



DESERTEC Foundation Clean Power from Deserts

STATUTES

Preamble

Climate change and energy shortage are among the greatest challenges to mankind! Time is scarce for taking countermeasures. The Foundation seeks to contribute to this challenge by expediting the use of renewable energies. The goal is the world-wide timely transition to renewable energies. The DESERTEC Concept¹ developed by the Trans-Mediterranean Renewable Energy Cooperation (TREC) shall be the working basis of the Foundation.

The purpose of the Foundation shall – within the scope of the global DESERTEC network – be the promotion of building a sustainable, sufficient and low-cost energy supply by producing renewable energies in sunny desert areas and by transferring them into the regions of demand.

The use of solar energy is given special emphasis here; however, wind energy and all other forms of renewables shall be used in this context as well. Access to clean energy is the prerequisite for climate protection, the provision of drinking water and, ultimately, for maintaining peace. Peace, after all, is increasingly imperiled due to climate change as well as energy and water shortages. The Foundation shall contribute to overcoming the obstacles on the way towards an adequate sustainable energy supply and to realizing the transition to a CO₂-free and sustainable energy supply in terms of time according to climate security requirements.

¹ cf. www.DESERTEC.org/Concept.html

§ 1**Name, legal structure, seat of the Foundation**

1. The name of the Foundation shall be DESERTEC Foundation.
2. It shall be a private law foundation with legal capacity.
3. The registered seat of the Foundation shall be Berlin.

§ 2**Purpose of the Foundation**

The purposes of the Foundation, environmental and climate protection as well as development cooperation, shall be achieved above all by:

1. informing the public by way of media coverage of the DESERTEC Concept and of the benefits and costs of producing and distributing energy from renewable sources of energy in desert regions; issuing topic-related publications thereby informing and educating the public, as well as other forms of public relations work;
2. promoting scientific and practical projects with the aim of developing, building, operating or maintaining corresponding facilities (this shall, as is the case with items 3, 6 and 8, be governed by s. 58 (1) German Fiscal Code [Abgabenordnung, AO]).
3. promoting scientific and practical projects with the aim of finding and securing adequate sites for such power stations and transfer plants;
4. convincing political and business leaders worldwide with the aim of creating the political, economic and social conditions for the production of renewable energies in desert areas and their transfer to the regions of demand, i.e. for implementing the DESERTEC Concept;
5. creating and maintaining expedient networks of individuals and corporations;
6. allocating funds to corporations which serve the purposes mentioned above as well as to their projects;

-
7. awarding prizes to individuals or groups, possibly coupled with financial allocations;
 8. supporting promoted corporations and their projects and initiatives by giving advice, organizational and logistical support or by taking other useful measures;
 9. running facilities (e.g. branch offices, information centers, advisory centers, pilot plants) worldwide.
 10. raising funds for other tax-privileged corporations which serve the purposes mentioned herein.

Any interpretation of the founder's intention is incumbent on the Foundation. Deciding which priorities the Foundation sets with regard to achieving the purpose of the Foundation and whether only part of the purposes are to be achieved shall solely lie within the discretion of the Foundation.

§ 3

Tax concession

1. The Foundation shall exclusively and directly pursue non-profit purposes within the meaning of the section "Tax-privileged purposes" of the German Tax Code (Abgabenordnung).
2. The Foundation shall operate in a selfless manner. In economic terms, it shall not primarily pursue self-interest purposes. It shall not favor any legal or natural persons by means of expenses, allocations or any other contributions not pertaining to the purpose of the Foundation or through disproportionately high remunerations.

3. With regard to the execution of its assignments, the Foundation may employ auxiliary personnel, also against payment, or transfer tasks to third parties in whole or in part. Should the Foundation charge auxiliary personnel with the execution of own tasks within the scope of the purpose included in the statutes, the contractual relationship with such personnel shall be drawn up in such a way that their activities are considered to be the Foundation's own activities.

