

Transnational Taxation Network - Constitution

Name:

Article 1.

The Association in accordance with Art. 60 of ZGB named: "Transnational Taxation Network" (or TTN).

Seat:

Article 2.

The "Transnational Taxation Network" has its registered office in the community of Baar, Switzerland.

Aim:

Article 3.

- 3.1 The aim of the Association, for the benefit of its members, is to:
 - 3.1.1. promote and improve service in the fields of international tax, legal, accountancy and financial consultancy;
 - 3.1.2. promote and secure co-operation between the tax, legal, accountancy and financial consultants associated with the "Transnational Taxation Network";
 - 3.1.3. attract new tax, legal, accountancy and financial consultants to the Network.
- 3.2 The Association endeavours to achieve these objectives, amongst other things, by:
 - 3.2.1 setting up a bureau for fiscal and legal documentation ;
 - 3.2.2 developing and maintaining a referral network;
 - 3.2.3 acting as an arbiter in the case of disputes amongst the members;
 - 3.2.4 organising periodical meetings;
 - 3.2.5 exchanging know-how.

Members:

Article 4.

- 4.1 The Association has members, honorary members and aspirant members.
- 4.2 The following persons may be admitted to the Association:
 - 4.2.1 those who are a member of a National or International Tax Body duly approved by the Association, and/or
 - 4.2.2 those who are a member of the National or International Bar Association, and/or
 - 4.2.3 those who are a member of the National or International Accountants Association, and/or a member of a standing organisation, and/or
 - 4.2.4 those who have studied law or economics at an acknowledged university and completed their studies, and who professionally practise their skills as a lawyer and/or economist in a manner that is comparable with the above-mentioned members and organisations and
 - 4.2.5 those who are a member of a financial body duly approved by the Association.
- 4.3 Honorary members are appointed as such by the General Meeting.

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- 4.4 Aspirant members are those who participate in the activities of the Association, but have not yet been appointed by the General Meeting and fulfil the requirements and have attended an Annual Meeting.
- 4.5 Where reference is made to “members” and “membership” in these Articles, this includes honorary members, unless clearly stated otherwise. Aspirant members have no other rights and obligations than those conferred upon them under and by virtue of these Articles.

Membership Register, List of Members:

Article 5.

- 5.1 The Executive Committee shall keep a register in which shall be entered the names and addresses of all members.
- 5.2 The members will receive a list of all members at regular intervals.

Admission:

Article 6.

- 6.1 The Executive Committee shall decide on the suitability of aspirant members.
- 6.2 The appointment of new members is a matter for decision by the Executive Committee at a duly convened meeting of the Executive Committee according to criteria TO BE established by the Executive Committee IN WRITING FROM TIME TO TIME. Before appointing the aspirant member the Executive Committee will procure that his or her details are circulated in a TTN newsletter inviting members to respond if they have any objections within 30 days. The Executive Committee is not bound by any objection, but may take note of it. The final decision on appointment rests with the Executive Committee.
- 6.3 The person in question shall be notified in writing of the decision regarding membership.

End of the membership:

Article 7.

- 7.1 Membership shall end:
- 7.1.1. Through the death of the member;
- 7.1.2. Through resignation of the member;
- 7.1.3. Through termination by the Association.
This can be done if a member has ceased to comply with the requirements for membership as laid down in the Articles, if he does not meet his obligations towards the Association, or the Association can no longer be reasonably expected to have the membership continue;
- 7.1.4 Through expulsion, which may only be pronounced if a member has acted contrary to the Articles, regulations or decisions of the Association, or has harmed the Association by not practising his profession according the standards required.
- 7.2 Suspension by the Association may only be effected by the Executive Committee.

