

## § 1

### Name, Registered Office, Scope of Activities, Financial Year

1. The association bears the name "Lohnsteuerhilfverein Vereinigte Lohnsteuerhilfe e.V."
2. The association has its registered office in Neustadt on Weinstraße.
3. The association operates in the territory in which the German Basic Law applies.
4. The financial year is the calendar year.

## § 2

### Purposes of the Association

1. The association is a self-help organisation of employees. It offers its members assistance in tax matters within the scope of the authorisation pursuant to § 4 No. 11 StBerG (the German statute regarding the provision of tax advice).
2. At least one advice centre must be maintained in the regional tax district in which the association has its registered office. Advice centres may be maintained in other regional tax districts.

Assistance may only be given by persons who belong to an advice centre.

Only such persons who satisfy the requirements of the statutory provisions may be appointed as advice centre managers. The statutory provisions are currently contained in § 23 StBerG.

The assistance is to be provided appropriately, conscientiously, in confidence and without any prohibited advertising. It is forbidden to practice another commercial activity in connection with the provision of assistance within the scope of the statutory authority.

All persons used by the association to provide advice in tax matters must observe the above-mentioned duties.

3. The association does not carry on a business aimed at making a profit.

## § 3

### Becoming a Member, Rights of Members

1. Any natural person whose habitual residence is situated within the territory in which the association operates or who is temporarily staying there or has a right or an obligation to submit tax returns in Germany can become a member of the association. Self-employed persons can only become members if their membership contributes to the furtherance of the association's purposes.
2. Admission must be declared in writing or by an electronic declaration of intent. An electronic declaration of intent is sufficient if the member gives their email address and the membership is confirmed electronically by the Organisation. If the member requires the assistance of the Organisation in the calendar year after their membership has ended, membership will only be restored if a further written or electronic declaration is made. Membership can also be initiated retroactively for a period in the past.
3. Within the boundaries of the association's purposes, the members can obtain free assistance with matters relating to the taxing of wages or income for the tax assessment period prior to the payment of membership contributions. The members have a right to advice in relation to tax matters pursuant to § 4 No. 11 StBerG, for all tax matters which relate to the year in which they become members, as well as following years and the calendar year before they became members.
4. By becoming members and providing their email addresses, members declare that they agree that notices serving the fulfilment of the association's purposes may also be sent in a paperless format by way of electronic mail (by email).
5. If members intend to bring damages claims against the association, a written notice of the facts and resulting losses must first be given to the committee. A claim before a court of law is only permitted if the association does not respond to the written notice of losses within a period of 6 weeks or if it refuses to settle the claim.

## § 4

### Termination of Membership

1. Membership ends with the death of the member, by resignation, by removal from the list of members or by exclusion from the association.
2. Resignation is only possible at the end of a calendar year; it occurs by written declaration to the association's committee, which must be received on the 31<sup>st</sup> day of October at the latest.
3. If the amendment of the rules relating to members' contributions (referred to below as the "Members' Contributions Rules") leads to an average increase in members' contributions of more than 15%, the members have the right, independent of the notice period contained in § 4(2), to terminate their membership in writing before the end of the calendar year. This notice to terminate membership must contain a statement of reasons and be received by the committee within a preclusive period of one month after the increase in membership contributions was announced.
4. A member can be removed from the list of members, if despite a warning, the member is more than three months in arrears with the payment of his membership contributions and one month has passed since the warning was sent. The member is to be informed of his removal. The association's right to the payment of the member's contribution remains unaffected.
5. A member can be excluded from the association by a committee decision if he has grossly violated the interests of the association. The association's right to the payment of the membership contributions remains unaffected.
6. A member who has been removed from the list of members or excluded from the association has a right of appeal to the supervisory board against the committee's decision. The appeal must be lodged within one month of receipt of the decision. The committee must inform the member removed from the list of members or excluded from the association of his right to appeal. The decision of the supervisory board is final.