§ 4

Assets of the Foundation

1. At the time of recognition, the basic assets of the Foundation amount to EUR 50,000.00 (in words: fifty thousand euros) in cash.
2. As far as the Foundation's basic assets do not directly serve the performance of the purpose of the Foundation, they shall be invested in a profitable and sustainable manner and the existing amount shall be kept undiminished on a permanent basis.
3. Financial allocations that are meant therefor (supplementary endowments) shall be added to the Foundation's basic assets. The Foundation shall be entitled, but not obligated, to accept supplementary endowments.
4. The Foundation's Board of Directors may regroup the Foundation's assets with due regard to the principles of a prudent businessman and the special responsibility of a trustee of assets owned by a third party ("Sachwalter fremden Vermögens"). With regard to selecting items of property that are to be purchased, the decisive factor shall be the sustainability, security and profitability or benefit to performing the purpose of the Foundation and not the nature of the item of property sold.
5. With respect to selecting items of property, the Foundation shall, apart from considering the rate of return, take into account the ecological, social and cultural

compatibility with the purpose of the Foundation. The Foundation shall be free in its assessment.

6. As a rule, any profits earned in the course of regrouping assets shall accrue to the assets of the Foundation. For this purpose, they shall be allocated to a reserve fund. Any losses accruing from a regrouping of assets shall reduce such reserve fund. The Foundation may, following a respective resolution of the Foundation's Board of Directors, make use of such reserve fund in whole or in part for financing the performance of the purpose of the Foundation.
7. The Foundation may, against reimbursement of the costs accrued thereby, undertake the trusteeship of foundations without legal capacity or the administration of foundations having legal capacity with the same or a similar purpose, provided that fulfilling the purpose of this Foundation is fostered in this way.

§ 5

Funds of the Foundation

1. The Foundation shall perform its tasks by means of:
 - the proceeds from the Foundation's basic assets,
 - the reserve fund pursuant to § 4 item 6,
 - financial allocations, provided that they do not represent supplementary endowments to the Foundation's basic assets,
 - public allowances,
 - other revenues.
2. The funds of the Foundation may - as far as, from a conceptual point of view, they fall under § 5 item 1 – only be used for the statutory tasks of the Foundation.
3. There shall be no legal claim to the performance of the Foundation. With regard to allocating the funds of the Foundation, the bodies of the Foundation shall only be bound by the legal provisions and stipulations of these statutes.

4. Any beneficiaries of allocations granted within the scope of performing the purpose of the Foundation shall be obligated to account for the utilization of such allocations.
5. The tax-admissible reserves may be set up.

The Foundation may hold in trust other corporations serving the purposes of the Foundation.

§ 6

Organization of the Foundation

1. The bodies of the Foundation are
 - the Foundation's Supervisory Board
 - the Foundation's Board of Directors
 - The Foundation`s Board of Trustees.
2. The Foundation must inform the public about its work and financial situation on a regular basis, at least, however, once every year. The Supervisory Board shall decide on the nature and scope of the publication.

§ 7

Supervisory Board of the Foundation

1. The Supervisory Board shall comprise at least three and a maximum of thirteen natural persons; this shall not include the representatives mentioned in items 4 and 7.
2. Members of the Supervisory Board may not be members of the Board of Directors at the same time. Employees of the Foundation may not be members of the Supervisory Board.

