

Prachtsaal eG Constitution

12.07.2025

Preamble

Prachtsaal (magnificent hall) stands as a nexus of arts, culture, and education, historically deeply woven into the social fabric of Berlin's Neukölln district. This architectural gem built in 1913 has welcomed dancers, actors, musicians, and artists from diverse mediums, as well as audiences in search of a unique cultural experience, newfound knowledge, skills, and beauty. We want to continue this tradition.

Who are we?

The "Prachtsaal eG" is a creative center carried by two legs that interact, mutually support and inspire each other. One leg is made up of an international group of resident artists who use the space for their creative work, the other leg serves the public by offering an experimental space for expression, exploration, exchange and education. We aim for the space to be in a spirit of playfulness and meaning, of movement and introspection, of colour and sound, discovery and growth. We welcome all who come in an attitude of openness, tolerance and curiosity. We call ourselves Prachtsaalians and act as a non-profit cooperative (gemeinnützige Genossenschaft).

What are we aiming at?

We are aiming at:

- showcasing visual arts, music, and performances that embody creative expression across all mediums, while intersecting with the realms of humanities, society, science, and technology;
- involving our local community into the creative work;
- providing affordable ateliers for artists;
- educating all generations in art techniques and culture;
- promoting international artist collaborations on-site.

How are we achieving these aims?

Facing the public, we want to achieve these aims by:

- curating inclusive events for the benefit of the local community and a wider audience,
- offering spaces and shared facilities to enable the exploration of various mediums,
- fostering a safe environment of diversity and inclusivity,

- facilitating physical access to the area by making it easy to explore and use for people with disabilities,

Internally, we want to achieve these aims by:

- upholding a democratic governance process,
- seeking professional support to fulfill our mission,
- undertaking required renovations and reconstructions,
- achieving economic sustainability of the project,
- ensuring non-profit status of Prachtsaal.

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I. Company name, registered office, purpose, and agreements between Members

§ 1 Company name and registered office

- (1) The Cooperative's company name is: Prachtsaal eG.
- (2) The registered office of the Cooperative is in Berlin.
- (3) The text of this Constitution is formulated pursuant to the German Cooperative Societies Act (Genossenschaftsgesetz, hereinafter GenG).

§ 2 Purpose of the Cooperative

- (1) The Prachtsaal eG (corporation), with its registered office in Berlin, pursues exclusively and directly charitable purposes within the meaning of the section "Tax-privileged purposes" of the German Tax Code (Abgabenordnung).
- (2) The purpose of the corporation is to promote arts, culture, education and creativity in the local community and a wider audience through joint operations of the Members, while providing them with optimal conditions for creative expression.
- (3) The statutory purpose is achieved in particular through activities of any kind with the aim of promoting arts and culture. The Cooperative particularly provides the space for showcasing art, the meeting point for the community, the space and facilities supporting creation of artwork and a framework for continuous art cultivation, curation and education. The statutory purpose is also achieved by raising funds and passing them on to other non-profit corporations in accordance with § 58 paragraph 1 AO, which must use these funds exclusively and directly to promote arts and/or culture and/or education and/or local community.
- (4) The corporation operates selflessly and does not primarily pursue its own economic purposes.
- (5) The corporation's funds may only be used for statutory purposes. Members shall not receive profit shares (Gewinnanteile) or any other undue financial benefits from the Cooperative's funds in their capacity as members. All funds shall be used exclusively for the statutory charitable purposes. Upon leaving the corporation, or upon dissolution of the corporation, or if the tax-privileged purposes cease to apply, they shall not receive more than their paid-in capital contributions (business share credit (Geschäftsguthaben)) and the common value of their contributions in kind.
- (6) No person may be favored through expenses that are alien to the purpose of the corporation or through disproportionately high remuneration.
- (7) The Cooperative may establish branches and participate in other companies within the scope of its purpose.
- (8) The expansion of business operations to non-members shall be permitted. The General Assembly shall decide on the conditions for non-member business.