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- 7.3 Suspension of membership by a member or by the Association can only take place at the end of the financial year, subject to a period of notice of four weeks. However, membership can be suspended immediately if, for any reason, the Association or the member cannot reasonably be expected to continue the membership.
- 7.4 In the case of termination that is at variance with that which has been stated in the previous paragraph, membership shall end at the earliest possible time following the date on which termination of membership was requested.
- 7.5 A member can also terminate his membership immediately by giving a month's notice after he has been informed of a decision to convert the Association into a different legal form or to merge.
- 7.6 A member can terminate his membership immediately by giving a month's notice after he has gained knowledge or has been informed of a decision, which would result in the restriction of his rights or in additional obligations with regard to the Association. The decision would then not apply to him. A member is not authorised to preclude a decision regarding himself where his financial rights and duties are altered, by terminating his membership.
- 7.7 Expulsion of members may only be effected by the Executive Committee.
- 7.8 A. Failure to pay the full fee within 1 month after receiving a 2nd reminder, or by 30th July of the year concerned whichever the less will be ground for termination of membership."

B . "Where a member resigns during a year unless notice of resignation has been received by the Secretary prior to 31 January in the year concerned, the full membership fee shall be due for the year concerned".

Annual contributions. Commitments:

Article 8.

- 8.1 Members are required to pay an annual contribution, which will be fixed by the General Meeting. They can be divided into categories that pay different contributions.
- 8.2 In exceptional cases, the Executive Committee is authorised to grant full or partial exemption from the obligation to pay contributions.
- 8.3 After having been granted permission by the General Meeting, the Executive Committee is authorised to attach obligations or conditions to the membership.

Rights of aspirant members:

Article 9.

Excepting other rights that aspirant members are granted under or in pursuance of these Articles, they are entitled to attend the General Meeting, they have no voting rights until the aspirant members are appointed by the Executive Committee and they are entitled to all information mailed to the members. Termination of the membership by the Association is effected by the Executive Committee in accordance with Article 7.

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Executive Committee:

Article 10.

- 10.1 The Executive Committee consists of three or more persons who are appointed by the General Meeting. The appointment takes place out of the ranks of the members.
- 10.2 Members of the Executive Committee are appointed from one or more nominations, subject to below mentioned stipulations. The Executive Committee or a group of ten or more members shall be entitled to put forward such a nomination.
Notification of a nomination made by the Executive Committee shall be given on the convening of the General Meeting. A nomination by a group of ten or more members must be given to the Secretary or President in writing 21 (twenty-one) days before the commencement of the General Meeting.
- 10.3 A nomination can be divested of its binding character by a decision taken by the General Meeting and supported by at least two-thirds of the votes cast at a meeting at which at least two-thirds of the members are represented either in person or by proxy.
- 10.4 If there is no nomination, or if the General Meeting has decided to divest the nominations of their binding character in accordance with the paragraph above, the General Meeting shall be free in its choice.
- 10.5 If there is more than one nomination the appointment is made from these nominations.

End of Membership of the Executive Committee. Retirement by Rotation.

Suspension:

Article 11.

- 11.1 Every member of the Executive Committee can be dismissed or suspended by the members at a General Meeting at any time, regardless of whether he has been appointed for a certain period of time. A case of suspension that is not within three months followed by a resolution of the General Meeting resulting in dismissal, expires at the end of that period.
- 11.2 Every member of the Executive Committee resigns four (4) years after his appointment at the most, in accordance with a schedule for retirement drawn up by the Executive Committee. The person retiring shall be eligible for re-election. A person who is chosen to fill an interim vacancy, takes the place of his predecessor on the schedule.
- 11.3 Membership of the Executive Committee furthermore ends:
 - 11.3.1 when the membership of the member ends;
 - 11.3.2 by resignation.

Positions on the Executive Committee. The Executive Committee's decision-making process:

Article 12.

- 12.1 The General Meeting appoints a President (chairman), a Vice-President, a Secretary and a Treasurer from within the ranks of those Members elected to

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- the Executive Committee. The Executive Committee can appoint a replacement for each of these from within its ranks. A member of the Executive Committee may hold more than one position for an interim period.
- 12.2 The Secretary or an Executive Committee member nominated by the Chairman takes minutes of the proceedings at every meeting, which are approved and signed by all Executive Committee members in the first following meeting.
- 12.3 The minutes of the General Meeting are approved in the following General Meeting and signed by the chairman and the minute-secretary.
- 12.4 Further rules and regulations about the meetings and the decision-making process of the Executive Committee can be given in the Rules of Procedure.

