

Statutes

of the

“Deutsches Institut zur Zertifizierung im Rechnungswesen e.V.”

(German Institute for Certification in Accounting)

§ 1 Name, Seat

- 1) The association is called “**D**eutsches **I**nstitut zur **Z**ertifizierung im **R**echnungswesen (DIZR) e.V.“ (in English: “German Institute for Certification in Accounting”).
- 2) The association’s seat is in Wuerzburg, Germany.

§ 2 Legal Form, Fiscal Year

- 1) The association will be entered into the register of associations at the Local Court (Amtsgericht) of Wuerzburg under number 2195. After its registration, it will bear the abbreviation “e.V.”.
- 2) The fiscal year is the calendar year.

§ 3 Purpose of the Association

- 1) The association “Deutsches Institut zur Zertifizierung im Rechnungswesen (DIZR) e.V.” exclusively and immediately pursues non-profit purposes, as per subsection “tax-advantaged purposes” of the German Fiscal Code (§ 52 para. 2 no. 1 AO).
- 2) The purpose of the association is the advancement of education and training in the field of accounting and taxation.

- 3) The statutory purpose shall be realized in particular by
 - carrying out educational events, symposiums and conventions on accounting and taxation;
 - providing current information on accounting and taxation;
 - helping members with questions concerning accounting and taxation;
 - administering exams in the field of accounting and taxation as well as issuing certificates;
 - certifying training courses in accounting and taxation.

- 4) The association is exclusively non-profit and does not chiefly pursue its own financial interests. The funds of the association may be used exclusively for purposes as are foreseen in the statutes. Members will not receive money from the association. No individual may benefit from expenditures, which are foreign to the association's purpose, or from disproportionately high remuneration.

- 5) Membership in executive bodies of the association is honorary and is not remunerated. Necessary expenses incurred by committee members shall be refunded.

§ 4 Membership

- 1) Natural and legal persons may become members of the association. The approval of the legal representative is needed before a minor may join the association.

The managing committee will decide on the acceptance of a new member on the basis of a written membership application. In case of a negative decision, an appeal may be lodged within one month to be presented to the next regular general assembly.

- 2) Honorary membership may be awarded only upon a general assembly resolution.

§ 5 Membership Fees

- 1) Members are obliged to pay an annual fee, the amount and due date of which will be determined by the general assembly.
- 2) The general assembly will pass a resolution concerning the amount and due date of the membership fee.
- 3) The membership fee might be adjusted to different groups of members if justified.

§ 6 Ending Membership

- 1) Membership ends with death.
- 2) Members of the association are entitled to withdraw from membership.
- 3) Withdrawal from the association may only be effected to the end of the calendar year. A written resignation letter is to be sent to the managing committee, subject to a term of one month.

§ 7 Dismissal

- 1) Dismissal from the association requires a managing committee resolution. A member may be dismissed with immediate effect by the managing committee for the following reasons: violations of the objectives and interests of the association, non-compliance with the preconditions of the statutes, or neglect to pay membership fees, in spite of a written warning, for twelve months.
- 2) Before a decision is taken, the member must have the opportunity to comment on the dismissal. The decision has to be substantiated unless the reasons for the dismissal are known to the member in question and are indisputable. The decision will take effect as soon as it is announced to the dismissed member. An appeal may be lodged within four weeks after notification to be presented to the next general assembly.

§ 8 Rights and Duties of the Members

- 1) Members are obliged to promote the purpose of the association and refrain from anything that might damage the reputation of the association. Directives of the association's executive bodies are to be followed.
- 2) The rules of the association shall be observed.
- 3) A change of residence requires immediate notification of the managing committee.
- 4) Members of the association are entitled to receive information from the association and to participate in the events of the association at a reduced charge. Each member, no matter whether it is a natural person, legal person or another organization, shall have only one vote. The voting right is not transferable.

§ 9 Executive Bodies and Advisory Boards of the Association

- 1) Executive bodies of the association are:
 - the general assembly,
 - the managing committee.

The Association has one advisory board: the certification board.

- 2) Only natural persons who work in accounting may become elected members of the executive bodies and advisory boards. Accountants shall be defined as those rendering accounts, auditing, consulting in, teaching in, monitoring and analyzing the field of accounting. This also applies to university faculty and government staff. It mainly applies to accountants, CPAs and tax advisors.

§ 10 General Assembly

- 1) All members of the association are members of the general assembly. Every member has one vote.
- 2) The general assembly is convened by the managing committee. The meeting shall be held at least once a year. An extraordinary general assembly shall be convened if the affairs of the association so require or following a motion of at least 10 % of the association's members. The minority request according to § 37 para. 1 BGB shall only be considered if it details purpose and reasons for the meeting in writing.
- 3) The general assembly shall be convened in writing. Upon approval by the member, the invitation may also occur electronically.
- 4) In the invitation, reference has to be given to the order of business proposed by the managing committee. Invitations have to be sent out 14 days in advance.