§ 3 Agreements between Members

- (1) The Cooperative is committed to fostering an environment that champions diversity and inclusivity among its Members, featured artists and our audience. This encompasses not only gender, nationality, and ethnicity, but also age, disability, sexual orientation, gender identity, socioeconomic status, religious beliefs, and other unique perspectives and backgrounds. We believe that by embracing the full spectrum of human experiences, we can better serve our community and enrich our collective work.
- (2) The Cooperative pursues its statutory purpose primarily on the basis of decisions made by grassroots democracy. In its internal operations, it follows the principle of the greatest possible transparency and participation. All members and governing bodies shall be bound by these and all aforementioned basic principles of the Cooperative.
- (3) This Constitution, including all the future amendments, shall be redacted in English first, so that our international Members can participate in the process. The precise German translation shall follow. Only the latter is legally binding.
- (4) The part of the yearly budget of the Cooperative which is acquired through rental of art ateliers must completely cover all the constant costs including:
 - a. rental of the Prachtsaal space within property managed by GbR Jonasstraße 22, including adjacent garden area;
 - b. rental of additional spaces and storage spaces within this property;
 - c. operating costs (Betriebskosten) (e.g. water, electricity, heating, etc.);
 - d. internet and other necessary media;
 - e. property and asset insurance;
 - f. security measures required by the insurance;
 - g. financial costs (e.g. bank account);
 - h. office supplies;
 - i. software and service licenses;
 - j. cleaning;
 - k. duties towards companies or entities that provide lease agreements (Pachtverträge) to the Cooperative, ensuring timely payments and adherence to lease agreements, depending on the decision of General Assembly to cover these costs from the atelier rental budget;
 - l. additional 10% of the sum of aforementioned costs to be allocated to the Cooperative's reserves.
- (5) The yearly budget of the Cooperative must also account for additional constant costs which should not be covered by rental of art ateliers, but covered from the reserves. These constant costs include:
 - a. legal costs associated with mandatory audit pursuant to § 4 GenG ("Prüfung und Prüfungsverbände"),
 - b. all the necessary insurances covering accidents involving performers, audience and staff running events at Prachtsaal (to be covered from ticket sales for the events),
 - c. the costs of rental deposit.
- (6) The following agreements between 3rd parties and the Cooperative shall be covered

by separate contracts:

- a. The rental contract with GbR Jonasstraße 22 to rent the whole Prachtsaal space and agreed additional spaces of the managed property;
 - b. Rental contracts with artists residing in the space;
 - c. Contracts with Members who provide a loan to the Cooperative pursuant to § 21b GenG;
 - d. Contracts with companies or entities that provide leases to the Cooperative;
 - e. Insurance contracts with insurance providers;
 - f. Contracts with the electricity provider;
 - g. Contracts with the garbage disposal facilities;
 - h. Contracts with the cleaning service provider;
 - i. Other contracts with media and service providers necessary for fulfilling statutory purposes stated in this Constitution.
- (7) In order to provide fair division of the rental burden carried by tenant artists the Prachtsaal atelier space shall be partitioned into rentable atelier units of value established in points, which relate to:
- a. the unit area in square meters,
 - b. the amount of daylight,
 - c. the amount of airflow,
 - d. additional height of the unit,
 - e. privacy,
 - f. expected disturbance from publicly accessible spaces of Prachtsaal,
 - g. reduced heating,
 - h. location in the basement,
 - i. other important factors established after deliberation.
- (8) The sum of incomes from all rented atelier units equals to the sum of all costs listed in paragraph 4, when divided by 12 months. The monthly rental cost specified in each individual rental contract between the Cooperative and a tenant artist must be calculated according to the formula:

$$r = \frac{a}{s} \times \frac{c}{12}$$

Where:

- r = monthly rental cost of the atelier unit
- a = value points assigned to the atelier unit according to paragraph 7
- s = sum of all the value points of all atelier units
- c = sum of rental costs listed in paragraph 4

The calculated r value should be rounded up to the closest value of Euro cents.

Example:

$$r = \frac{20}{180} \times \frac{€50400}{12} = 0.1111 \times €4200 = €466.67$$

Where:

- $a = 20$ (value points of the atelier unit)
 - $s = 180$ (value points of all atelier units)
 - $c = €50400$ (the sum of yearly rental costs listed in paragraph 4)
 - $r = €466.67$ (the monthly rental cost of the atelier unit)
- (9) All costs listed in paragraph 4, as well as rules for assigning value points to atelier units, shall be revised annually for the upcoming fiscal year. This revision results in changes to the rental cost of each atelier unit. Therefore, a new calculation must occur before September 1st of each fiscal year. This allows sufficient time to communicate any resulting change in the monthly rental cost of each atelier unit to tenant artists in advance. Tenant artists will then have the opportunity to either sign a contract addendum with the updated rental price or terminate the rental contract with the agreed notice period. Due to the nature of the Cooperative's yearly budget planning, each rental contract between the Cooperative and a tenant artist shall contain a clause allowing for adjustment of the rental price for each fiscal year.
- (10) Additional income of the Cooperative can be acquired through:
- a. fundraising campaigns focused on particular projects to be realized by the Cooperative;
 - b. ticket sales for the events happening at Prachtsaal;
 - c. commissions from ticket sales for workshops and educational events happening at Prachtsaal;
 - d. sales of beverages and food during these events in compliance with rules and guidelines for hospitality services in Germany;
 - e. commissions from the artwork sold while being exhibited at Prachtsaal (to be regulated by resolutions of the Cooperative and written agreements with the artists);
 - f. rental of the public spaces of Prachtsaal to 3rd parties for the purposes aligned with the Cooperative's statutory purpose;
 - g. financial donations;
 - h. donations in kind (to be individually inspected and accepted, to prevent receiving a liability);
 - i. sales of goods and services directly related to the purpose of the Cooperative, including online education.
- (11) Additional income shall be spent only on purposes aligned with the Cooperative's statutory purpose, and described in this Constitution, including:
- a. payments for artists performing during events happening at Prachtsaal;
 - b. payments for technicians and staff supporting these events;
 - c. payments for curators and organizers of these events;
 - d. payments for other professionals performing required work on behalf of the Cooperative (e.g. lawyers, builders, architects);
 - e. costs related to organization of art residencies at Prachtsaal;
 - f. charitable contributions to the community in the areas of art and education;
 - g. production costs;
 - h. marketing costs;
 - i. licenses;
 - j. payments for paying off loans and leases;
 - k. purchase of an artwork exhibited at Prachtsaal, to form the Prachtsaal Art Collec-

- tion (excluding the artwork of the Members of the Cooperative);
- l. plans, materials, work and all the other means required to conduct renovations and constructions;
 - m. specialized equipment needed for events;
 - n. art supplies and building materials required by educational workshops and collaborations between the Members of the Cooperative.
- (12) Projects and associated fundraising campaigns mentioned in paragraph 10a can be managed by the Members of the Cooperative, as well as by external curators and fundraisers in coordination with the Cooperative. The scope of these projects shall cover a variety of themes related to Cooperative's statutory purpose. The following list covers some themes for the sake of example without prioritization nor limitation:
- a. Curatorial program of the event and exhibition space focused on organization of various cultural events:
 - visual art shows (e.g. oil paintings exhibition);
 - concerts (e.g. a series of classical music performances with media art augmentation produced and staged at Prachtsaal);
 - media art shows (e.g. a series of performances based on live-coding technique);
 - festivals (e.g. Prachtsaal as one of the host venues during: 48 Hours Neukölln, CTM/Transmediale/Vorspiel, etc.);
 - theater (e.g. production and staging of small theatrical plays at Prachtsaal).
 - b. Experimental creative center program focused on:
 - support groups (e.g. marginalized communities, reproductive rights, domestic violence, etc.);
 - art education (e.g. live drawing sessions with mentorship);
 - art education for children (e.g. workshops during KinderKulturMonat, playful art corner for children during other meetings);
 - family friendly workshops (e.g. Mandarin calligraphy workshops for children and parents);
 - meditation (e.g. sound-bath relaxation sessions facilitated by Prachtsaal artists);
 - workshops (e.g. teaching tape-art techniques);
 - art therapy sessions;
 - recreational activities (e.g. tea pottery making and tea tasting workshop in Prachtsaal's garden).
 - c. Educational program facilitating lectures, panels and group discussions on:
 - arts (e.g. feminist themes in homoerotic manga);
 - society (e.g. economy of cooperatives and its impact on local communities);
 - history (e.g. revealing the past of Rixdorf);
 - psychology (e.g. experiential self-advocacy and creation tailored to adolescents);
 - philosophy (e.g. evolution of Artificial Intelligence and it's consequences for the philosophy of mind and society in general),
 - d. A program of sponsored residencies accessible to international artists visiting Berlin.
 - e. A project focused on reducing accessibility barriers at Prachtsaal:
 - construction of an accessible toilet;
 - 3D printed description of our music program in Braille.
- (13) Dedicated part of the Prachtsaal space shall become a multimedia-enabled venue,

suitable for a wide range of audiovisual performances and public events.

- (14) The foyer section of Prachtsaal space shall serve as a gallery/exhibition space, featuring continuous display of artworks.
- (15) In due course the garden section of Prachtsaal space should be more accessible to all the residents of the Jonasstraße 22 building as a recreation area after implementing necessary security measures.
- (16) All the publicly accessible spaces of Prachtsaal should be open only at certain announced times unless a professional gallerist is hired to oversee the space and welcome guests.
- (17) All the publicly accessible spaces of Prachtsaal shall be securely separated from atelier spaces, so that public events are not impacting the routine of artists working at Prachtsaal ateliers, except for possible increased sound levels.
- (18) The public cultural offerings of the Cooperative shall be promoted to optimize their success.
- (19) The curatorial program shall be prepared by the Cooperative and agreed on by the decision of the General Assembly.
- (20) External curators can be invited to participate.
- (21) Professionals specialized in all the domains required to realize the statutory purpose of the Cooperative can be hired according to separate contracts.
- (22) In search for professional help the Cooperative should reach to its members first, therefore the members can be compensated for their work on behalf of the Cooperative based on separate agreements.
- (23) The Cooperative shall implement appropriate technical and organizational measures to ensure the security and protection of confidential information, including personal data, in compliance with the European Union's General Data Protection Regulation (GDPR) and other applicable data protection laws.