Task of the Executive Committee. Representation:

Article 13.

- 13.1 Subject to the restrictions under and in pursuance of the Articles, the Committee shall be entrusted with the administration of the Association.
- 13.2 The Executive Committee shall be authorised to have certain parts of its task performed by Committees which it appoints other than Membership & Marketing Committee which is appointed by the General Meeting.
- 13.3 The Executive Committee shall likewise require the prior approval of the General Meeting for decisions by which it:
- 13.3.1 enters into contracts exceeding the amount or value of five thousand EURO (EUR 5,000),
- 13.3.2 enters into legal proceedings, which shall include conducting arbitration proceedings, however with the exception of applying for an order of interim custody of property as security for a debt and of taking associated legal actions which cannot be postponed;
- 13.3.3 entering into and amending contracts of employment.
If this approval is lacking, this shall not affect the power to represent the Association in pursuance of paragraph 6.
- 13.4 Without prejudice to the provisions set out in paragraph 4, the Association shall be represented by the Executive Committee. The power to represent the Association shall be vested in the President. The President may empower a member of the Executive Committee to represent the Association in his stead subject to this being in writing and stating the purpose.

Annual Report, Annual Statement of Accounts:

Article 14.

- 14.1 The Association's financial year runs concurrent with the calendar year.
- 14.2 The Executive Committee shall keep account of the Association's financial position in such a manner, that the rights and obligations of the Association shall be discernible at any time during the year.
- 14.3 After the close of each financial year the Executive Committee shall submit the balance sheet and the statement of income and expenditure with notes thereon to the next General Meeting for consideration. The accounts of the Association shall be in EURO currency and will show comparatives for the

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- previous year. These documents shall be signed by the members of the Executive Committee; in the event the signature of one of them is missing, this shall be disclosed, stating the reasons therefor. Upon expiry of the term, each member shall be entitled to demand fulfilment of these obligations at law from the joint members of the Executive Committee.
- 14.4 Annually, the General Meeting shall appoint a panel of at least two persons being one lawyer and one accountant from amongst the members outside of the Executive Committee to examine the documents referred to in the second sentence of the previous paragraph and report its findings to the General Meeting. The Executive Committee shall provide the panel with all the information requested by it for the purpose of its examination, to show it the Association's cash holdings and values, and allow inspection of Association's books and records.
 - 14.5 If the examination of the annual statement of accounts should require specific accountancy know-how, the investigative panel may consult an expert.
 - 14.6 The instructions given to the panel may be revoked by the General Meeting at any time, however only through the appointment of a new panel.
 - 14.7 The Executive Committee shall be obliged to keep the books, records and other data-carriers.
 - 14.8 The information stored on the data-carrier, with the exception of the balance sheet and the statement of income and expenditures rendered on paper, may be transferred onto and stored on a different data-carrier, provided always that the transfer is properly effected with the correct and complete rendering of all the data and that the data will be available and be made legible within a reasonable period of time throughout the entire storage period.
 - 14.9 The Association will register with any appropriate data authorities.

General Meetings:

Article 15.

- 15.1 The General Meeting shall be vested with all the powers in the Association, not conferred on the Executive Committee by appropriate laws or these Articles.
- 15.2 Annually, a General Meeting – the Annual Meeting – shall be held. At this Annual Meeting the following items will be brought up for discussion and adoption as required:
 - a. the annual report and the annual statement of accounts-together with the report of the panel envisaged by that article;
 - b. the appointment of the panel for the following financial year;
 - c. proposal of the financial budget for the subsequent year;
 - d. the filling of any vacancies;
 - e. the motions from the Executive Committee or the members, announced in the notice convening the meeting.
- 15.3 Extraordinary General Meetings shall be convened whenever the Executive Committee considers appropriate.
- 15.4 At the written request of a least such a number of members as are entitled to cast one fifth of the votes of all members, the Executive Committee shall be obliged to call a General Meeting within a period of four weeks at the utmost. If

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within fourteen (14) days such a request has not been granted the members are free to call a General Meeting taking in consideration Article 19 or by advertisement in The Financial Times and taking in consideration the period mentioned in Article 19.