## § 5

### Admission fee and member's contribution

1. The committee shall determine the Members' Contributions Rules governing the amount of members' contributions and one-off admission fee with the approval of the supervisory board. If there is a change to the rate of statutory value added tax, the committee has the right to alter the members' contributions and one-off admission fee by an according amount. Next to the members' contributions, no particular payment is required for assistance with tax matters. However, the Members' Contributions Rules may specify that expenses in proceedings before the fiscal courts shall be reimbursed.
2. Upon becoming a member, the member's contribution together with the one-off admission fee become due immediately; otherwise the member's contribution shall be due on the 2<sup>nd</sup> day of January each year for that calendar year. To the extent that payment has not been made by the 30<sup>th</sup> of June in any calendar year, the member shall be in default of payment – a second written demand for payment is not required.
3. An amendment to the Members' Contributions Rules shall be announced to the members at least one month before the beginning of the calendar year in which the amended Members' Contributions Rules are to take effect.
4. The committee has the right to reduce or waive the admission fee and member's contribution in justified exceptional cases.

## § 6

### Members' Obligations, Members' Files, Limitation Period

1. The members have a duty to co-operate to fulfil the purposes of the association in relation to their own tax concerns. In particular, they must prepare and keep their tax documents in order, endeavour to arrive on time for advisors' appointments and deal with queries expeditiously. Upon a change of place of habitual residence, members have a duty to inform the association of their new address without delay.
2. A member's reference files relating to his assistance in tax matters within the scope of the authority contained in § 4 No. 11 StBerG, shall upon the completion of the association's activities in relation to the member's tax matters, be kept at the local advice centre or – upon the request of the committee – at the association's registered office for a period of ten years. The duty to keep a member's reference files shall extinguish before the termination of the ten-year period if the association has requested the member to take receipt of the reference files and the member has not complied with this request within six months of its receipt. To the extent that the association is not obliged to return the reference file, a member can only demand copies of parts of the reference file in return for reimbursement of the cost.
3. The association has the right to store its members' data electronically for the purpose of fulfilling its' purposes.
4. The limitation period for members' claims for compensation arising out of the assistance provided by the association in relation to tax matters is three years from the time at which the claim arises. The claim arises when the relevant tax assessment has binding effect.

## § 7

### Organs of the Association

1. The organs of the association are
  - a) The committee
  - b) The supervisory board
  - c) The representatives' assembly
2. Except in the case of ex officio members' representatives, membership of more than one of the association's organs is not possible. Members of these organs are not permitted to belong to any other Lohnsteuerhilfverein (an employee's self-help association which offers assistance with matters relating to tax on wages or income) and may not act for any other Lohnsteuerhilfverein in any capacity.
3. The members of the association's organs hold a special, prominent position of responsibility. If and as far as a member of an organ behaves in any manner which significantly damages the association or its reputation, he can be excluded as a member from the relevant organ.

## § 8

### Committee

1. The committee consists of up to four members, each with the right of sole representation, namely the Chairperson and up to three deputy chairpersons. The Chairperson is elected by the Representative Assembly of Members at the suggestion of the Supervisory Board for a period of eight full calendar years. For specially elected members of the Executive Board, the term ends when the term of office for the previously elected members of the Executive Board has expired. Re-election is permissible. The Executive Board remains in office until effective re-election and registration of the new Board in the register of associations. Election of the Board and its discharge in the block procedure is permissible.
2. The appointment of the committee and its individual members may only be revoked for a compelling reason by the assembly of members' representatives in response to a proposal by the supervisory board. Compelling reasons are gross breaches of duty or the inability to effect proper management.
3. Internally, the chairman is the legal representative of the association in litigation and for all other purposes. If he is prevented from acting, the first deputy chairman, if he is prevented from acting then the second deputy chairman; and if he is prevented from acting then the third deputy chairman shall represent the association. The committee makes decisions by resolutions of a simple majority. It is quorate if at least two of its members are present. The chairman or his representative must be one of the members present. In the event of a tied vote, the acting chairman has the casting vote.

The committee is particularly responsible for the following tasks:

  - a) The proper exercise of assistance in tax matters by advice centre managers and staff,
  - b) The opening of advice centres and appointment of advice centre managers,
  - c) Establishing working guidelines for the advice centres,
  - d) The completion and termination of employment contracts,

