and the signature of the issuer;
2. the name and place of residence of the issuer;
3. the name and place of residence of the depositor or consignor;
4. the designation of the stored or abandoned goods, by nature, quantity and mark;
5. the fees and wages to be paid or which have been paid in advance;
6. the special agreements, if any, made by the parties concerning the treatment of the goods;
7. the number of copies of the commodity documents issued, and
8. the details of the person authorized to dispose of the goods by name or to order or as the holder.

§ 121

B. Deposit slip

1) If one of several goods documents is designated for the deposit order, then

It must be designated as a warrant and otherwise correspond to the form of the commodity paper.

2) On the other copies, the issuance of the pawn ticket shall be indicated and each pledge made shall be entered with the amount of the claim and the expiration date.

§ 122

C. Significance of the formal requirements

1) Bills issued for stored or shipped goods without complying with the legal formal requirements shall not be recognized as securities, but shall be considered only as receipts or other documentary evidence.

2) Bills issued by warehouse keepers without the authorization of the Government shall, if they comply with the legal formalities, be recognized as securities, but their issuers shall be subject to an administrative fine of up to 1,000 francs to be imposed by the Government in administrative penalty proceedings for the benefit of the country.

2. Title

The community of creditors in the case of bond issues

§ 123

A. Requirements of the community of creditors

1) If bonds are issued directly or indirectly with public subscription by a debtor domiciled or having its business establishment in Liechtenstein with uniform bond conditions, the creditors shall form a community of creditors without further ado as soon as the bond amount is at least 20,000 Swiss francs and the number of bonds issued is at least ten.

2) In the case of bonds of less than 20,000 francs or less than ten bonds issued, a community of creditors is formed only by the terms of the bond or by agreement of all creditors.

3) If several bonds are issued, the creditors of each shall form a special community of creditors.

4) The terms and conditions of the Bonds may establish syndicates of creditors with extensive powers and the following provisions shall apply to such syndicates in addition.

B. Meeting of creditors

§ 124

I. In general

1) The resolutions of the creditors' association shall be adopted by the creditors' meeting.

The law does not provide for the adoption of such measures, and in order to be valid they must satisfy the conditions laid down by law either in general or for individual measures.

2) Insofar as legally valid resolutions of the creditors' meeting exist, the individual creditors may no longer assert their rights independently.

§ 125

II. Deferral

1) From the time of the proper publication of the invitation to the creditors' meeting until the final adoption of the resolution and completion of the approval procedure, insofar as such is necessary, the due claims of the bondholders shall remain deferred.

2) This measure is not considered a suspension of payments.

3) If the debtor abuses the right to deferment, it may be revoked by the district court in extrajudicial proceedings at the request of one or more bondholders.

III. Convocation

§ 126

1. By the debtor

1) The meeting of creditors shall be convened by the debtor on a reasonable date, stating its purpose.

2) Creditors whose bonds are registered shall be convened by special notice at least eight days in advance.

3) For the other creditors, notice shall be given by publication in the Liechtenstein national newspapers and by public announcement three times in the public gazettes specified by the terms and conditions of the bonds, the third public announcement having to be made at least eight days before the date of the meeting.

§ 127

2. At the request of creditors

The debtor is obliged to convene the meeting if bondholders, who together represent the twentieth part of the bond, or the representative of the community request the convocation from him in writing, stating the purpose and reasons for the convocation.

§ 128

3. By order of the judge

1) If the debtor complies with the request of the creditors or the representative of the ge-

If the creditors' association fails to convene a creditors' meeting within a reasonable period of time, the judge in the non-contentious proceedings may authorize the parties requesting the meeting to convene a creditors' meeting on their own initiative.

2) Bondholders requesting authorization from the court to convene the meeting must prove that they are in possession of the relevant securities.

IV. Holding of the creditors' meeting

1. Participation of creditors

§ 129

a) In general

1) The creditors and their representatives attending the creditors' meeting shall identify themselves as to their eligibility prior to the commencement of the deliberations.

