

# Statutes

## § 1 Name, registered office and sphere of work

- (1) The name of the association is LOHN- UND EINKOMMENSTEUER HILFE-RING DEUTSCHLAND E.V. (Income Tax Counselling Association).
- (2) The association's registered office is in Darmstadt. Management is located in the same regional Inland Revenue office as the association's registered office.
- (3) The association is entered in the register of associations.
- (4) The association's sphere of work is the scope of application and use covered by the German Tax Consultancy Act.
- (5) It is admissible to use brand names and logos (e.g. Steuerring) for public image purposes.

## § 2 Purpose of the association

- (1) The association is a self-help society for employees. It serves its members in accordance with the German Tax Consultancy Act and acts neutrally from party political and ideological viewpoints. It does not run any business operations.
  - (2) It provides professional, conscientious and confidential assistance to its members
    - in fiscal matters based on the legal fundamentals applicable to income tax counselling associations and on the administrative directives and court verdicts issued in this context;
    - in dealings with fiscal courts depending on practicability.
  - (3) A further aim of the association is to influence tax legislation in the interests of its members.

## § 3 Membership

- (1) Any natural person can become a member of the association. Other persons can become members if their membership contributes towards achieving the legally determined purpose of the association.
- (2) Enrolment must be applied for in writing and can apply to a period in the past. The application for enrolment signifies agreement to pay the enrolment fee and the annual membership fee. Free membership can be offered to people deployed by the association to provide assistance in fiscal matters; such free memberships are regulated in the respective contracts.
- (3) The Executive Board can refuse membership. Unless the Executive Board objects to a prospective member's application for enrolment within 6 months, membership is regarded as confirmed.
- (4) Membership ends upon departure, exclusion, deletion from the list of members or death.
- (5) Notice of termination must be received by the Executive Board in writing serving notice of 3 months to the end of a calendar year.
- (6) A member can be excluded if he or she grossly violates the statutes or otherwise harms the interests or the reputation of the association or its members. The Executive Board initially resolves to exclude a member. An objection to exclusion can be lodged to the association's Supervisory Board in writing within one month (calculated from receipt of the Executive Board's written justification).
- (7) The Executive Board can resolve to delete a member from the list of members with effect for the future if he or she fails to pay membership contributions, despite having received two written reminders. Deletion may not be resolved until at least 2 months have passed since the second reminder was sent and this reminder threatened deletion. The duty of paying fees for past years remains unaffected by this.
- (8) All rights and duties towards the association expire upon termination of membership, without prejudice to the duty of paying fees. This does not apply to indemnity claims pursuant to § 12 of these Statutes. At the same time, the former member is automatically relieved of all offices within the association.

## § 4 Rights and duties of members

- (1) Members exercise their voting rights through elected representatives in meetings of members' representatives. They have the right to submit applications to all of the association's management organs.
- (2) Members are entitled to receive advice in accordance with these Statutes and with legal provisions. A claim to counselling services does not exist unless all due contributions have been paid. Members are obliged to present all the documents and disclose all the information required for the association to provide advice. The association can charge the member for the costs incurred if it provides counselling services before fiscal courts.
- (3) During their membership, the association's members are obliged to pay contributions as regulated in § 5 Paragraph 1 and to furthermore support the association in a suitable manner. In case of retrospective membership, the duty to pay fees applies to the entire period in the past.
- (4) Members are obliged to notify the association of changes of address.
- (5) The member's reference files are the property of the association. Members have a claim to extracts from their reference files in return for reimbursement of the expenses incurred.
- (6) There is no claim to disbursement of the association's assets.

## § 5 Membership fees

- (1) A one-off enrolment fee is charged and an annual membership fee is levied for each calendar year of membership. The fees are staggered to take account of social aspects. Even if someone joins midway through a year, the full annual membership fee is always payable. The enrolment fee and the annual membership fee are payable immediately in the year of joining. In the case of enrolment with retrospective effect, all annual fees for the period in the past are payable immediately. Subsequent contributions are payable by 31st January of each year.
- (2) The level of the annual membership fee and of the enrolment fee is decided by the Executive Board. In this context, account shall be taken of the association's performance capabilities and the social needs of its members. Amendments or revisions to the membership fee regulations shall be announced to members four months before the date that the changes are to come into effect.
- (3) If the rate of value-added tax is changed, the Executive Board is entitled to amend the membership fee regulations in an appropriate scope. The duty of announcement as per Paragraph 2 does not apply.
- (4) No separate charge is levied for assistance provided in fiscal matters in accordance with § 2 of the Statutes. However, a separate charge can be levied for other legally permissible activities upon instruction from the Executive Board.