Admission and Voting right:

Article 16.

- 16.1 All members of the Association whose subscriptions are paid up to date and all aspirant members shall be entitled to attend the General Meeting. Those not entitled to attend the General Meeting are members who have been suspended.
- 16.2 As regards the admission of persons other than those referred to in paragraph 1, the General Meeting shall decide.
- 16.3 Each member of the Association, who has not been suspended, shall be entitled to cast one vote. All members are entitled to have their vote cast by another member who has been authorised thereto in writing as per the form of proxy duly approved.

Chairmanship. Minutes:

Article 17.

- 17.1 The General Meetings shall be presided over by the President of the Association or by his deputy. In case the President or his deputy are prevented from acting, one of the other members of the Executive Committee, to be designated as Chairman by the Executive Committee, shall preside over the meeting. If it is not possible to fill the Chair, the meeting itself shall select a Chairman. Until such time, the person present who is the first in seniority will take the Chair.
- 17.2 Minutes shall be taken of all the proceedings at the meeting by the Secretary or another person designated for that purpose by the Chairman, which shall be confirmed by the next General Meeting and signed by Chairman. The persons authorised to convene the meeting shall be competent to have a notarial record drawn up of the proceedings at the meeting. The members shall be notified of the contents of the minutes or of the notarial record.

The decision-making process at the General Meeting:

Article 18.

- 18.1 The result of a vote pronounced by the Chairman at the General Meeting shall be final. This shall equally apply to the contents of a resolution that was passed, in so far as the vote concerned a proposal that has not been recorded in writing.
- 18.2 If, however, the pronouncement referred to in the first paragraph, is drawn into question immediately upon being expressed, then a new vote shall be taken whenever the majority at the meeting should request this. With this new vote, the legal consequences of the original vote shall have become extinguished.

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- 18.3 Insofar as these Articles or the law do not stipulate otherwise, all resolutions of the General Meeting shall be passed by an absolute majority of the votes cast.
- 18.4 Blank votes shall be considered as not having been cast.
- 18.5 If, in an election of persons, no one had an absolute majority, a second vote shall be taken, or, in the event of a binding nomination, a second vote shall be taken between the nominated candidates. If, in that case, again no one had an absolute majority then new ballots shall be held until either one person obtained an absolute majority or the votes taken between two persons have tied. In the event of the aforementioned new ballots (which shall not include the second round of votes) votes shall only be cast between persons for whom votes were cast in the previous ballot, with the exclusion, however, of the person who in the previous ballot received the least number of votes. If in that previous ballot more than one person received the least number of votes, then a drawing of lots shall decide for which of those persons no more votes shall be cast in the new ballot. If there is a tied vote in a ballot between two persons, a drawing of lots shall decide which of the two shall have been elected. If there is an equal division on a motion not concerning the election of persons, then such a motion shall be deemed to have been rejected.
- 18.6 Voting shall normally be by show of hands. The Chairman may, however, determine that voting shall be by ballot. If the voting concerns the election of persons, an attending member with voting power shall also be in a position to demand that the votes shall be taken by ballot. A ballot is held by means of unsigned, sealed ballot papers.
- 18.7 A majority decision of all members in writing, even when not all are gathered at one meeting, provided adopted with the prior knowledge of the Executive Committee, shall have the same force as a resolution adopted by the General Meeting.
- 18.8 Valid resolutions may be passed, at any General Meeting where at least 50% of all the members are present or represented regarding any and all subjects on the agenda.

Convening of the General Meeting: Article 19.