2) A list of the participants shall be kept, showing their names and places of residence and the amount and numbers of the bonds represented by each of them.

§ 130

b) Exclusion from participation

1) Bonds belonging to the debtor may not be represented at the meeting either by the debtor or by third parties and shall be excluded from the calculation of the majority of the outstanding bonds of a bond.

2) In contrast, a lien or right of retention to which the debtor is entitled in respect of bonds does not preclude the participation of their owner in the meeting.

3) Representation of the bonds of others by the debtor is not permitted.

§ 131

c) Power of representation

A written power of attorney is required in all cases to represent creditors at the creditors' meeting.

§ 132

2. Assembly management

1) Unless the terms and conditions of the bonds provide otherwise, the chairman shall be designated by the creditors' meeting.

2) In cases of convocation by order of the judge, the chairman may be designated by the judge.

3) The agenda for the creditors' meeting shall be sent to the invitees together with the notice of the meeting or at least eight days prior to the meeting in accordance with the procedures applicable to the meeting.

The Supervisory Board shall be notified of the rules established for convening meetings.

4) A copy of the applications shall be provided to each bondholder upon request.

5) No binding resolution may be passed at the creditors' meeting, even with unanimity, on matters which have not been disclosed in this way, at least in terms of their essential content, unless the holders of the entire outstanding capital agree.

6) The debtor shall bear the costs of convening and holding the creditors' meeting, unless the judge orders otherwise.

V. Powers

§ 133

1. In general

1) The creditors' assembly is authorized, within the limits of this law, to take such measures as it deems conducive to safeguarding the common interests of the creditors, in particular in the event of the debtor's distress.

2) The measures taken shall also be binding on the non-consenting creditors, subject to the official approval provided for by law and the right of appeal.

3) The creditors belonging to the community must all be affected equally by the measure, unless any creditor who may be treated less favorably expressly consents.

4) The previous ranking may not be changed among pledgees without their consent.

§ 134

2. Restrictions

1) The creditors' association is not entitled to increase the creditors' rights without the debtor's consent.

2) It may not, without the consent of the creditor, require the creditor to make any payments other than those provided for in the terms and conditions of the bonds or agreed with the creditor when the bonds were issued.

VI. Assembly resolutions

§ 135

1. In general

1) The creditors' meeting shall adopt its resolutions where the law does not require otherwise.

The Supervisory Board shall adopt its resolutions by an absolute majority of the votes represented, unless the terms and conditions of the bonds stipulate stricter requirements for the adoption of resolutions.

2) This majority is calculated in all cases according to the nominal value of the capital represented.

2. Three-quarters majority cases:

§ 136

a) In the case of only one community of creditors

The consent of the representatives of at least three quarters of the outstanding capital is required for the validity of the resolution if the following measures are involved:

1. Removal of a representative appointed by the creditors' meeting or provided for in the bond terms and conditions, or the amendment of his power of attorney;

2. Deferral for interest forfeited or due within one year, binding only up to a maximum of five years, but renewable;

3. total interest rebate up to a maximum of five years binding and with the possibility of renewal;

4. Reduction of the interest rate by up to half of the rate originally agreed in the bond contract or conversion of a fixed interest rate into an interest rate dependent on the operating result, both binding up to a maximum of ten years, but also with the possibility of renewal;

5. Extension of the amortization period provided for a current bond by a maximum of ten years by reducing the annuity or increasing the number of repayment ratios;

6. Postponement of the repayment dates for a bond already due or maturing within one year, or for partial amounts of such a bond, to a maximum of five years;

7. Allowance for early repayment of principal;

8. The granting of a transaction lien for new capital amounts received by the company with a transaction prior to an existing bond, as well as a change in the collateral provided for a bond or a complete or partial waiver of such collateral, insofar as such measures do not fall under the powers of a representative of the creditors' association;

9. Amendment of the provisions on the limitation of bond issuance in relation to the debtor's equity;

10. Conversion of bonds or portions thereof into preferred membership interests, subject to the consent of the debtor;

11. Waiver of the capital claim of the bondholders up to the amount exceeding the highest value of the bonds achieved in the last ten years.

