

COMPANY AGREEMENT

§ 1

Name and Seat

1. The name of the company is:

BBIS Berlin Brandenburg International School GmbH

2. The seat of the company is in Kleinmachnow.

§ 2

Purpose of the Enterprise

1. The purpose of the company is the promotion of education and learning. To this purpose, the company shall

a) create and operate an independently owned International School, offering a general course of education to German and foreign students and leading to diplomas accepted in Germany and internationally.

b) create and operate a Boarding School, in cooperation with the International School named in a), providing lodging and educational support to students of the school.

c) rent and lease assets owned by the company.

2. The Company intends, with the purpose of the enterprise, the self-less, exclusive and direct furtherance of the general public, in particular of education and of instruction in the meaning of the non-profit provisions (*Gemeinnützigkeitsbestimmungen*) of the German Tax Code (*Abgabenordnung*). The company is primarily a non-profit organization.
3. The company's means may only be used in accordance with the purposes mentioned in the articles of association. The shareholders shall not be granted any benefits from the company's funds. The shareholders shall not receive any portion of the profits, and in their capacity as shareholders also no other sort of payments, benefits or advantages of any kind. Furthermore, should they withdraw from the company, in case of the dissolution of the company or in case of the loss of the company's tax-privileged status, their contributed capital will not be reimbursed. Neither will they be reimbursed the value of given assets in kind. In case of withdrawal they will be compensated with 1.00 Euro for their share according to § 14,15.
4. No single person may be favoured by expenses opposed to the company's purposes or by receiving disproportionately high remunerations.
5. The company may take all measures, that serve the purpose of the company, to establish domestic branches.

§ 3

Nominal Capital

The company's nominal capital amounts to

2,000,000.00 Euro
(in words: two million Euro).

§ 4
Company's Term, Business Year

1. The company is formed for an indefinite period of time.
2. The business year runs from August 1st until July 31st of the following year.
3. The company is not terminable.

§ 5
Managing Director(s) and Representation

1. The company has one or more managing directors. Should several managing directors be appointed, the company shall be represented by two managing directors jointly or by a managing director together with the company officer with special statutory authority (*Prokurist*). If only one managing director is appointed, s/he shall represent the company alone.
2. The managing directors may be granted sole representation authority and they may be exempted from the limitations of § 181 of the German Civil Code. Joint representation may be arranged in each case through a part of the business management with or without the creation of specifically identified representation pairs.
3. The managing directors shall be appointed by the supervisory board. S/he is also responsible for revoking the appointment of managing directors, as well as for conclusion, modification, nullification or termination of engagement contracts with the managing directors. Three fifths of the majority of the supervisory board members' votes shall suffice for the performance of all these measures.

§ 6
Business Management

1. The business management carries out the company's business in accordance with the laws, the company agreement, the resolutions of the supervisory board and the meeting of shareholders, as well as the business directive for the business management.
2. At the latest 3 months prior to the commencement of the next business year the business management shall draw up and present to the supervisory board for approval the business plan for the forthcoming business year.
3. The business management shall at any time upon demand by the supervisory board give any desired information, report in writing about the operation of the business and the state of affairs of the company, as well as immediately apprise the supervisory board of important events.

§ 7
Transactions Requiring Approval

1. The business management requires prior approval by the supervisory board for:
 - a) the establishment or the dissolution of branches;
 - b) the acquisition, the sale or the encumbrance of real estate;
 - c) taking on of loans;

- d) granting of loans;
 - e) granting and revocation of full powers of attorney (*Prokuren*) and commercial powers of attorney (*Handlungsvollmachten*) for all business operations;
 - f) conclusion of rent and lease agreements for real estate of company specifying a net rental amount in excess of 24,000.00 Euro (excluding operational and supplementary costs) or a notice period of more than one year;
 - g) appointment and dismissal of the elementary school principal, middle school principal, the high school principal and the director of the boarding school;
 - h) the general agreements and measures for regulation of the employment law and benefit law conditions of the employees;
 - i) all transactions that go beyond the ordinary operation of the company or have fundamental significance, in particular transactions that do not fall within the financial plan and exceed the amount of 50,000.00 Euro.
2. The supervisory board may for certain types of legal transactions and measures pursuant to §7 No. 1 grant its approval to the business management generally and may stipulate that for certain transactions its approval shall be required in each individual case.