- e) Notifying the relevant regional finance authorities of the opening or closing of an advice centre and the appointment or dismissal of advice centre managers as well as notification of the persons used by the association to provide assistance in relation to tax matters,
  - f) The complete and continuous recording of all revenue and expenditure,
  - g) The appointment of auditors within six months of the end of a financial year. Only persons and companies authorised to provide unrestricted assistance in tax matters under § 3 StBerG may be appointed as auditors,
  - h) To supply the audit reports to the relevant regional finance authorities within one month of receipt of the same and at the latest 9 months after the end of the financial year,
  - i) The written announcement to the members of the essential substance of the auditor's assessment within six months of receipt of the auditor's report,
  - k) The preparation and written calling of a representatives' meeting within three months of the announcement to the members of the essential substance of the auditor's assessment and further representatives' meetings pursuant to § 11 (1) as well as establishing the agenda for these,
  - l) The submission of an annual report relating to the association's development and position over the financial year to the representatives' assembly,
  - m) The relocation of the association's registered office to another location within the area in which the association operates due to an important reason; and
  - n) The winding up of the association.
4. The committee has the right to claim a reasonable remuneration for its activities and the reimbursement of all expenses it incurs in the performance of its tasks. Further details are regulated by a service contract.

### § 9 Supervisory Board

1. The supervisory board consists of up to 6 persons elected by the members' representatives in response to the proposal of the chairman of the association for a period of 8 full calendar years commencing on the 1<sup>st</sup> of January in the calendar year following the election. The re-election of members of the supervisory board is permitted. The existing supervisory board remains in office until a new supervisory board is elected.
2. The supervisory board elects from its members a chairman and a vice-chairman, who leads the meetings of the supervisory board where the chairman is prevented from doing so. Membership of the supervisory board can only be revoked for a compelling reason in response to the proposal of the chairman of the committee and the members' representatives. Compelling reasons are, in particular, gross breaches of duty or the inability to properly carry out his tasks.
3. Upon stating the purpose and reasons, the committee or any member of the supervisory board can demand that the chairman of the supervisory board immediately calls a meeting of the supervisory board. A meeting of the supervisory board must be called once per calendar year. The committee can take part in the supervisory board's meetings in an advisory capacity.
4. The supervisory board makes its decisions by resolution of a simple majority; it is quorate if at least 3 of its members – one of whom is the chairman or his representative - are present. In the event of a tied vote, the officiating chairman has the casting vote.
5. The supervisory board is responsible for the tasks assigned to it by the articles of association, which also include
  - The monitoring of proper management by the committee,
  - The submission of a report to the representatives' assembly about the manner and extent in which it has scrutinized the committee's management during the financial year; it must comment upon the auditor's report in its report; and
  - The conclusion of service and other contracts between the association and the committee.
6. The members of the supervisory board have a right to a reasonable remuneration of their activities and reimbursement of all costs they have incurred in carrying out their tasks in accordance with the articles of association. The representatives' assembly shall approve the amount of the remuneration in response to a proposal by the committee.

### § 10 Election of the Members' Representation

1. Members' representatives look after the rights of the members in the assembly of members' representatives. Only members may be proposed and voted as members' representatives. In addition, natural persons can be proposed and elected if they have a contractual relationship with the association as a manager of an advice centre and are registered with the relevant supervisory authority. Members' representatives cannot be represented by third parties.
2. Every 6,000 members are represented by an elected members' representative, whereby the number of elected members' representatives is limited to 99. Ex-officio members' representatives and representatives to be elected by the members for 5 full calendar years are members of the members' representation.
3. Decisive for the number of members' representatives to be elected is the number of the association's members on 31<sup>st</sup> December of the year preceding the election of the members' representatives.
4. At least one members' representative should be chosen from every federal state, whereby the city-states are allocated to a state. Thus Berlin and Brandenburg, Hamburg and Schleswig-Holstein, and Bremen and Nordrhein-Westfalen each form one federal state within the meaning of this provision.
5. Member representatives to be elected are determined whereby all members are written down in the 3rd or 4th quarter of the preceding year, and candidate suggestions are requested to be sent to the members' representative election. Nominations must be submitted in writing within three weeks, and no sooner than two weeks, to the association's head office by stating the name, member's address and membership number. If an insufficient number of nominations are received, the board is obliged to increase the candidate list accordingly.
6. Based on the proper and timely receipt of candidate suggestion lists, 1.3 times the number of member representatives to be elected are listed on a ballot paper in the order of the supporting member signature. The ballot paper is available to members during the 3rd or 4th quarter of the election year in written form. Ballot papers must contain the member's name, address, membership number and signature and be submitted to the administration in a sealed envelope within three weeks, and no sooner than two weeks. An electronic vote is also permitted. The candidates with the most votes will be elected. In the event of a tied vote, the member representative who has been with the association the longest will be elected. The voting result is provided to members in written form.