§ 137

b) In the case of multiple creditor groups

1) In the case of a majority of creditors' communities, the debtor may simultaneously submit one or more of the measures provided for in the preceding article to the communities, with the proviso that the validity of each measure is conditional upon the acceptance of the others.

2) In such case, the proposals shall be deemed adopted if they have met with the approval of the representation of at least three-fourths of the outstanding capital of all such creditor communities combined, have been simultaneously adopted by three-fourths of the communities, and have not attracted less than a majority of the outstanding capital in any of them.

§ 138

3. Approval by the probate authority

1) The resolutions, the approval of which requires a three-quarters majority, shall only be effective and also binding on the non-consenting creditors if they have been approved by the Regional Court as the probate authority in the non-contentious proceedings.

2) The debtor shall submit it to the regional court for approval within one month from the date of its conclusion.

3) Approval shall be refused if the rules on convening and passing resolutions of the creditors' meeting have been violated, if a resolution does not appear necessary to avert an emergency situation of the debtor or does not sufficiently safeguard the common interests of the creditors or has been passed in a dishonest manner.

4) The time of the hearing shall be publicly announced by the judge with the notice to the creditors that they may raise their objections in writing or orally at the hearing.

5) The costs of the approval procedure shall be borne by the debtor.

§ 1392204

4. Deferral and amendment of interest and repayment conditions

An application for deferral or for modification of the terms and conditions of interest and repayment may only be made on the basis of a deferral notice dated on the date of the creditors' meeting.

The Board of Directors and the Supervisory Board are responsible for the preparation of the Articles of Incorporation, which are drawn up by the General Meeting of Shareholders, and for the proper preparation of the Articles of Incorporation, which are certified as correct by the existing auditors, if applicable, and which are based on the highest possible standards.

The debtor must submit a balance sheet completed six months prior to the date of the meeting and the meeting must discuss it.

§ 140

5. Unanimity cases

1) The unanimity of the creditors is required for any further-reaching interference with creditors' rights.

2) However, if it is not a question of increases in the benefits of creditors, the unanimity of the participants in a meeting at which at least three quarters of the capital in circulation must be represented shall be sufficient.

3) If three quarters of the capital are not represented at such a creditors' meeting, the meeting may, by a majority of the votes represented, resolve to convene a second creditors' meeting at a date not more than two months later, which may pass resolutions on the same or less far-reaching proposals by unanimity if at least half of the capital in circulation is represented.

§ 141

6. Subsequent consent

1) If a proposal at a creditors' meeting does not receive the required number of votes, but at least half of the outstanding bond amount, the debtor may complete the missing number of votes by submitting written and certified declarations of creditors to the chairman of the meeting within two months after the date of the meeting and thereby create a valid resolution.

2) Retrieved

§ 142

7. Notarization of the decision

1) A public document shall be drawn up in respect of every resolution, whether validly adopted at the creditors' meeting or brought about by subsequent consent.

2) The list of participants to be drawn up prior to the commencement of the proceedings, as well as, if applicable, a list of creditors who have subsequently given their consent, to be drawn up by the notary public, shall be included in the public deed or attached thereto together with the evidence that the meeting has been duly convened.

3) The public certificate shall, upon request, show the numbers of the bonds whose holders or representatives voted against a proposal approved by a majority.

§ 143

8. Communication of the decisions

1) Any resolution passed amending the terms and conditions of the Bonds shall be specially notified to the creditors whose bonds are registered and shall be published in the Official Gazette and in the public gazettes specified by the terms and conditions of the Bonds.