II. Membership

§ 4 Acquisition of membership

- (1) Membership can be acquired by:
 - a. natural people,
 - b. partnerships,
 - c. legal entities under private or public law.
- (2) A natural person applying for membership in the Cooperative should already have an important connection to the Prachtsaal space and community as:
 - a. a tenant artist,
 - b. a curator invested in organization of events happening at Prachtsaal,
 - c. a fundraiser securing funds for realizing Cooperative's statutory purpose,
 - d. a substantial supporter of the Cooperative's statutory purpose,

- e. any other person invited by the decision of the General Assembly.
- (3) All applicants must demonstrate a tangible commitment to the Cooperative's charitable purposes and be approved by the General Assembly based on their alignment with the non-profit mission.
- (4) Membership of a partnership or a legal entity is permitted only for organizations which can significantly contribute to the Cooperative's statutory purpose (e.g. organization securing rent subsidies for ateliers).
- (5) To become a Member, the applicant must read and agree with this Constitution and sign an unconditional declaration of accession and pass it to the Board of Directors, which is responsible for presenting the application to the General Assembly.
- (6) The General Assembly is responsible for either approving, declining or deciding on a trial period of a membership application.
- (7) The entry of the Member in the List of Members must be undertaken immediately, in accordance with § 30 GenG.

§ 5 Termination of membership

- (1) The membership ends by
 - a. termination,
 - b. death of a Member,
 - c. dissolution of a legal entity or partnership,
 - d. exclusion.
- (2) The Member has the right to resign from the Cooperative by giving written notice. The termination happens immediately after receiving the notice.

§ 6 Transfer and handling of business shares (Geschäftsanteile)

- (1) The transfer of business shares (Geschäftsanteile) by Members to third parties is inadmissible.

§ 7 Financial settlement upon termination of membership

- (1) Upon termination of membership, whether through resignation, death, or exclusion, the departing Member or their legal heir shall receive financial settlement (Auseinandersetzungsguthaben) in accordance with § 73 GenG.
- (2) The settlement amount shall be calculated based on the Member's business credit balance (Geschäftsguthaben) as shown in the balance sheet at the end of the fiscal year in which membership terminated.
- (3) The departing Member has no claim to the reserves or other assets of the Cooperative beyond their paid-in business shares. The settlement payment shall not exceed the value of the paid-in business shares.
- (4) Settlement payment shall be made within six months of membership termination, or after approval of the annual financial statements by the General Assembly if later.

§ 8 Death of a Member and Succession

- (1) Upon the death of a Member, their membership and associated business shares automatically pass to their heir or community of heirs (Erbengemeinschaft).
- (2) The inherited membership terminates automatically at the conclusion of the fiscal year in which the death occurred, unless the heir applies for continuation of membership.
- (3) Any heir wishing to continue the deceased Member's membership must:
 - a. Submit a formal written application within six months of the Member's death;
 - b. Meet all standard membership criteria as defined in § 4;
 - c. Receive approval from the General Assembly.
- (4) If membership is inherited by multiple heirs (Erbengemeinschaft), they must designate a single individual from their group to continue the membership within six months. Failure to designate results in automatic termination of membership for the entire group.
- (5) Regardless of membership continuation, heirs retain the right to financial settlement in accordance with § 7.

§ 9 Exclusion of a Member

- (1) A Member may be excluded from the Cooperative,
 - a. if the Member does not comply with statutory or other obligations to the Cooperative despite a written request under threat of exclusion;
 - b. if the Member submits incorrect annual financial statements or asset overviews or otherwise makes incorrect or incomplete declarations about own legal and/or economic circumstances;
 - c. if the Member damages or has damaged the Cooperative by failing to fulfill its obligations to the Cooperative;
 - d. if the Member is unreachable for more than 3 months;
 - e. if the requirements for admission to the Cooperative were not present or no longer exist;
 - f. if behavior of the Member cannot be reconciled with the interests of the Cooperative.
- (2) The exclusion shall be effected by resolution of the General Assembly. The Member to be excluded shall be given the opportunity to comment on the exclusion beforehand, except in the case of § 9 paragraph 1 d. of this Constitution. The excluded Member must be informed immediately of the exclusion with reasons in the legally prescribed form (§ 68 GenG) and by email. From the time the notification is sent in the statutory form (§ 68 GenG), the member may no longer participate in the General Assembly, use facilities of the Cooperative or be a member of the Board of Directors, or represent the Cooperative in any other way.
- (3) The decision of the General Assembly is final within the Cooperative.