- 19.1 General Meetings shall be called by the Executive Committee. The notice calling the meeting shall be in writing and sent to the addresses of the members in accordance with the register referred to in Article 4. The period set for calling the meeting shall be at least fourteen (14) days.
- 19.2 The notice convening the meeting shall state the subjects to be considered, without prejudice to the provisions set out in Articles 20 and 21.
- 19.3 Meetings other than the Annual General Meeting shall be Extraordinary Meetings.

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Amendment of the Articles:

Article 20.

- 20.1 The Constitution shall only be amended in pursuance of a resolution adopted by a General Meeting, with the notice of meeting stating that at said meeting a motion on the amendment of the Articles is to be put forward.
- 20.2 Those responsible for sending the notice calling the General Meeting to bring a proposal to amend the Articles to the vote must ensure that, a copy of said motion shall be sent to all members not later than 14 (fourteen) days prior to the meeting.
- 20.3 A resolution to amend the Articles may be passed only by a majority of at least two-thirds of the votes cast at a meeting at which at least two-thirds of the members shall be present or represented. If the required two-thirds of the members is not present or represented at the meeting concerned, then, upon adjournment of that meeting, a second meeting shall be called to be held within four weeks after the first meeting, which meeting may resolve upon the motion considered at the previous meeting, regardless of the number of members present or represented, provided by a majority of at least two-thirds of the votes cast. This second meeting need be attended by only three Executive Committee members whereas the members may vote by proxy.

Dissolution:

Article 21.

- 21.1 The Association may be dissolved pursuant to a resolution of the General Meeting. The provisions of Article 20.1, 20.2 and 20.3 shall apply mutatis mutandis.
- 21.2 Upon dissolution, liquidation shall be effected by the Executive Committee.
- 21.3 Any positive balance remaining after dissolution shall be distributed at the discretion of an Extraordinary General Meeting. At the time the resolution to effect dissolution is adopted, appropriation of the positive balance may however be made in a different fashion subject to agreement by two-thirds of the Meeting.
- 21.4 Upon conclusion of the liquidation, the books and records of the dissolved Association shall remain in the custody of the person designated for that purpose by the liquidators during the statutory period.

Membership and Marketing Committee:

Article 22.

- 22.1 The General Meeting shall appoint from its number a Membership and Marketing Committee comprising at least three (3) persons, at least one of whom is a member of the Executive Committee.
- 22.2 Each member of this Committee shall retire no later than four (4) years after his appointment in accordance with a retirement schedule to be prepared by the General Meeting. The retiring member shall be forthwith eligible for re-election; the person who is appointed to an interim vacant seat shall assume the ranking of his predecessor on the schedule.

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- 22.3 The duties of the Membership and Marketing Committee shall include the recruitment of new members, recommending such new members to the Executive Committee, and compiling the newsletter to be sent to all members on a quarterly basis. The Executive Committee shall have the duty to provide this Committee with any and all requisite information and resources so as to enable it to perform its duties.
- 22.4 The Membership and Marketing Committee shall elect a Chairman. It shall meet twice a year. One meeting shall take place immediately after the Annual General Meeting. The other meeting(s) shall be held as the Committee shall deem advisable.
- 22.5 The rights and obligations of the Membership and Marketing Committee will be detailed in the Rules of Procedure referred to in Article 23.
- 22.6 The Chairman of the Membership and Marketing Committee shall report to the Executive Committee at its Meeting held in January each year or any adjournments thereof.

Rules of Procedure:

Article 23.

- 23.1 The General Meeting may adopt Rules of Procedure.
- 23.2 The Rules of Procedure shall neither be in contravention of the law – even in those instances where they do not contain requirements of mandatory law – nor of the articles.

Final Provisions:

Article 24.

The first financial year of the Association starts on the 1st January, 2000 and ends on the 31st December, 2000.

Formally adopted by the board in Tilburg on 21 July 2000 as adopted by the members
in Monaco on 30 September 1999.

Signed : Bryan Tarttelin
Bernd Hamich

Frank Philips

changed on 27th September 2002