## § 6 Financial year

- (1) The financial year is the calendar year.
- (2) The first financial year is calendar year 1970, even if the association commences its work at an earlier date.

## § 7 The association's management organs

- (1) The association's management organs are:
  - a) the meeting of members' representatives
  - b) the Executive Board
  - c) the Supervisory Board
- (2) Only members can belong to one of the association's management organs. The following cannot belong to a management organ: those who are legally incompetent or only have restricted legal competence; legal entities; members who are restricted in the disposal over their assets due to a court order; those entered in a court list of debtors; those who are members of a competitor income tax association, except if membership of the other income tax counselling association has been accepted by a resolution passed by the Executive Board.

## § 8 Meeting of members' representatives

- (1) The meeting of members' representatives (members' meeting) is the association's supreme management organ.

- (2) A representative is elected to the meeting of members' representatives for every complete group of 3,000 members. The decisive number of members is that on 31st October in the year proceeding the election year.
- (3) Candidates for the meeting of members' representatives can be proposed by any member. A candidate must agree to nomination in writing. The Executive Board shall appoint an election committee consisting of 5 members to draw up the list of candidates, to prepare the ballot papers and to organise the election. The list of candidates - sorted in alphabetic order - is printed on the ballot paper and sent to the members. Each member can cast his or her vote in writing on the ballot paper within a deadline set by the Executive Board. This deadline must be at least 8 weeks calculated from the dispatch of the list and must end at the latest on 30th June of the election year. Ballot papers must be submitted in the original and state the name and membership number and be signed. Each member has as many votes as the number of members' representatives to be elected. Those who receive the most votes are elected. Lots shall be drawn in case of a tied vote. If a members' representative steps down, the candidate with the next highest number of votes succeeds him or her. If fewer members stand for election as a members' representative as those to be elected in accordance with Paragraph 2, the meeting of members' representatives is composed of a fewer number of elected members' representatives. No supplementary election of members' representatives is held within the period determined in Paragraph 4.
- (4) The term of office is 6 years. The term of office ends once the result of the regular election of a new meeting of members' representatives has been determined.
- (5) The meeting of members' representatives is convened each year within 3 months from the announcement of the main findings of the audit to the members of the Executive Board. Invitations to the meeting of members' representatives are issued by the Executive Board in writing to the last known address of each members' representative. Invitations must serve notice of 4 weeks and state the agenda, the place and time of the meeting and enclose the following attachments: the audit report (§ 22 StBerG), an abridged balance sheet, an abridged profit and loss account and all applications submitted to the meeting of members' representatives. The supervisory authority should also be informed at the same time. These documents can be sent electronically to the members' representatives and signed with a qualified electronic signature in accordance with the German Signature Act.
- (6) The agenda is set by the Executive Board. Each members' representative can apply for items to be added to the agenda or the sequence of items on the agenda to be changed by submitting a written request to the Executive Board at the latest 2 weeks (date of receipt by the Executive Board) before the meeting of members' representatives; this does not apply to amendments to the Statutes. The Executive Board shall then prepare an amended agenda including the additions submitted and send this at the latest 1 week before the meeting of members' representatives. The chair of the meeting shall arrange for a resolution to be passed by the meeting of members' representatives on the amended agenda before the meeting of members' representatives starts. These documents can be sent to the members' representatives electronically and signed with a qualified electronic signature in accordance with the German Signature Act.
- (7) The meeting of members' representatives is chaired by the chair of the Supervisory Board. If he or she is incapacitated, the officiating Executive Board and Supervisory Board nominate the chair of the meeting. This person can appoint up to 2 members' representatives for discharge and support during the meeting of members' representatives. If elections to the Executive Board and/or the Supervisory Board are to be held, the Executive Board appoints an election committee composed of 3 members' representatives (election supervisor and 2 assistants), whose members shall be stated in the invitation under the respective item on the agenda. The election supervisor chairs the meeting for the duration of the electoral procedures.