-
3. The term of office shall be 3 years. Re-election shall be admissible. Upon expiration of the term of office, the Supervisory Board members shall remain in office until the entering into office of their successors, in the event that the minimum number of members would otherwise not be attained.
 4. The Supervisory Board shall complete itself by additional election. The Deutsche Gesellschaft Club of Rome e.V. (German Association Club of Rome) may - as long as it exists - be represented in the Supervisory Board by a representative appointed by the association. Such representative shall not be subject to the term of office pursuant to § 3; he / she shall be dismissed by the Deutsche Gesellschaft Club of Rome e.V. The appointment and dismissal shall be communicated to the Foundation in writing. The Supervisory Board may adopt valid resolutions, even if the Deutsche Gesellschaft Club of Rome has failed to appoint a representative.
 5. At the time of creation of the Foundation, the following individuals are members of the Foundation's Supervisory Board: Gerhard Knies, Max Schön, Polly Higgins, Hani El Nokraschy, Oliver Steinmetz and Gerry Wolff.
 6. The Supervisory Board shall appoint a chairman / chairwoman and a deputy chairman / chairwoman out of its midst.
 7. The chairman / chairwoman of the Board of Trustees (§ 11) shall be a voting member of the Supervisory Board. His / her term of office shall be subject to item 3. In the event of his / her being prevented from attending Supervisory Board meetings / conference calls, he / she may appoint a representative from among the members of the Board of Trustees. The Supervisory Board may adopt valid resolutions, even if a chairman / chairwoman of the Board of Trustees or his / her representative is unavailable.

§ 8**Duties of the Supervisory Board**

1. The Foundation's Supervisory Board shall oversee the adherence to the founder's intention, decide any and all issues of fundamental importance referring to the purpose of the Foundation and supervise the Board of Directors.
2. The following items shall particularly be subject to a resolution adopted by the Supervisory Board:
 - approval of the budget plan,
 - adoption of the annual statement of accounts,
 - if necessary, appointment of a certified accountant,
 - appointment, dismissal and discharge of the Board of Directors,
 - any amendments to these statutes,
 - dissolution of the Foundation.
3. With regard to the internal relationship, the chairman / chairwoman of the Supervisory Board shall represent the Supervisory Board vis-à-vis the Board of Directors.
4. The Supervisory Board may adopt rules of procedure for itself, for the Board of Directors as well as for the Board of Trustees.

§ 9**Resolutions of the Foundation's Supervisory Board**

1. As a rule, the Supervisory Board shall adopt its resolutions during the course of meetings or conference calls. Resolutions may also be adopted by written consent in lieu of a meeting, unless a member objects thereto in writing vis-à-vis the chairman. A time period of three weeks shall be granted to the members for participating in such procedure. Resolutions adopted by written consent in lieu of a meeting shall require a simple majority of the votes cast in order to become effective.

-
2. Whenever necessary, however, at least once a year, the Supervisory Board shall be convened by the chairman / chairwoman stating the agenda and observing a time limit of two weeks in form of a meeting or conference call. Furthermore, meetings / conference calls are to be convened if two members of the Supervisory Board or if the Board of Directors request this. The meetings / conference calls shall be chaired by the chairman / chairwoman.
 3. The members of the Board of Directors shall be entitled to participate in the meetings / conference calls, as long as the issue to be dealt with does not concern the members of the Board of Directors in person. They shall be obligated to participate upon request by the Supervisory Board.
 4. The Supervisory Board shall constitute a quorum if the meeting was convened in due time and form and if at least half of the members are personally present / present on the phone. Should less than half of the members appear, a new meeting / conference call dealing with the same items on the agenda shall be held within 14 days; such meeting / conference call shall constitute a quorum, even if less than half of the members are present. The form and time limit of the invitation may be waived upon approval of all members.
 5. With regard to meetings / conference calls, the members of the Supervisory Board shall be authorized to appoint another member of the Supervisory Board as representative; however, one member present in person / on the phone may represent no more than two absent members. With respect to the casting of votes, represented members shall be counted as present; however, at least three members have to be present in person / on the phone. In order to be able to participate in the passing of resolutions, representatives have to present a written power of attorney.
 6. A draft resolution shall, with the exception of draft resolutions pursuant to § 14, be deemed adopted by the Supervisory Board, if it is approved by the majority of the members present in person / on the phone or represented.