2) If the debtor is registered in the Commercial Register as a company, a certified copy of the minutes, as well as, if applicable, the court documents on the filed contestation petitions, shall be submitted to the Commercial Register for the debtor's files.

3) The resolutions which have become effective shall be noted, where necessary, on the bond titles.

§ 144

9. Contestation of the resolutions

Bondholders who have not consented to the resolution may demand that the resolution be set aside by the court within one month from the date of publication by proving that the resolution was passed in bad faith or in violation of the provisions of the law.

C. Community representation

§ 145

I. Appointment of a representative

1) The terms and conditions of the bonds or the creditors' meeting may designate one or more representatives of the creditors' association, who shall act as trustees in accordance with the provisions governing the implied trust.

2) Several representatives exercise the representation jointly, unless otherwise specified.

§ 146

II. Powers of the representatives

1) The representative shall have the powers conferred on him by the terms and conditions of the bonds or by the creditors' meeting.

2) He is authorized and obligated without further ado:

1. to request the debtor to convene a creditors' meeting as soon as the requirements for this are met;

2. to execute the resolutions of the creditors' meeting;

3. to represent the Community in execution of the powers delegated to him.

3) Insofar as the representative is authorized to assert the rights of the creditors, the individual creditor is deprived of the authority to assert his rights independently.

§ 147

III. Position of the representative to the debtor

1) As long as the debtor is in arrears with the fulfillment of his obligations to the creditors, the creditors' representative shall be entitled by operation of law to demand from the debtor such information as is of considerable interest to the community.

2) Under the same condition, if a person of the association is a debtor, the representative may participate in the negotiations of the supreme body, the administration and the re visory body in an advisory capacity.

3) The debtor shall be invited to all such negotiations and shall be provided with all notifications made to the members of the management and the company concerning the financial situation and the business operations of the debtor company.

§ 148

IV. Position of the representative in the case of lien bonds

1) The representative of the debtor and the creditors appointed for a bond secured by real property is subject to the provisions on the real property lien.

2) Like the latter, a pledgee appointed with respect to a bond secured by a lien shall protect the rights of the creditors and the debtor and owner with all due care and impartiality.

§ 149

V. Lapse of the power of attorney

1) The power of attorney granted to a representative by the creditors' meeting may be revoked or amended at any time by a subsequent resolution of the creditors' meeting.

2) At the request of a creditor, the judge may, for important reasons, declare the power of attorney to have lapsed in the out-of-court proceedings.

3) If the power of attorney lapses for any reason, the judge shall, at the request of a creditor or of the debtor, make such orders in extrajudicial proceedings as may be necessary for the protection of the creditors or of the debtor as a result of the lapse of the power of attorney.

§ 150

E. Insolvency proceedings against the debtor's assets

1) If insolvency proceedings are opened against the assets of a bond debtor, a creditors' meeting shall be convened without undue delay, which shall issue the necessary instructions and powers of attorney to the existing representative or to a representative to be appointed by it in order to uniformly safeguard the rights of the bond creditors.

2) Such a resolution may be adopted by an absolute majority at a meeting at which at least two-thirds of the outstanding capital is represented.

3) If no such resolution is passed, each bondholder shall represent his rights independently.

4) In addition, the provisions of this section shall also apply to resolutions concerning the approval of the reorganization plan in such a way that, for the purpose of calculating the majority required for the reorganization plan, the entire share capital of a consenting creditors' association and all of the creditors belonging to it shall be counted as consenting.

§ 151

F. Protection of the community of creditors

1) The rights assigned by law to the creditors' association and its representative may not be excluded or limited by the terms and conditions of the bonds.

2) The aggravating provisions of the terms and conditions of the bond concerning the passing of resolutions of the creditors' meeting shall remain reserved.

§ 152

G. Other creditor groups

1) The holders of non-member securities issued by a debtor or trustee resident or domiciled in Liechtenstein may, by special written agreement of all the consenting holders or by the terms and conditions upon the issuance of such securities, form a pool of creditors.