§ 10 Rights of Members

- (1) All Members have equal rights. They exercise these rights jointly in matters concerning the Cooperative by passing resolutions in the General Assembly meeting.
- (2) Each Member is entitled by virtue of the membership in particular:
 - a. to use the facilities of the Cooperative in accordance with the provisions made for this purpose;
 - b. to rent an atelier space in the Prachtsaal, depending on availability and based on separate agreements between the Cooperative and the Member;
 - c. to participate in the General Assembly and in its deliberations, votes and elections and to submit proposals for the agenda of the General Assembly meeting;
 - d. to demand the calling of an extraordinary General Assembly meeting or the announcement of items for resolution in a General Assembly meeting that has already been called;
 - e. to obtain information about the affairs of the Cooperative;
 - f. to declare their withdrawal from the Cooperative;
 - g. to inspect the minutes of the resolutions of the Board of Directors and to request a copy of the annual financial statements and the annual report;
 - h. to inspect the minutes of the General Assembly meeting;
 - i. to view the List of Members;
 - j. to inspect the summarized result of the audit report.

§ 11 Duties of Members

- (1) All Members have the same obligations. They are obliged to participate in the decision-making process, engage in the Cooperative's activities, promote the interests of the Cooperative and to work within the framework of the principles adopted by the General Assembly, this Constitution and the Cooperative Societies Act (Genossenschaftsgesetz).
- (2) Each Member is obliged to take at least one (1) business share.
- (3) All Members shall maintain strict confidentiality concerning all confidential information, and proprietary data of the Cooperative, including but not limited to financial information, operational details, intellectual property, personal data of Members and employees, personal data of persons connected with Members (e.g. employees and interns), personal data of resident artists and any other collaborators of the Cooperative, and any other information not publicly available (collectively referred to as "Confidential Information"), in accordance with the GenG and the European Union's General Data Protection Regulation (GDPR).
- (4) Members shall not, directly or indirectly, disclose, divulge, reveal, report, publish, transfer, or use, for their own benefit or the benefit of others, any Confidential Information acquired during their association with the Cooperative, except as specifically authorized by the General Assembly or required by law.
- (5) The obligation of confidentiality shall survive the termination of a Member's association with the Cooperative and shall continue indefinitely until such Confidential Information becomes publicly available through no fault of the Member.

- (6) Any violation of this Confidentiality and Non-Disclosure clause shall be considered a material breach of the Cooperative's Constitution and may result in disciplinary action, including but not limited to termination of membership.
- (7) Each Member being a partnership or a legal entity under private or public law is obliged to immediately inform the Cooperative of any change in the legal form and ownership of their company.
- (8) Each Member is obliged to inform the Cooperative about their address, telephone number and email address, as well as of any change in this data.

III. Business share, payments, contributions in kind, reimbursement, liability amount and additional contributions

§ 12 Business share, payments, contributions in kind, reimbursement

- (1) The value of one business share is €100.
- (2) Each Member is obliged to take exactly one (1) business share. Members may not hold more than one business share.
- (3) Each mandatory share must be paid immediately.
- (4) Members can make contributions in kind to the Cooperative, which shall be detailed in separate agreements. The terms and valuation of contributions in kind shall be determined by the General Assembly.
- (5) Members are entitled to the reimbursement of their work, material and financial expenses, decided by the General Assembly.

§ 13 Liability of Members

- (1) The liability of Members is limited to their business shares in the Cooperative.
- (2) No Member shall be personally liable for the debts or obligations of the Cooperative beyond their contributed share.
- (3) In the event of dissolution or insolvency of the Cooperative, Members are only liable up to the amount of their business shares.

§ 14 Obligation to make additional contributions

- (1) Members are not obliged to make additional contributions (keine Nachschusspflicht), even in the event of insolvency.
- (2) Members have no liability for additional contributions beyond their paid-in business shares.

IV. Bodies of the Cooperative

§ 15 Bodies

- (1) The governing bodies of the Cooperative are:
 - a. the General Assembly (Generalversammlung),
 - b. the Board of Directors (Vorstand)
- (2) The governing bodies of the Cooperative are obliged to align the costs of business operations in accordance with the principles of proper management and to keep them within reasonable limits.