- (8) The candidates at the shareholders' representatives meeting may be proposed by each member. Written approval by the candidate must be available. The board shall appoint a works council electoral committee, made up of five members, in respect of putting in place the candidate list, drawing up ballot papers and implementing the election. The ballot paper states the list of candidates in alphabetical order. Each member may cast their vote in writing on the ballot paper within a period specified by the board, which must be at least eight weeks from the sending of the ballot paper and end at the latest on 30.06 of the election year. The voting paper is to be submitted once the name and member number have been entered on it and it has been signed. Each member has as many votes as member representatives are to be elected. The representative who amasses the most votes shall be elected. In the event of an equality of votes, the election shall be decided upon by drawing lots. In the event of the departure of a member representative, the candidate with the next highest number of votes shall move up as the member representative. If fewer members apply for the position of member representative than are to be elected in accordance with sub-section 2, the shareholders' representatives meeting shall be made up of a lower number of the elected member representatives. A supplementary shareholders' representatives meeting within the period determined in accordance with sub-section 4 shall not be held.
- (9) Without prejudice to the provisions of § 33 BGB (amendments to the Statutes, change in the purpose of the association), resolutions of the meeting of members' representatives are passed by a simple majority of the members' representatives present – a tied vote means rejection. If elections to the Supervisory Board and/or to the Executive Board result in a tied vote, a second election shall be held. Lots shall be drawn if the vote is tied the second time round.
- (10) Minutes shall be kept of the course of the meeting of members' representatives, which shall be signed by the respective chair of the meeting and by the keeper of the minutes. At the request of a members' representative, his or her contributions to the discussion and any answers received shall be recorded in the minutes or in a separate attachment. The minutes shall be sent to all members' representatives together with a list of participants in the meeting. Objections to these minutes should be addressed to the chair of the meeting within 1 month from their dispatch. Objections to the minutes shall be decided upon by a committee composed of the members of the Executive Board and Supervisory Board by a ¾ majority within 2 months from dispatch. The minutes can be sent to the members' representatives electronically and signed with a qualified electronic signature in accordance with the German Signature Act.
- (11) The Executive Board must convene a meeting of members' representatives if required by the circumstances of the association, if this is demanded by the Supervisory Board, by ¼ of the members' representatives or by 1/20th of the registered members in writing, thereby stating the reasons.
- (12) The following, in particular, are responsibilities of the meeting of members' representatives:
- Accepting the Executive Board's report on the development of the association, the balance sheet, the profit & loss account, the business report, the annual report of the Supervisory Board and the results of the audit
  - Approving the actions of the members of the Executive Board
  - Approving the actions of the members of the Supervisory Board
  - Passing resolutions on applications submitted
  - Electing and dismissing members of the Executive Board
  - Electing and dismissing members of the Supervisory Board
  - The conclusion or termination of contracts between the association and members of the Executive Board or their relatives requires approval from the meeting of members' representatives.
- ### § 9 The Executive Board
- (1) The Executive Board in the sense of § 26 BGB consists of at least 2 and at most 3 members. The place of work of the members of the Executive Board is the association's registered office.
- (2) The members of the Executive Board are elected by the meeting of members' representatives. The term of office of the Executive Board is 5 years. However, it remains in office until a new Executive Board has been elected. Members can be re-elected. Members of the Executive Board cannot be dismissed prematurely unless there is an important reason to do so in accordance with § 27 Paragraph 2 BGB. Each members' representative can submit a proposal for a candidate to the chair of the Supervisory Board - if he or she is incapacitated, to his or her deputy, if he or she is in turn incapacitated, to another member of the Supervisory Board - at the latest 3 months before the meeting of members' representatives. Such proposals (with the exception of officiating Executive Board members) must be signed by at least 10 other members' representatives. Written consent from the candidate must be attached. The proposed candidates - listed in alphabetical order - shall be stated in the invitation to the meeting of members' representatives under the agenda item „Executive Board Election“.