-
7. The results of the meetings / conference calls and the resolutions adopted by written consent in lieu of a meeting shall be established in minutes which shall be signed by the chairman / chairwoman and passed on to all members of the Foundation's bodies. Resolutions have to be set down verbatim.
 8. The chairman / chairwoman of the Supervisory Board shall be represented by his / her deputy chairman / chairwoman. With regard to the internal relationship, the deputy chairman / chairwoman is obligated to take action solely on behalf of the chairman / chairwoman or in case the chairman / chairwoman is prevented.
 9. The Supervisory Board shall serve in an honorary capacity. It may decide to reimburse the members for accrued expenses or to grant them a lump sum as compensation for the expenditure of time and money, as far as the assets of the Foundation allow this and provided the performance of the purpose of the Foundation is not impaired.

§ 10

Board of Directors

1. The Board of Directors shall comprise up to three natural persons. The members of the Board of Directors shall be appointed and dismissed by the Supervisory Board of the Foundation. A member of the Board of Directors may be appointed chairman of the Board of Directors. The first Board of Directors shall be appointed as part of the Founder's deed.
2. The Board of Directors shall adopt its resolutions during the course of meetings or by way of a written vote. The chairman or deputy chairman shall invite all members of the Board of Directors to a meeting in writing by stating the precise agenda of the meeting or request them to vote in writing. The Supervisory Board shall constitute a quorum if at least half of its members are personally present during the meeting. A written vote shall require the participation of at least half of the members of the Board of Directors. Resolutions shall be adopted by a simple majority of the members present or of those participating in a written vote; in the

event of an equality of votes, the chairman shall have the casting vote. A record of the minutes of the meetings of the Board of Directors shall be drawn up and be signed by both the chairman of the meeting and the person who keeps the minutes. Resolutions shall be set down verbatim.

3. As a rule, the term of office of the Board of Directors shall be 5 years. Re-appointment shall be admissible. Upon completion of the term of office, the members of the Board of Directors shall remain in office until the appointment of their successors.

In the event of an early retirement of members of the Board of Directors consisting of several individuals, the remaining members or the remaining member of the Board of Directors shall form the Board of Directors on their / his own. The Supervisory Board of the Foundation may again complete the Board of Directors for the remainder of the ongoing term of office. Should the entire Board of Directors resign from office, it shall remain in office until the appointment of a new Board of Directors, however, no longer than 12 months.

4. The Board of Directors shall represent the Foundation in and out of court. It shall have the status of a legal representative. Should the Board of Directors comprise two or three members, the Foundation shall be respectively represented by two members of the Board of Directors in legal relations.
5. The Board of Directors shall be in charge of managing the business of the Foundation. The Board of Directors shall ensure the execution of resolutions made by the Supervisory Board, due administration of the Foundation's assets and the performance of the purpose of the Foundation.
6. At least once a year, the Board of Directors has to present a report of its activities as well as an annual statement of accounts to the Supervisory Board. After presentation, the Board of Directors shall have the right to be discharged by the Supervisory Board, unless the latter has sufficient cause to refuse a discharge.
7. The members of the Board of Directors may carry out their work on a full-time, part-time or honorary basis, in accordance with the economic situation and the

volume of work. The decision thereon and, if necessary, on the amount of remuneration shall be made by the Supervisory Board. Any remunerations granted have to be proportionate to the extent of the activity as well as to the charitable purpose of the Foundation.