General Assembly (Generalversammlung)

§ 16 Convening the General Assembly of Members, deliberations

- (1) The regular General Assembly shall take place every year, no later than May 1st, except for the first fiscal year.
- (2) Extraordinary General Assembly meetings may be convened as required, in particular if the Examination Association (Prüfungsverband) deems it necessary to convene them to discuss the results of the audit or to discuss the situation of the Cooperative.
- (3) The General Assembly shall be convened by notifying all Members in text form, stating the items on the agenda. As a rule, the convocation shall be issued by the Board of Directors or the Authorized Representative (Bevollmächtigter) (§ 21). There must be a period of at least 2 weeks between the date of the General Assembly and the date of receipt of the notice. Items for resolution in the General Assembly must be announced at least one week before the General Assembly.
- (4) Apart from the Board of Directors, every member is entitled to convene a General Assembly and to announce items for resolution in the General Assembly. Paragraph 2 applies accordingly.
- (5) Resolutions of the General Assembly may be passed without complying with the form and deadlines for convening the meeting as stipulated in paragraph 3 if all Members participate in the General Assembly in person or by representation and no Member objects to the holding of the General Assembly (§ 46 paragraph 2 sentence 2 GenG).
- (6) The General Assembly shall constitute a quorum when at least $\frac{3}{4}$ of the Members participate in the General Assembly in person or by representation.
- (7) A Member may grant power of attorney to another Member in the form prescribed by law (§ 43 paragraph 5 GenG). A Member may not represent more than two Members.
- (8) Each Member has one vote. The rights of legal entities are exercised by persons authorized to represent them.

- (9) The General Assembly shall pass resolutions by a $\frac{3}{4}$ majority of the votes cast, unless a bigger majority or further requirements are stipulated by law or by this Constitution.
- (10) Any Member may request that a vote be conducted by secret ballot. Such request shall be granted if supported by a simple majority (more than half) of the Members present and entitled to vote. Secret ballot voting shall be conducted in writing using ballot papers or, in the case of virtual or hybrid meetings, through secure electronic means that ensure the anonymity of individual votes while maintaining the integrity of the voting process.
- (11) The chair of the meeting shall be elected at the beginning of each General Assembly by the General Assembly on the proposal of the Board of Directors.
- (12) If the agenda of the General Assembly includes deliberation on accepting the 21st Member, then the Board of Directors must, as a precautionary measure, extend the agenda with elections to the Board of Directors and Supervisory Board and corresponding changes to the Constitution in accordance with § 9 GenG.
- (13) No Member may exercise the voting right for oneself when a resolution is passed on whether one is to be excluded from the Cooperative or released from a liability, or whether the Cooperative is to assert a claim against the person. However, the person must be heard before the resolution is adopted.
- (14) Resolutions must be recorded in accordance with § 47 GenG (minutes) and always available for inspection of any Member of the Cooperative.

§ 17 Virtual and hybrid General Assembly, meeting in an extended procedure

- (1) The General Assembly may be held as a presence-only meeting or remotely (exclusively using technical means of communication) or in hybrid form as an online presence meeting (presence meeting in which Members not physically present can participate electronically). The discussion phase and the subsequent voting phase of the meeting can be split (meeting in an extended procedure). The Board of Directors or the convening member shall decide on this at its own discretion and inform the Members of this in the invitation. At the request of one or more Members, digital participation in a presence meeting taking place must be made possible within the meaning of paragraph 3.
- (2) The General Assembly can be held remotely without a physical meeting place on a specific day (remote General Assembly). In this case, a two-way communication of the Members with the organs (Board of Directors, General Assembly) as well as the possibility of secret voting shall be ensured. The Members shall be provided with all information required for unrestricted participation in the virtual General Assembly. This includes, in particular, information on access data as well as information on how the right to speak, to make motions, to provide information and to vote can be exercised.
- (3) Members can be enabled to participate digitally in a General Assembly, including the exercise of their rights, without being physically present at the meeting location (hybrid General Assembly). In this case, a two-way communication of all physically

and digitally participating Members with the organs (Board of Directors, General Assembly) as well as the possibility of secret voting shall be ensured. The Members shall be provided with all information required for unrestricted digital participation in the General Assembly. This includes, in particular, information on access data as well as information on how the right to speak, to make motions, to provide information and to vote can be exercised.