- (3) The members of the Executive Board represent the association judicially and extra-judicially, alone or together. In the case of legal transactions which serve to fulfil the association's obligations, representation by 2 Executive Board members is required for amounts in excess of € 250,000; in the case of other legal transactions, for amounts in excess of € 100,000. The Executive Board is not released from the regulation in § 181 BGB.
- (4) The Executive Board manages the association's day-to-day business and administers the association's assets. Its management duties include achieving the goals of the association as laid down by the Statutes and consolidating and expanding the association.
- (5) The Executive Board shall arrange for one or more auditors to review the completeness and correctness of the records, the summary of assets and management's actual compliance with the remit of the income tax counselling association as laid down by the Statutes each year within six months from the end of a financial year. The Executive Board is obliged to announce receipt of the audit report and the main findings of the audit to the members in writing within 6 months.
- (6) In its first joint meeting, the Executive Board shall elect a spokesperson and decide upon rules of procedure and a schedule of duties. For the rest, each member of the Executive Board is alone responsible for the division of the business assigned to him or her. §§ 664 to 670 BGB apply to the administration of the Executive Board. The rules of procedure and the schedule of duties shall be announced to the members' representatives within three months of the election of the Executive Board. These documents can be sent to the members' representatives electronically and signed with a qualified electronic signature in accordance with the German Signature Act.
- (7) The Executive Board shall meet at least once every quarter. These meetings are convened and chaired by its spokesperson. The chair of the Supervisory Board shall be informed in good time of the meetings of the Executive Board and notified of the agenda. The chair of the Supervisory Board can participate in meetings of the Executive Board in an advisory capacity.
- (8) The Executive Board passes its resolutions by unanimous decision. Resolutions passed by the Executive Board shall be recorded in writing, signed and forwarded to the Supervisory Board along with regular reports on the development of the association.
- (9) The members of the Executive Board have a claim to reimbursement of the expenses they incur in performing their duties in accordance with the Statutes or with the law, and to reasonable remuneration in accordance with their respective contracts of employment.
- (10) All activities undertaken by Executive Board members outside the association require approval from the Supervisory Board. Such activities shall be reported to the next meeting of members' representatives following the date of approval.
- (11) If the minimum number of Executive Board members is undershot, the remaining Executive Board member must convene an extraordinary meeting of members' representatives without delay. In such a case, and in deviation to the regulation in § 8 Paragraph 5 Clause 2 of these Statutes, the period of notice to be served for invitations is only 10 days. § 9 Paragraph 2 Clauses 6 and 7 do not apply in this case. The right to propose a candidate in such a case (and also in case of applications to the registry court for non-Executive Board appointments) accrues to the remaining Executive Board member and/or to the Supervisory Board.
- ### § 10 Supervisory Board
- (1) The members of the Supervisory Board are elected by the meeting of members' representatives. The term of office of the Supervisory Board is 5 years. However, the members of the Supervisory Board remain in office until a new Supervisory Board has been elected. Employees of the association cannot be elected to the Supervisory Board. One time re-election is admissible. Members of the Supervisory Board can be subsequently elected for the remaining term of office. The Executive Board and the members' representatives have the right to propose a candidate. The candidates proposed by the Executive Board - listed in alphabetical order - shall be stated in the invitation to the meeting of members' representatives under the agenda item „Election of members of the Supervisory Board“ with a reference that written consent has been obtained from the candidates.
- (2) The Supervisory Board is composed of 5 members. The Supervisory Board elects a chair and a deputy from its midst. If the election of the chair results in a tied vote, a second election shall be held. Lots shall be drawn if the vote is tied the second time round. The chair has the casting vote in the election of the deputy.
- (3) If individuals leave the Supervisory Board, it is still quorate with up to 2 (two) members until a subsequent election can be held at the next meeting of members' representatives. The chair of the Supervisory Board shall inform the members' representatives of a departure within 4 weeks. This notice can be sent electronically to the members' representatives and signed with a qualified electronic signature in accordance with the German Signature Act.