The provisions of the creditors' association in the case of bonds shall apply in addition to the provisions of the creditors' association.

2) By government decree, the provisions on joint creditors may also be declared applicable to other cases, provided that the creditors among themselves are in the same legal position vis-à-vis the debtor.

3) The special provisions on profit participation certificates and fiduciary certificates remain reserved.

§ 153

H. Bonds issued by public-sector borrowers

Bonds issued by the state, municipalities or public corporations and institutions are subject to the provisions of public law and the provisions on the community of creditors apply to them only to the extent that this is ordered by public law.

3. Title

The bill of exchange

order

§ 154

Retrieved

T. Repeal and amendment of older regulations

§ 155

I. In general

1) Upon the effective date of this Act, all conflicting provisions of laws or ordinances shall cease to be in force.

2) In particular, are canceled:

1. all relevant provisions of the General Civil Code, introduced by decree of February 18, 1812, in particular §§ 15 to 43, insofar as they relate to areas of law regulated herein, §§ 1175 to 1216 and § 1472, insofar as the latter provision relates to the legal persons regulated in this Act in conjunction with § 18 of the Act referred to in No. 3 of this Article, furthermore §§ 175, 248, 269

Up to and including 280, 592, 754, 865, 866, 881,1019, 1277, 1330 and part of

§§ 1338,1339, as well as §§ 21,174 (in part) and 252, as amended pursuant to Art. 46(1), (3) and (4) of the Act of 31 August 1922, No. 28, concerning the Exercise of the People's Political Rights in National Matters;

2. Articles 2, 4 to 46, 85 to 270, 300 to 305 of the Commercial Code of

September 16, 1865; however, the Law of January 11, 1923, No. 1, concerning the national enterprise "Landeswerk Lawena" and the Law of January 12, 1923, No. 5, concerning the Savings and Loan Fund of the Principality of Liechtenstein shall remain unaffected;

3. the Introductory Act to the Commercial Code of September 16, 1865, No. 10;

4. Article 3(1)(a) and (b) of the Law of April 21, 1922, No. 19, concerning the right of a wife to become or to be a merchant, and Article 3(e) thereof;

5. Sections 339, 340, 487 up to and including 496 of the Criminal Code, introduced by the Decree of November 7, 1859, No. 11746; amended, in particular, Sections 297 et seq. of the Penal Code, to the extent that they are inconsistent with the provisions of this Act on the free formation of associations.

or otherwise conflict with the right of free assembly; however, the law of October 17, 1922, No. 32, concerning the impunity of communications and reports, shall remain unaffected;

6. Art. 126 to and including 137 of the Final Title to the Property Law of December 21, 1922, No. 4 of 1923;

7. Section 2(f) of the Introductory Patent to the Law of Succession of April 6, 1846, No. 3877;

8. the provisions of the Code of Civil Procedure insofar as they conflict with the provisions on compulsory arbitration in the case of associations and companies without personality established under foreign law (Art. 630) or on trusteeships or with other provisions of this Act, in particular with regard to the procedure in disputes over bills of exchange;

9. Article 6 of the Finance Act of January 22, 1925, No. 1;

10. the contradictory provisions of the (Railway) Act of

14. January 1870, No. 1, and the Austrian Railway Concession Act of September 14, 1854, introduced by the same.

3) The period of five years pursuant to Art. 17 para. 1 of the Final Title on Property Law is set at ten years.

4) Retrieved

5) In civil disputes in which a non-monetary claim is asserted by action or counterclaim on the basis of the provisions of this Act concerning corporations, partnerships without personality, sole proprietorships with limited liability, or trusts, the decision of the Supreme Court may in any case be appealed to the Supreme Court.