- (4) Participation in the General Assembly can also take place in such a way that the meeting is split into a discussion phase, which is held as a virtual meeting or as a hybrid meeting, and a subsequent voting phase (meeting in an extended procedure). In this case, a two-way communication of all physically and digitally participating Members with the organs (Board of Directors, General Assembly) shall be ensured during the discussion phase. The Members shall be provided with all information required for unrestricted digital participation in the discussion phase of the General Assembly. This includes, in particular, information on access data as well as information on how the right to speak and to make motions can be exercised. It must also be ensured that during the voting phase of the General Assembly all Members can exercise their voting rights via electronic communication and secret voting is possible. This includes, in particular, information on access data as well as information on how the right to vote can be exercised. It must also be communicated how and by when the vote must be cast in writing or via electronic communication.
- (5) § 16 of this Constitution shall apply to all forms of General Assembly of Members.

§ 18 Powers of the General Assembly to pass resolutions

- (1) The General Assembly is the highest executive body of the Cooperative. In addition to the other matters specified in § 48 GenG or this Constitution it decides in particular on
- a. the implementation of new projects;
 - b. forming a Rental Budget Committee of Members to prepare a rental budget proposal for the next fiscal year, which must happen no later than August 15th of each fiscal year;
 - c. approval of the rental budget for the following year, which must happen no later than September 1st of each fiscal year;
 - d. amendments to the Constitution;
 - e. the adoption of the annual financial statements and the use of the net profit for the year or the coverage of a net loss for the year;
 - f. the appointment and dismissal of members of the Board of Directors;
 - g. the discharge of the Board of Directors;
 - h. the election of the Authorized Representative(s) (Bevollmächtigter) pursuant to § 21;
 - i. the conduct of legal proceedings against members of the Board of Directors who are in office or have left office;
 - j. the withdrawal from and entry into Cooperative associations;
 - k. the merger, demerger or change of legal form of the Cooperative as well as its liquidation;
 - l. the taking up, transfer and abandonment of a significant business area;

- m. the acquisition and sale of companies and shareholdings, the opening or closing of branches;
 - n. the requirements for non-member transactions;
 - o. the authorization of the Board of Directors to issue legally relevant declarations and contracts in specified areas of operations;
 - p. the issuing of legally relevant declarations and contracts, in case the Board of Directors is not authorized to do so;
 - q. basic principles for the content of employment contracts;
 - r. admission and exclusion of Members;
 - s. approval of the termination of employment contracts;
 - t. the measures to be taken as a result of the report on the statutory audits;
 - u. the scope of the announcement of the audit report of the Examination Association (Prüfungsverband);
 - v. the monthly spending limit for Board members' autonomous one-time purchases pursuant to § 20 paragraph 2; and
 - w. on other matters which are provided by law or by the Constitution for resolution by the General Assembly.
- (2) In order to fulfill its legal and statutory duties, the General Assembly may form advisory committees from among its Members and avail itself of the assistance of experts, in particular of the competent Examination Association (Prüfungsverband), at the Cooperative's expense.

Board of Directors (Vorstand)

§ 19 Representation of the Cooperative

- (1) The Board of Directors shall consist of at least 2 members. The members of the Board of Directors shall be appointed by the General Assembly. The term of office shall be 1 year. A Board member shall remain in office until a new Board member is appointed or a reappointment takes place.
- (2) The Cooperative shall be represented by each member of the Board of Directors independently of the other Board member.
- (3) The Board of Directors shall conduct the business of the Cooperative on the basis of its resolutions, which shall be adopted unanimously. Minutes shall be taken of all verbally adopted resolutions, which shall be confirmed by all members of the Board. Resolutions passed in writing or electronically shall be kept permanently. The completeness and availability of the minutes and written or electronic resolutions shall be ensured.
- (4) Board of Directors meetings can also be held without physical presence at a meeting location using electronic communication (virtual meeting) if no Member of the Board of Directors objects to this procedure. Under the same conditions, a Board of Directors meeting can be held both through physical presence at the meeting location and without physical presence at this location using electronic communication (hybrid meeting). A resolution is permitted without calling a meeting in writing or via electronic communication if no Member of the Board of Directors objects to this procedure.