- (4) The chair of the Supervisory Board shall convene and chair meetings as and when they are required or upon request. Resolutions shall be passed in writing and signed by the respective chair of the meeting and by the keeper of the minutes.
- (5) The Supervisory Board passes its resolutions by a simple majority. In case of a tied vote, the chair has the casting vote.
- (6) The Executive Board can participate in meetings of the Supervisory Board in an advisory capacity.
- (7) The Supervisory Board has the following responsibilities:
- Monitoring the Executive Board's day-to-day management of the business in accordance with the Statutes and with legal provisions and presenting an annual report to the meeting of members' representatives.
  - Concluding, amending and terminating contracts with members of the Executive Board by way of executing resolutions passed by the meeting of members' representatives.
  - Objectively reviewing objections and applications submitted to the Supervisory Board.
  - Appointing an auditor in accordance with § 22 StBerG under the condition of changing the auditor at least every 5 years.
  - Convening extraordinary meetings of members' representatives without delay in case such cannot be convened by the Executive Board. § 9 Paragraph 11 Clause 2, 3 and 4 apply accordingly. If all members of the Executive Board are absent, the chair of the Supervisory Board temporarily conducts the association's business until a new Executive Board has been elected.
- (8) The members of the Supervisory Board have a claim to attendance fees and to reimbursement of the expenses they incur in performing their duties in accordance with the Statutes or with the law.
- (9) Contracts and agreements of all types made between the association and members of the Supervisory Board and their relatives, work for other income tax counselling associations and activities undertaken by members of the Supervisory Board outside the association shall be reported to the next meeting of members' representatives following the date on which the activities commenced. In case of elections, the candidates must report such activities upon their nomination. The association's interests may not be impaired by such activities. Obligations of maintaining professional confidentiality remain unaffected by this.
- ### § 11 Announcements
- The association's announcements, including convocation, shall be made in line with formal and period requirements and shall apply as delivered if they have been sent two workdays prior to the end of the announcement period to the last address, or e-mail address, stated by the member to the association.
- ### § 12 Exclusion of liability, indemnity insurance
- (1) The association's liability for culpability on the part of its management organs and employees cannot be excluded when providing assistance in tax matters for its members.
- (2) The association shall insure against the indemnity risks arising for providing assistance in fiscal matters by concluding pecuniary damage liability coverage to a reasonable amount.
- (3) The members' claims to damages from tax assistance are subject to regular expiry by limitation of time (§ 195 BGB). The period stated in § 199 Paragraph 3 Clause 1 No. 1 BGB is replaced by a period of 5 years; the period stated in § 199 Paragraph 3 Clause 1 No. 2 BGB is replaced by a period of 7 years.
- ### § 13 Assets
- All fees and resources accruing to the association shall be used solely for the purposes of the association.
- ### § 14 Dissolution of the association
- (1) The association can be dissolved by resolution passed by the meeting of members' representatives by a ¾ majority of the members' representatives present. The appropriation of the remaining assets shall thereby be resolved by a simple majority.
- (2) Unless the meeting of members' representatives resolves otherwise, the members of the Executive Board are the liquidators. The authority of representation under § 9 Paragraph 3 of the Statutes applies accordingly in this context.

**§ 15 Amendments to the Statutes**

- (1) The Statutes can only be amended by the meeting of members' representatives by a  $\frac{3}{4}$  majority of the members' representatives present.
- (2) The phrasing of an intended amendment to the Statutes must be stated and explained both in the application and in the invitation. Applications to amend the Statutes must be submitted to the Executive Board with an appropriate explanation at the latest 3 months before the meeting of members' representatives is held.

**§ 16 Place of jurisdiction**

The place of jurisdiction is the registered office of the association. The place of fulfilment is the registered office of the association in every case.

**§ 17 Concluding provision**

Should parts of these Statutes be or become unworkable, this shall not affect the workability of the remaining sections of the Statutes.

Munzel – 11th February 2020

Amendments to the Statutes were resolved in the meeting of members' representatives held on 28th September 2019 in Darmstadt and entered in the register of associations (Darmstadt Magistrates' Court, VR 1624) on 4th February 2020.