§ 156

II. Ordinance

The Government is authorized to issue regulations by ordinance to amend conflicting provisions in laws or ordinances:

1. on the invalidation of lost identity documents such as passports and certificates of origin. The invalidation procedure under this ordinance is subject to the supplementary provisions of the law on the general administration of the country;

2. on the restriction of the taking of oaths in judicial and administrative matters in the sense that, in particular, in less important matters, such as petty or misdemeanor matters and administrative matters, the oath shall be dispensed with altogether, but otherwise shall be taken only in important cases, and that the oath may be replaced at all by the taking of a hand vow to be determined in more detail, the violation of which shall be subject to the same penalties as the violation of the oath;

3. Retrieved

§ 157

U. Final provision

1) This Act is declared non-urgent and shall enter into force on the day of promulgation, with the exception of the provisions on the civil registry pursuant to Section 49 and on the commercial registry pursuant to Section 50, for which provisions the Government shall determine the date of entry into force.

2) The provisions relating to the composition agreement or the composition proceedings (composition proceedings) shall enter into force upon the settlement of the relevant areas of law.

3) The Government shall be entrusted with the enforcement thereof; it shall issue an official register and the necessary implementing provisions, in particular on the civil status register and on the commercial register, on the obligation to register with the Office of Justice pursuant to Art. 946, insofar as such an obligation does not already arise from the individual provisions, such as on persons in associations, and on tax law.

4) The Government is authorized to conclude further treaties and agreements with other states.

5) The right of retaliation (retor- sion) against foreigners, as ordered by the government at its discretion, remains reserved, as do state treaties currently in force and those to be agreed upon in the future.

II.Regulation on the Law on Persons and Companies

from 19 December 2000

Based on Art. 1059 para. 2, Art. 1064 para. 5, Art. 1100 para. 2, Art. 1101 para. 4 and Section 157 Final Division of the Law on Persons and Companies of 20 January 1926, LGBl. 1926 No. 4, as amended by the Act of 26 October 2000, LGBl. 2000 No. 279, the Government decrees:

I. General provisions Art. 1

Subject

This ordinance regulates in particular the implementation of the Law on Persons and Companies:

a) the purpose of association persons;

b) the designation of the auditors;

c) the recording and storage of business books, business papers and accounting vouchers;

d) the thresholds for non-Swiss franc annual financial statements and consolidated financial statements, and the exemption of intermediate companies with non-EEA parent companies from the consolidation requirement;

e) the provisions of Title 20 of the Persons and Companies Act on accounting, which are also applicable when applying the IASB's international accounting standards.

Art. 2

Designations

The designations of persons and functions used in this Ordinance shall be understood to mean persons of the female and male genders.

II. Earmarking of association persons Art. 3

The purpose of the association persons and trust enterprises must clearly indicate whether or not a commercial business is being conducted.

III. Designation of the auditors Art. 4

1) Associations and trust enterprises that operate a commercial business or whose statutory purpose permits the operation of such a business must designate the auditors and submit their declaration of acceptance of mandate to the Office of Justice at the same time as they apply for registration.

2) A declaration of acceptance of the mandate of the auditor(s) must also be submitted to the Office of Justice in the event of a subsequent change of auditor.

IV. Keeping and storage of accounting records

A. General principles Art.

5

Principles of proper keeping and storage of the books

1) In keeping the books of account and recording the accounting vouchers, the recognized commercial principles must be complied with (proper accounting).

2) If the books of account are kept and stored electronically or in a comparable manner and the accounting vouchers and business correspondence are recorded and stored electronically or in a comparable manner, the principles of proper data processing must be complied with.

3) The proper keeping and storage of the books shall be governed by the generally accepted rules and professional recommendations, unless this Ordinance or decrees based thereon contain a provision to the contrary.

Art. 6

Integrity (authenticity and tamper-proofness)

Business records must be kept and maintained, and accounting vouchers and business correspondence must be recorded and maintained, in such a manner that they cannot be altered without being detected.