§ 8 Shareholder Meeting

1. The convening of the shareholder meeting shall occur through the managing director(s) via a registered letter in which the agenda is stated, with a deadline of one month before the meeting, to each individual shareholder; should there be urgent matters to settle, the deadline for convening the meeting may be appropriately shortened. The date on which the letter was mailed and the day of the meeting shall not be counted when calculating the deadline.
2. A shareholder meeting that is not properly convened may only pass a resolution when all shareholders are represented and no objection against the passing of the resolution is made. The proxy for representation shall be entrusted to the company.
3. In matters that affect the legal relations between the managing directors and the company, the shareholders, whose voting rights together comprise at least one fifth of the voting rights in the meaning of § 9 Nr. 2 of the company agreement, may themselves convene a shareholder meeting upon stating the purpose and reasons therefore. Otherwise the provisions of the company agreement and statutory provisions apply to the convening of the meeting.
4. The shareholder meeting is in particular responsible for passing resolutions about:
 - a) revisions of the by-laws, in particular the increase or decrease of the nominal capital;
 - b) examination and determination of the annual financial statement as well as utilization of the annual result;
 - c) election of the supervisory board;
 - d) formal approval of the supervisory board's actions;
 - e) formal approval of the business management's actions;
 - f) division as well as redemption of company shares;
 - g) dissolution of the company and appointment of the liquidators;
 - h) the selection of new shareholders and the company's approval about the disposition of company shares or portions thereof;
 - i) appointment of the auditor.

§ 9
Shareholder Resolutions

1. A shareholder meeting is only able to pass resolutions when at least half of the shareholders are represented. Should less than half of the shareholders be represented a new shareholder meeting with the same agenda shall immediately be convened in accordance with § 8 of this contract. This shareholder meeting is able to pass resolutions without regard to the represented shareholders in the case that the ability to pass resolutions was pointed out in the convening notification.
2. Resolutions by the shareholders shall be passed with a two thirds majority of votes, to the extent the law does not dictate a different majority. Each shareholder has one vote independent of the amount of nominal capital related to his/her share in the company.
3. The shareholder meeting resolutions shall be documented in writing, to the extent authentication by a notary is not stipulated. They are to be signed by the head of the meeting.
4. Outside of meetings resolutions may be passed, to the extent controlling law does not mandate another form, through written, telex, telegraphic or oral, also telephonic voting if each shareholder participates in the voting. A written record shall immediately be prepared about each resolution and a copy shall be sent to each shareholder via regular mail.
5. The challenge of shareholder meeting resolutions is only possible within a period of three months, calculated from the day as of which the resolution transcript is available; anyhow, any challenge shall no longer be possible when six months have elapsed since the passing of the resolution.

§ 10
Annual Financial Statement, Distribution of Profits

1. The managing directors shall draw up, within the statutorily provided time period, the balance sheet and the profit and loss calculation (with attachment and status report) and shall present such to the shareholders for approval. The approved annual financial statement shall be signed by all managing directors.
2. For the book keeping, the drawing up and formatting of the balance and the profit and loss calculation the relevant provisions of the German Commercial Code (§§ 264 et al. German Commercial Code) shall apply.
3. The shareholder meeting determines, within the framework of the non-profit purpose of the company, how profits shall be utilized.

§ 11
Assignment and Pledge of Company Shares

1. Dispositions of company shares require written approval by the supervisory board in order to be effective. This rule also applies to parts of company shares. § 17 paragraph 1 of the German Law on Limited Liability Companies remains unaffected.
2. The pledge of company shares is not permitted.

§ 12
Rights of First Refusal

In the case of the sale of a share of the business or a portion of a share of the business through a shareholder, the remaining shareholders are not entitled to a right of first refusal.

