

Information about preparation of the dissolution of the Dutch association of AEC (8-11-2013)

The following information is based on advice provided by the notary in The Netherlands who is handling the process of winding up the Dutch Association of AEC. .

1 The background – two associations of AEC:

- During the previous General Assembly in November 2012, the relocation to Brussels of AEC, since 2001 an association under Dutch law, was discussed. In this context, a second association was created, but under Belgian law. This second association bears the same name as the association under Dutch law. There are therefore now two associations, each of which bears the name AEC
- The next General Assembly will therefore take the form of **two** assemblies, one for the association AEC under Dutch law and one for the association AEC under Belgian law, these being held simultaneously.
- Eventually, the Belgian association will need to be able to continue as independently as possible. The actions to achieve this are a follow-up to previous actions and intentions as discussed during the General Assembly of the Dutch association AEC in 2012 and also in further subsequent correspondence.

2. Actions taken so far and the next phase:

- The actions so far undertaken comprise pragmatic solutions which addressed economic issues more than the (international) legal and tax implication. These actions were always in the interests of AEC and performed in good faith. But now, after obtaining legal advice, the necessary legal formalities need to be complied with. This is important, among other things, for the protection of the association and its members. It is also important for the protection of third parties against inaccuracies of a more financial nature on the part of AEC.
- The purpose of this legal phase of the process is eventually to 'empty' AEC Netherlands of its assets and to dissolve it, so that only AEC Belgium remains.

3. Membership types and members' rights:

- At the moment, there are three types of AEC members:
 - a) the purely Belgian members: those who joined as members after 23 January 2013 (the date when the existence of the Belgian association was officially acknowledged);
 - b) the purely Dutch members: those who joined before 23 January 2013 and have not yet signed the form that makes them also a member of the Belgian association;
 - c) the members of both associations: members of the Dutch association (i.e. those who joined before 2013) who have also applied for membership of the Belgian association and therefore have dual membership.

For the benefit of the next assembly, those members present who are still only members of the Dutch association will sign a statement making them members of the Belgian association as well. Present members will therefore only belong to type a) or c), which will facilitate the voting process.

- Membership rights relating to the Dutch association remain for any member of AEC Netherlands. This is important so that eventually the Dutch association can be dissolved by a vote of its members; dual members are thus not able to cancel their Dutch membership.

4. The Financial Reserves:

These have already been transferred and made available to the Belgian association but, as of yet, this has been

done simply by means of payments and of transfers from one current account to another. The notary has advised to have this done without prejudice of any possible obligations or claims at AEC Netherlands.

5. Contributions (Membership Fees):

- There are now actually two obligations in terms of contributions/membership fees: to AEC Netherlands and to AEC Belgium. AEC Belgium only came into existence on 23 January 2013. At the dual General Assembly, we shall ask those delegates who are members of both associations to agree that the contribution owed to AEC Netherlands for the year 2013 should be put at the disposal of AEC Belgium. Following this, the contribution that is owed to AEC Netherlands for future years (2014) will have to be set to zero and a budget will be set for AEC Netherlands for 2013 that will eventually result in zero.

Those members who belong only to the Belgian association will have paid their contribution for 2013 to the Belgian association in the normal way.

All present members present at the GA will then be asked to vote on the membership fee levels for 2014 for the Belgian association.

6. Costs of dissolution of the Dutch association:

The dissolution costs will be paid as much as possible by the association under Belgian law so that bank accounts and the like can be dissolved as much as possible.

7. Tax implications:

- Indemnity has been obtained for the Dutch corporation tax, payroll tax and turnover tax for the month of January 2013. In addition, since the Belgian AEC is legally established (23 January 2013) there is no business conducted that would be liable for the various Dutch taxes, e.g. turnover tax, corporation tax.
- There is a small chance that the transfer of reserves from the Dutch to the Belgian association might be subject to Dutch gift tax. This matter is in the process of being clarified and the possibility that the Dutch gift tax is written off are being explored with the tax inspector.

8. Management:

- The notary advises that both associations under Dutch and Belgian law have a form of personal union. This means that the Council members of the Dutch association should also be the Council members of the Belgian association.
- Information still needs to be provided to the Dutch Chamber of Commerce regarding two board member changes following the 2012 elections.

There will again be elections at the upcoming assembly of 2013, which results will apply both to the association under Dutch law and to the association under Belgian law. This new change of board members will subsequently have to be communicated to the Dutch Chamber of Commerce and to the Belgian "Moniteur".

9. Remaining legal issues:

- Members of the Dutch association will be asked to vote on the dissolution of the Dutch association at the General Assembly in 2014, in order to ensure that all members will be informed early enough before that Assembly, in line with the Dutch Statutes. It was decided not to ask members to vote on this matter in 2013 because the information to members would have been distributed less than a month before the Assembly. Postponing the vote to 2014, and respecting the legal timeframe then, will make matters incontrovertible. The matters decided during the 2013 assembly will be confirmed at the 2014 Assembly.