§ 20 Tasks and Duties of the Board of Directors

- (1) In particular, the Board of Directors is obliged:
 - a. to maintain the List of Members in accordance with the § 30 GenG;
 - b. to submit information about new membership applications to the General Assembly;
 - c. to ensure that the accounting system and the operational organization guarantee the fulfillment of the Cooperative's tasks;
 - d. to issue legally relevant declarations and contracts in cases or areas of operations authorized by the General Assembly;
 - e. to prepare the annual financial statements and the annual report, to the extent required by law, together with the proposal for the appropriation of the balance sheet profit or for covering the balance sheet loss, at the latest by April 1st, and to include presentation of these documents in the agenda of the regular General Assembly;
 - f. to notify the Examination Association (Prüfungsverband) in good time of the convening, date, agenda and motions for the General Assembly.
- (2) Each member of the Board of Directors is authorized to independently approve and execute one-time purchases or expenses without prior approval from the General Assembly, up to a monthly limit determined by the General Assembly. This authorization:
 - a. applies only to one-time purchases and payments, not to contracts creating recurring monthly obligations;
 - b. is limited to the amount per Board member per calendar month as determined by resolution of the General Assembly;
 - c. requires proper documentation and reporting to the General Assembly at the next meeting;
 - d. must be exercised in accordance with the Cooperative's statutory purpose.
- (3) The Board of Directors is authorized to automatically cover missed rental payments from tenant artists as follows:
 - a. If a tenant artist fails to pay the monthly rental fee by the due date, the Board may automatically deduct the outstanding amount from the tenant's rental security deposit (Kaution) held by the Cooperative;
 - b. If a tenant artist fails to pay rental fees for subsequent months, or if the security deposit has been exhausted, the Board may automatically cover the outstanding rental payments from the Cooperative's reserves;
 - c. Any use of tenant security deposits or Cooperative reserves under this provision must be documented and reported to the General Assembly at the next meeting;
 - d. The Board shall promptly notify the tenant artist of any deductions made from their security deposit and may initiate appropriate collection procedures or termination proceedings as necessary.

Authorized Representative (Bevollmächtigter)

§ 21 Authorized Representative (Bevollmächtigter) and Audit Commission (Revisionskommission)

- (1) As long as the Cooperative does not have more than 20 members, it shall refrain from forming a Supervisory Board. In this case, the General Assembly shall exercise the rights and duties of the Supervisory Board, unless otherwise provided by law.
- (2) The General Assembly shall elect an Authorized Representative (Bevollmächtigter) from among its members for a period of one year. The office ends with the election/re-election of a new Authorized Representative. The Authorized Representative shall be notified to the Examination Association (Prüfungsverband).
- (3) The Authorized Representative (Bevollmächtigter) shall represent the Cooperative towards the members of the Board of Directors (§ 39 paragraph 1 sentence 2 GenG) and shall perform the tasks according to § 51 paragraph 3 sentence 2 (representation of the Cooperative in case of contestation of resolutions of the General Assembly), § 57 paragraph 6 (audit procedure) and § 58 paragraph 3 sentence 1 (audit report) of the Cooperative Societies Act (Genossenschaftsgesetz). The Authorized Representative (Bevollmächtigter) is bound by the instructions of the General Assembly.
- (4) The General Assembly appoints an Audit Commission (Revisionskommission), which consists of the Authorized Representative (Bevollmächtigter) and at least one other accounting auditor. As part of the audit of the annual financial statements, the Audit Commission (Revisionskommission) assumes the tasks of the Supervisory Board in accordance with § 38 paragraph 1 Sentence 5 GenG.

V. Accounting

§ 22 Fiscal Year

- (1) The fiscal year is the calendar year.
- (2) The first fiscal year is a short fiscal year. It begins with the founding of the Cooperative and ends on December 31st of the founding year.

§ 23 Appropriation of the net profit for the year

- (1) The General Assembly shall decide on the appropriation of the annual result. The annual result may be allocated to reserves or used for other statutory purposes. Members of the Cooperative have no claim to shares in profits or other allocations from the funds of the Cooperative.

VI. Liquidation, announcements and place of jurisdiction

§ 24 Dissolution, liquidation and Asset Lock

- (1) The cooperative is dissolved,
 - a. by resolution of the General Assembly,
 - b. by the opening of insolvency proceedings,
 - c. by decision of the court if the number of members is less than three.
- (2) The provisions of the Cooperative Societies Act (Genossenschaftsgesetz GenG) shall apply to the liquidation.
- (3) Upon dissolution of the Cooperative or cessation of its tax-privileged purposes, the assets of the Cooperative, to the extent that they exceed the paid-in business shares (Geschäftsguthaben) of the Members and the fair value of contributions in kind made by the Members, shall pass to another tax-privileged entity under public law or another tax-privileged corporation for use in promoting arts and/or culture and/or education.
- (4) This provision is irrevocable and essential for maintaining non-profit status pursuant to § 61 AO.

§ 25 Announcements

- (1) Any announcements shall be published under the name of the Cooperative on its publicly accessible website (<https://prachtsaal.berlin>).
- (2) Announcements whose publication in a public bulletin is required by law or by this Constitution shall also be published on Cooperative's publicly accessible website (<https://prachtsaal.berlin>).
- (3) The accounting documents subject to disclosure requirements shall be published in the German Federal Bulletin (Bundesanzeiger <https://www.bundesanzeiger.de>).

§ 26 Jurisdiction

- (1) The place of jurisdiction is Berlin.