Art. 7

Documentation

1) Depending on the type and scope of the business, the organization, responsibilities, processes and procedures and infrastructure (machines and programs) used in keeping and storing the business records must be documented in work instructions in such a way that the business records, accounting documents and business correspondence can be understood.

2) Work instructions shall be updated and kept according to the same principles and for the same length of time as the books of account kept thereafter.

B. Principles for proper storage9 Art. 8

General duty of care

The books of account, accounting vouchers and business correspondence shall be kept carefully, in an orderly manner and protected from harmful effects.

Art. 9

Availability

1) The books of account, accounting vouchers and business correspondence must be kept in such a way that they can be inspected and examined by an authorized person within a reasonable period of time until the end of the retention period.

2) To the extent necessary for inspection and testing, the appropriate personnel and equipment or supplies shall be kept available.

3) Within the scope of the right of inspection, it must be possible to make the books of account legible without aids at the request of an authorized person.

Art. 10

Organization

1) Archived information must be separated from current information or marked in such a way that it can be distinguished. Responsibility for the archived information must be clearly regulated and documented.

2) Archived data must be accessible within a reasonable period of time.

Art. 11

Archiv

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The information must be systematically inventoried and protected against unauthorized access. Accesses and accesses must be recorded. These records are subject to the same retention obligation as the data carriers.

C. Information carrier

Art. 12

Permissible information carriers

1) For record retention purposes, the following are permissible:

a) unchangeable information carriers, namely paper, image carriers and unchangeable data carriers;

b) changeable information carriers, if:

1. technical procedures are used to ensure the integrity of the stored information (e.g. digital signature procedures);

2. the time at which the information is stored is verifiable in an unforgeable manner (e.g. by "time stamp");

3. the other regulations existing at the time of storage concerning the use of the technical processes in question are complied with; and

4. the processes and procedures for their use are defined and documented, and the corresponding auxiliary information (such as logs and log files) is also retained.

2) Information carriers are considered to be modifiable if the information stored on them can be changed or deleted without the change or deletion being detectable on the data carrier (such as magnetic tapes, magnetic or magnetooptical diskettes, hard disks or removable disks, solid state memories).

Art. 13 Verification and data migration

1) The information carriers must be regularly checked for integrity and legibility.

2) The data can be transferred to other formats or to other information carriers (data migration) if it is ensured that:

a) the completeness and accuracy of the information remain guaranteed; and

b) the availability and readability continue to meet the legal requirements.

3) The transfer of data from one information carrier to another must be logged. The log must be kept together with the information.

Art. 14

Retrieved

Art. 15

Retrieved

V. Thresholds for annual financial statements not prepared in Swiss francs and consolidated annual financial statements; exemption for intermediate companies with non-EEA Parent companies exempt from consolidation

Art. 16

Thresholds for annual financial statements not prepared in Swiss francs and consolidated annual financial statements

1) If the annual financial statements are not prepared in Swiss francs but in another freely convertible foreign currency (Art. 1049 para. 1 and 2 PGR), the thresholds set out in Annex 1 of this Ordinance shall apply instead of the thresholds set out in Art. 1064 para. 1 items 1 and 2 and para. 2 items 1 and 2 of the Persons and Companies Act.

2) If the consolidated financial statements are not prepared in Swiss francs, the amounts specified in Art. 1101 para. 1 no. 1 letters a and b and no. 2 letters a and b of the Swiss Code of Obligations shall be used instead of the amounts specified in Art. 1101 para. 1 no. 1 letters a and b of the Swiss Code of Obligations.

The thresholds set out in Annex 2 to this Ordinance shall apply in addition to the thresholds set out in the Articles of Association and Company Law.