§ 13
Redemption, Amortization

1. The redemption of company shares is permitted.
2. The redemption of a shareholder's company share is permitted without the shareholder's permission when:
 - a) the company share is subject to a pledge by a creditor of the shareholder or to other rights enforced in the share and the enforcement measure is not cancelled within two months, at the latest until the realization of the company share;
 - b) in regard to the assets of the shareholder the bankruptcy or composition proceeding will be instituted or the institution of such a proceeding is denied due to insufficient assets, or the shareholder shall declare in lieu of an oath the accuracy of his asset inventory;
 - c) due to the nature of the person of the shareholder there is a valid legal reason for his exclusion; or
 - d) the shareholder declares his withdrawal from the company;
 - e) the shareholder does not declare his withdrawal after seven years have passed (see § 14 No. 1).

§ 14
Withdrawal from the Company

1. Upon withdrawal from the company the company shall not be dissolved, but – following withdrawal of the effected shareholder – shall be continued by the remaining shareholders unless the remaining shareholders decide to liquidate the company. The shareholder position is generally limited to a period of seven years. Following the expiration of this deadline, the shareholder shall declare his withdrawal, otherwise the redemption regulations shall apply, unless the shareholder meeting decides to extend the respective shareholder's term by a further seven years. The respective shareholder may not participate in this voting.
2. The withdrawing shareholder is obligated pursuant to election by the company to assign his share in whole or in part to the company itself, to one or more shareholders, or to a third party named by the company – or to tolerate the redemption of the share.
3. For the share of the withdrawn shareholder 1.00 Euro shall be paid.
4. The company is obligated to acquire for the price of 1.00 Euro the share of a shareholder willing to withdraw.

§ 15
Succession by Inheritance

Should a shareholder pass away, the remaining shareholders may demand of his/her heirs that they transfer their inheritance share for the price of 1.00 Euro to a shareholder, to the company, or to a third party. This demand may only be validly made within six months as of knowledge of the death and the heirs. Should the heirs not fulfil their obligation within another three months, the company share shall be redeemed.

§ 16
Supervisory Board, Composition, Membership

1. The company has a supervisory board. The supervisory board consists of five members of which at least two must be parents of children who are students at the international school operated by the company.
2. Three supervisory board members shall be elected by the shareholder meeting. The two parent representatives on the supervisory board shall be elected by the members of the “Friends of BPIS Berlin Potsdam International School e.V.” association and shall be sent to the supervisory board when the association is entered into the association register (*Vereinsregister*). The parent representatives shall not be board members of this association.

Until this association is registered in the association register the shareholder meeting reserves the right to elect two parents, whose children are students at the international school operated by the company, as parent representatives in the company’s supervisory board or to confirm as supervisory board members the parent representatives sent to the supervisory board by the members of the association prior to the association’s registration in the association register. The membership of the parent representatives so elected to the supervisory board by the shareholder meeting, or so confirmed to the supervisory board by the shareholder meeting shall end upon expiration of the election period, at the earliest after registration of the association in the association register and at the latest pursuant to the provisions of § 16 No. 4 sentence 1 of the company agreement.

As long as the “Friends of BPIS Berlin Potsdam International School e.V.” association does not send any supervisory board members for its allocated supervisory board positions or does not refill these positions if they become vacant, the shareholder meeting is entitled to also occupy these supervisory board posts with parent representatives under the condition that the supervisory board seats at issue shall be vacated as soon as the “Friends of BPIS Berlin Potsdam International School e.V.” association makes use of its rights to send supervisory board members.

3. Parents whose children attend the international school, operated by the company, on scholarships shall not be sent to the company’s supervisory board by the members of the association or shall not be elected to the supervisory board by the shareholder meeting, as long as the association is not yet registered in the association register.
4. The office of a supervisory board member lasts, in case no shorter term is determined at the time of his/her appointment, until the end of the shareholder meeting that formally decides about approval for the fourth business year following the commencement of the time in office. The business year in which the time in office begins shall not be included in the calculation.
5. Each supervisory board member may resign, without stating reasons, from his/her post prior to expiration of his/her term in office through a written declaration to the company. Should a supervisory board member withdraw from office prior to the expiration of his/her term, then pursuant to paragraph 2 a new member shall immediately be sent, namely elected, to the supervisory board for the remainder of withdrawn member’s term.
6. § 52 paragraphs 1 and 2 of the German Law on Limited Liability Companies is not applicable.