§ 11 Resolutions of the General Assembly

- 1) The general assembly shall have a quorum if it has been convened in proper form, irrespective of the number of members present. The general assembly will elect one of its members to assume chairmanship of the general assembly.
- 2) Resolutions are passed by open vote and are binding with a simple majority unless the general assembly decides otherwise. At a parity of votes, a motion is dismissed.
- 3) Paragraph 2) notwithstanding, resolutions on amendments to statutes and purpose or resolutions concerning the dissolution of the association require 75% of the votes at the general assembly.
- 4) Amendments to the statutes shall be announced to the tax authorities.

- 5) Resolutions of the general assembly shall be recorded in the minutes, which must be signed by the chairperson. Nevertheless, effectiveness of resolutions shall not depend on their being recorded in the minutes.

§ 12 Duties of the General Assembly

The general assembly shall in particular have the following duties:

- election of the managing committee
- discharge of the managing committee
- resolutions about amendments of the statutes and dissolution of the association.

§ 13 Managing Committee

- 1) Two members of the managing committee will take on judicial and extrajudicial representation of the association in all matters concerning the association according to § 26 para.2 BGB. Management and representation of the association are the responsibility of the managing committee.
- 2) The managing committee shall implement resolutions taken by the general assembly, carry out the tasks assigned to the managing committee by these statutes and conduct the affairs of the current administration under their own responsibility.
- 3) If legal measures require amendments to the statutes, the managing committee may pass a resolution. This resolution is to be presented at the next meeting of the general assembly.
- 4) The managing committee shall be elected by the general assembly for the period of five years. It shall consist of at least three and not exceeding six members. The managing committee is to appoint one of its members to serve as the chairperson. Elections are to be held one year prior to the end of the legislative period. The appointment may be revoked for important reasons such as the inability to manage the business properly.

- 5) The managing committee is responsible for all of the association's matters unless they are delegated to another executive body of the association by the statutes. The managing committee may not issue instructions to the certification committee concerning their tasks.

In particular, the managing committee has the following tasks:

- accept and dismiss members of the association.
- appoint members to the certification committee. Appointments shall be valid for a period of five years.
- determine examination and certification regulations for the certificates.
- prepare and convene the general assembly as well as draw up the agenda.
- implement resolutions taken by the general assembly.
- prepare the accounts including annual accounts according to the principles applied in business.

- 6) Meetings of the managing committee shall be convened by the chairperson at least once a year, with 14 days advanced notice. The managing committee has quorum when at least two of its members are present. The managing committee shall pass resolutions with the majority of the members present.

- 7) Concerning the administration of the association's assets, the managing committee shall consider the guidelines and principles specified in the statutes.

- 8) The service of the managing committee is an honorary appointment. Cash expenses shall be reimbursed against proof of entitlement. Travel expenses and per diem allowances are to be charged according to the usual sums established by the tax code.

§ 14 Certification Committee

- 1) The advisory committee shall consist of at least six members. Not more than half of the members may belong to the managing committee as well. The advisory committee shall elect one of its members to serve as the chairperson.
- 2) Members of the advisory committee shall be accountants as specified above. They shall meet the following criteria:
 - proven expertise and experience in accounting and taxation
 - comprehension of latest developments in international accounting and taxation
 - comprehension of current methods of teaching and learning
 - analytical abilities and willingness to discuss matters openly.
- 3) The members shall carry out their duties independently. They must not follow any instructions given by the managing committee, members of the association or any other organization.
- 4) The main tasks of the Advisory Committee Certification are as follows:
 - support and advise the association, particularly the managing committee, on questions concerning the purpose of the association and its management
 - arrange contacts and support the approach between the association and third parties for the purpose of fulfilling the purpose of the association
 - review examination and certification questions
 - write reports for the information of members and the public
 - give organizational support for the events of the association.
- 5) The certification committee passes its resolutions by simple majority. In the event of equality of votes, the chairperson shall have casting vote.

§ 15 Minutes

The resolutions of the managing committee and the general assembly shall be recorded in the minutes and will be available for perusal. The minutes shall detail the date and place of the meeting as well as the respective result of the vote casting. The minutes are to be signed by the chairperson of the meeting.

§ 16 Disciplinary punishment

The association is entitled to impose the following disciplinary measures against members who deliberately infringe upon the statutes or upon directives of the executive bodies:

- issue a caution or reprimand
- dismiss members from the association according to. § 7 of the statutes

§ 17 Dissolution of Association and Use of Assets

1) In the event of the association's dissolution, the current members of the managing committee shall serve as the liquidators.

2) In the event of the association's dissolution or the loss of its status as a tax-advantaged entity, the association's assets are to be transferred to another tax-advantaged entity such as a non-profit organization or foundation. This entity shall use the transferred assets for educational purposes. Resolutions concerning the future use of assets may not be taken before approval of the financial authority has been obtained.

3) This applies only to the remaining assets, i.e. assets existing after the association has been completely liquidated.

§ 18 Commencement

These statutes were passed at the foundation meeting on September 02, 2005 and have thus taken effect.

Nuernberg, passed on September 02, 2005