3) A company within the meaning of Art. 1063 of the Persons and Companies Act which does not prepare its annual financial statements in Swiss francs or in one of the foreign currencies listed in Annex 1 to this Ordinance shall always be deemed to be a large company within the meaning of Art. 1064 of the Persons and Companies Act. Art. 1101 of the Persons and Companies Act on the size-related exemption from the consolidation obligation may only be invoked if Swiss francs or one of the foreign currencies listed in Annex 2 are used as the basis for determining the exemption in relation to the threshold values.

Art. 17

Retrieved

Va. Provisions to be applied when applying the IASB's international accounting standards

Art. 17a Applicable law

The following provisions of Title 20 of the Persons and Companies Act on accounting shall also be applied when applying the IASB's international accounting standards:

a) for accounting entities that must comply exclusively with Art. 1045 to 1062a PGR: Art. 1046, Art. 1047, Art. 1048 para. 2 second half-sentence and para. 3, Art. 1049 and Art. 1056 to 1062a PGR when preparing the annual financial statements;

b) for companies within the meaning of Art. 1063 PGR: Art. 1046, Art. 1047, Art. 1048 para. 2 second half-sentence and para. 3, Art. 1049, Art. 1056, Art. 1058 to 1062a, Art. 1092 item 7 to
10 and 14, Art. 1094 para. 3 to 5, Art. 1096 para. 1 to 4, Art. 1122, Art. 1123, Art. 1129 and Art. 1130 para. 1 PGR when preparing the annual report;

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c) for companies within the meaning of Art. 1063 PGR that are required to prepare consolidated financial statements pursuant to Art. 1097 to 1101 PGR: Art. 1046, Art. 1047, Art. 1048 para. 2 second half-sentence and para. 3, Art. 1049, Art. 1056, Art. 1058 to 1062a,
Art. 1119 in connection with Art. 1092 items 7, 9 and 10, Art. 1120, Art. 1121, Art. 1124, Art. 1125, Art. 1129 and Art. 1130 para. 1 PGR when preparing the consolidated annual report;

d) for banks and investment firms: Art. 1046, Art. 1047, Art. 1048 para. 2 second half-sentence and para. 3, Art. 1049, Art. 1056, Art. 1058 to 1062a, Art. 1092 items 7, 9 let. a, b and
d, 10 and 14, Art. 1094 para. 3 to 5, Art. 1096 para. 1 to 4, Art. 1119 in conjunction with Art. 1092 para. 7, 9 let. a and b as well as 10, Art. 1120 and Art. 1121 PGR when preparing the annual report and the consolidated annual report; instead of Art. 1057 and Art. 1122 to 1128 PGR, the disclosure requirements under banking law shall be complied with; Art. 1129 and Art. 1130 para. 1 PGR remain applicable;

e) for insurance companies: Art. 1046, Art. 1047, Art. 1048, para. 2, second half-sentence. and par. 3, Art. 1049, Art. 1056, Art. 1058 to 1062a, Art. 1092 par. 7, 8, 9 let. a, b and d, 10 and 14, Art. 1094 par. 3 to 5, Art. 1096 par. 1 to 4, Art. 1119 in connection with Art. 1092 item 7, 9 Letters a and b as well as 10, Art. 1120, Art. 1121, Art. 1122 Para. 1 and 2, Art. 1123 to 1125, Art. 1129 and Art. 1130 Para. 1 PGR when preparing the annual report and the conso- lidated annual report.

VI. Final provisions Art. 18

Repeal of previous law The

following are repealed:

a) Ordinance of February 20, 1926, on the Law on Persons and Companies, LGBl. 1926 No. 5, as amended by the Ordinance of April 4, 1963, LGBl. 1963 No. 15;

b) Ordinance of 14 June 1980 on the Law on Persons and Companies, LGBl. 1980 No. 40, as amended by the Ordinance of 29 December 1981, LGBl. 1982 No. 17;

c) Ordinance of 26 April 1994 on the Recording and Retention of Business Books, Business Papers and Accounting Documents, LGBl. 1994 No. 27.

Art. 19

Entry into

force

This Regulation shall enter into force on 31 December 2000.