§ 17

Internal Structure, Passing of Resolutions, Tasks, Powers of the Supervisory Board

1. The supervisory board elects a supervisory board chairman, a deputy chairman, as well as a secretary from its members with a simple majority. The supervisory board chairman shall be elected from the group of supervisory board members named by the shareholder meeting.
2. The supervisory board decides through resolution. The supervisory board is only able to pass a resolution when at least three members participate in the passage of the resolution. Resolutions shall be passed based on the majority of cast votes and withheld votes count as negative votes. In the following matters at least three cast votes are required:
 - a) approval of the business plan;
 - b) employment, appointment and dismissal of the managing directors and employment of the elementary school principal and the secondary school principal as well as changes or termination of engagement contracts of the before mentioned persons.
3. The supervisory board makes decisions in meetings that are convened pursuant to § 110 of the German Stock Corporation Act (*Aktiengesetz*). Supervisory board members not in attendance may participate in the resolution passing of the supervisory board by submitting their vote in writing through other supervisory board members. Proxy voting is permitted with a written full power of attorney.
4. Outside of meetings resolution may be passed through written, telex or telegraphic voting if each member participates in the vote. In the case of resolution passing outside of meetings proxy voting shall not be permitted.
5. Written records, that shall be signed by the chairman, are to be prepared about supervisory board meetings and resolutions. In written records about resolutions that are passed outside of meetings, the date, type and participants of the passed resolutions, as well as the content of the resolutions shall be noted. Each member of the supervisory board shall immediately be sent a copy of such written record.
6. The supervisory board, through a simple majority, provides itself with business rules of procedure in which separate tasks of the supervisory board may be transferred to committees or individual supervisory board members. The supervisory board is entitled, in the same manner, to transfer, with a simple majority outside of the business rules of procedure, separate tasks to committees or individual members of the supervisory board. The rights of transfer do not apply to matters for which the supervisory board is exclusively responsible.
7. The managing directors shall participate, without a voting right, in the meetings of the supervisory board and in the meetings of committees created by the supervisory board.

§ 18

Compensation of Supervisory Board Members

The members of the supervisory board are active in an honorary capacity and shall not receive any compensation; expenses shall not be reimbursed.

§ 19
Dissolution

1. The decision regarding the dissolution of the company requires a majority of three fourths of the cast votes and may only be made if the entire nominal capital is represented in the shareholder meeting.
2. Upon dissolution of the company or upon loss of its tax-privileged status, the company's assets including the shareholders' contributed capital and the value of given assets in kind shall pass to a public legal entity or another tax-privileged corporation for the purpose of being used for education and instruction.

§ 20
Notices

Publications by the company shall be made solely in the Federal Bulletin (*Bundesanzeiger*).

§ 21
Costs

The company shall bear the costs and taxes up to the amount of . 2,000.00 Euro.

§ 22
Severability Clause

1. Should provisions of this contract, or future provisions of the contract, in whole or in part not be legally effective or enforceable, or later lose their legal effectiveness or enforceability, the validity of the remaining provisions of the contract shall hereby not be affected.
2. The parties are obligated to replace the ineffective or unenforceable provision with an effective and enforceable provision that most closely reflects the original intent of the parties or what they would have intended based on the meaning and purpose of the contract, to the extent they contemplated the issue when the contract was entered into or when a provision was subsequently adopted.
3. The same applies to the extent it should turn out there is a gap in the contract.

Certification pursuant to § 54 paragraph 1 of the German Law on Limited Liability Companies

The changed provisions in the above company agreement are in accordance with the passed resolution, as documented in my certificate dated December 17, 2010 (UR-Nr. 1498/2010), on the revisions of the company agreement and the unchanged provisions are in accordance with the complete wording of the company agreement that was most recently handed in to the commercial register.

Berlin, December 17, 2010

Flüh, Notary