§ 11

Board of Trustees

1. A Board of Trustees shall be established for the purpose of giving the Supervisory Board and the Board of Directors strategic advice. The members of the Board of Trustees shall be appointed and dismissed by the Supervisory Board of the Foundation. The membership shall end automatically three years after the appointment. Re-appointment shall be admissible. The Board of Trustees shall hold a meeting at least once a year upon invitation by the chairman / chairwoman. The Board of Trustees shall appoint a chairman / chairwoman out of its midst. In this function, he / she shall become a member of the Supervisory Board.
2. The Board of Trustees shall adopt its resolutions during the course of meetings. The chairman of the Board of Trustees or the deputy chairman shall invite all members of the Board of Trustees to a meeting in writing by stating the precise agenda of the meeting. The Board of Trustees shall constitute a quorum if at least one third of its members are present in the meeting. Resolutions shall be adopted by a simple majority of the members present; in the event of an equality of votes, the chairman of the Board of Trustees shall have the casting vote. A record of the minutes of the meetings of the Board of Trustees shall be drawn up and be signed by the chairman of the meeting. Resolutions shall be set down verbatim.
3. The Supervisory Board and the Board of Directors shall participate in the meetings of the Board of Trustees.

§ 12**Further advisory bodies**

1. The Foundation may, upon resolution by the Supervisory Board, establish further advisory bodies, e.g. a scientific advisory board or specialized committees. The duties and composition of such bodies shall be laid down in the resolution.
2. These bodies may not be granted any decision-making power with regards to the Foundation.

§ 13**Fiscal year, budget**

1. The fiscal year shall be the calendar year.
2. The Foundation shall be obligated to keep a record of its assets as well as of its receipts and expenses pursuant to commercial principles, to prepare a budget plan prior to the commencement of each fiscal year and an annual statement of accounts after termination of each fiscal year.

§ 14**Amendments to the statutes and dissolution of the Foundation**

1. These statutes may be amended upon resolution by the Supervisory Board. In particular, the Supervisory Board shall be authorized to adapt the stipulations regarding the Foundation's organization (§§ 6-11) to changed circumstances or new aspects with respect to practicality. The purposes of the Foundation mentioned in § 2 item 1 may be extended or supplemented; however, they may not be limited or removed. The performance of the purposes of the Foundation may be adapted to changed circumstances.

-
2. Amendments to the statutes may not impair or reverse the Foundation's tax concession. In order to become effective, resolutions on amendments to the purpose of the Foundation shall require the approval of the competent fiscal authority.
 3. The Foundation may be merged with another foundation or dissolved, if, even by amending the statutes, it does not seem to be possible or reasonable to continue the Foundation.
 4. Resolutions pursuant to items 1 and 3 shall require the consent of two thirds of the members of the Supervisory Board. Resolutions on §§ 7 and 8 that amend the statutes shall require the consent of all members of the Supervisory Board.
 5. In the event of dissolution or cancellation of the Foundation or upon cessation of its tax-privileged purposes, the remaining assets less any and all liabilities shall fall to a charitable institution selected by the Supervisory Board which shall use them exclusively and directly for charitable purposes within the meaning of § 2. The resolution on utilization of the assets shall be adopted by the Supervisory Board prior to the resolution on dissolution. In order to become effective, such resolution shall require the consent of the competent fiscal authority.
 6. Resolutions pursuant to § 14 item 1 and 3 shall take effect only upon approval by the pertinent supervisory authority.

§ 15

Supervision of the Foundation, effective date

1. The Foundation shall be subject to the legal supervision of the Senate Administration of Justice of the State of Berlin (Senatsverwaltung für Justiz des Landes Berlin).
2. The Foundation shall receive legal capacity through recognition. These statutes shall come into effect as of the day of their recognition.

Berlin, 20th of January 2009

Founding members:

German Association of the Club of Rome, H.R.H. Prince El Hassan bin Talal of Jordan, Christian Breyer, Michael Düren, Friedrich Führ, Gisela Gallehr, Sebastian Gallehr, Polly Higgins, Tim Hufermann, Gerhard Knies, Wolfgang Knothe, Mouldi Miled, Tobias Morell, Abdel Hamied Moussa, Hani El Nokraschy, Max Schön, Stephan Schoenen, Götz Schuchardt, Oliver Steinmetz, Michael Straub, Stewart Taggert, Gerhard Timm, Gerry Wolff.

With Authorization by all Founding Members

(Dr. Gerhard Timm)