7. Ex-officio members' representatives are founding members, retired members of the committee and the supervisory board as well as the members' representatives in 1995, who have belonged to the association for more than 10 years, provided that § 7 (3) of the articles of association does not apply in any case.
8. The right to vote may not be used where a proposed resolution concerns the individual members' representative personally.
9. A members' representative can resign by written notice of resignation addressed to the committee or can be removed by a resolution of the members' representation in response to a proposal of the supervisory board for a compelling reason (objective gross breach of duty or inability to properly fulfil his tasks) or automatically in a case where § 7 (2) of the articles of association applies.
10. If the contract of the elected members' representative with the association or his membership of the association terminates, then his position as members' representative shall also terminate on the same date, unless the members' representative becomes a member of the association within 14 days of the termination of his contractual relationship with the association. The members' representative concerned is to be notified of this in writing by the association. This provision does not apply to ex officio members' representatives.
11. If elected members' representatives are eliminated prematurely by death or by reason of the provisions of § 10 (10), the committee shall replace the eliminated members' representatives from the list of candidates nominated for election in the order of the number of votes cast for them. If the list of candidates nominated for election is insufficient, the committee has a duty to supplement the members' representatives.

### § 11 Assembly of the Members' Representation

1. An assembly of the members' representatives, chaired by the chairman of the supervisory board or his representative, shall take place at least once per annum within the first ten months of each calendar year - at the latest, however, within three months of the announcement of the auditor's report. The assembly shall be called by the committee in writing upon one month's notice, specifying the agenda. Motions on the agenda from members' representatives shall be submitted to the committee in writing, specifying reasons and the relevant provision of the articles of association, to reach the head office at least 14 days before the date fixed for the meeting. The committee must also call an assembly of the members' representatives when required to do so by one fifth of the members or the members' representatives.
2. The assembly of the members' representatives is quorate when at least one quarter of the members' representatives are present. In the event that the assembly of the members' representatives is not quorate due to insufficient members' representatives being present, the committee can, with the invitation to the assembly of members' representatives, invite a further assembly of the members' representatives to take place on the same day but at least 2 hours after the first meeting of the members' representatives. This assembly of members' representatives shall then be quorate regardless of the number of members' representatives appearing. This fact must be pointed out in the invitation.
3. The assembly of members' representatives passes resolutions by a simple majority of the valid votes cast. To amend the articles of association, dissolve the association and for a resolution to use surplus assets on a winding up, a majority of three quarters of the valid votes cast is required.
4. The assembly of members' representatives is responsible for the matters referred to it by these articles of association, which also include
  - a) Receipt of the statutory auditor's report pursuant to § 22 StBerG as well as the reports of the committee and supervisory board,
  - b) Discussion of the results of the management review,
  - c) Approval of the committee's management during the financial year under scrutiny,
  - d) Approval of the activities of the supervisory board,
  - e) Remuneration for members of the supervisory board,
  - f) The consent to or approval of the association's contracts with committee members or members of their families,
  - g) The dissolution of the association and use of any surplus assets on dissolution.

The members' representatives have the right to transfer individual of their tasks to the supervisory board by resolution or the association's articles of association. This only applies to such tasks which the assembly of members' representatives does not have a duty to perform pursuant to § 14 (1) StBerG.

The members' representatives have a right to appropriate compensation for the expenses they incur in carrying out their tasks in accordance with the articles of association.

### § 12 Recording

1. Resolutions of the supervisory committee are to be recorded in writing for evidentiary purposes and signed by all participating members of the supervisory board.
2. Resolutions of the assembly of members' representatives are to be recorded in writing for evidentiary purposes and signed by the leader of the assembly and the secretary keeping the minutes.

### § 13 Announcements

1. Announcements of the association shall be given by letter or circular from the committee to every member.
2. The announcement to the members of the key elements of the association's management review shall be made within 6 months of receipt of the report relating to that review in a letter directed to each member.
3. All announcements can also be made in the members' newsletter. They are deemed to be made when the members' newsletter is posted.

### § 14 Jurisdiction

In relation to all disputes which arise in relation to the articles of association, with or between organs and members or in relation to members' claims against the association for compensation, the courts of the place where the association has its registered office shall have jurisdiction. These courts shall also have jurisdiction where the association's rights to the payment of members' contributions are asserted.