

# Membership fee regulations

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## German Association for the Digital Economy - membership fee regulations

According to the decision of the General Assembly of June 9, 2022.

# § 1 Obligation to contribute

- 1. All members of the association except honorary members pay a membership fee. Admission fees are not charged.
- 2. In order to calculate the fee, members must submit their fee revenues (category A), commissioned volumes (category B), total revenues (category C) or digital revenues (category D) to the BVDW's member services department as the basis for calculating the fee, depending on the category.

### § 2 Regular members

1. the contribution of the ordinary members is determined for the different categories (categories A, B, C or D) according to the following: for the calculation of the contribution amount, the determined contribution assessment basis is transferred to the following contribution table. The total contribution is calculated by adding the contributions to be paid according to the benchmarks.

The basic values of the contribution assessment base are shown below in the contribution table.

Sales revenue

Membership fee in % based on sales revenue

Up to EUR	250,000	50% Minimum contribution
	500,000	
Up to EUR	750,000	0,2%
Up to EUR	1,000,000	O,175%
Up to EUR	1,250,000	0,15%
Up to EUR	1.750,000	0,125%
Up to EUR	2,500,000	O,11%
Up to EUR	3,750,000	0,075%
Up to EUR	7,000,000	O,05%
Up to EUR	10,000,000	0,035%
Up to EUR	15,000,000	0,025%
Up to EUR	25,000,000	0,022%
Up to EUR	35,000,000	O,O19%
Up to EUR	50,000,000	0,01875%
Up to EUR	75,000,000	0,01825%
Up to EUR	100,000,000	0,018%
Up to EUR	150,000,000	O,O15%
Up to EUR	250,000,000	0,007%
Up to EUR	500,000,000	0,00215%
Over		0,0%

- 2. The minimum membership fee is set at EUR 1,500.
- 3. the minimum contribution, contribution classes, contribution amounts and assessment bases shall be reviewed every two years at the general meeting to determine whether any adjustments are necessary.



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#### Category A: Service providers of the digital economy

Service providers of the digital economy report gross income to calculate the membership fee. Gross income includes all income and commissions generated in Germany by means of customer–specific consulting and implementation services for all areas of service according to the definition of the BVDW for the digital economy (no hosting or access sales). Included in the gross income are only net sales (without VAT) in the area of solutions for all major interactive platforms:

- Consultation
- Design
- · Implementation (design and programming)
- · Other gross income from media representation (media, without VAT, minus discounts and bonuses)
- · Commissions (CPX models)
- · License revenues

### Category B: Buyers for services of the digital economy/advertising industry

Buyers for services of the digital economy/advertising industry report the order volumes or the budget to calculate the membership fee

#### Category C: Providers of the digital economy/ marketers

Providers from category C report total sales (excluding sales tax) for contribution calculation.

### Category D: Providers of the digitally transforming economy

If a member generates only a portion of its revenues from digital business models and technologies and, upon application, has been approved by the Executive Committee as a digitally transforming company, the membership fee is based on digitally generated revenues, if these are certified by an auditor or a tax consultant

4. the basis for the calculation of the membership fee is the turnover of the previous year according to the information from the balance sheet or P&L. In principle, each member is obliged to report its turnover and the number of employees. The sales report must always be submitted by the company's tax advisor or auditor.

5. If a new member is unable to provide proof of turnover for the previous year due to the time of its entry into the market (e.g. time of entry into the Commercial Register), an estimate of turnover for the current financial year shall be submitted, which, in consultation with the Presiding Committee, shall serve as the basis for a provisional turnover classification to determine the amount of the contribution to be paid in accordance with § 2. Insofar as the turnover actually proven later justifies a higher turnover classification, the member is obliged to pay the difference in contribution resulting from the provisional and the actual turnover classification. In the event of a lower actual revenue classification, the member shall be entitled to a refund of the corresponding difference in contributions.

6. the reporting of turnover and number of employees shall be treated confidentially by the employees of the association. Inspection by third parties, including the Association's auditor(s), is excluded.

7. the contribution assessment basis of the previous year must be reported by November 30 of the current contribution year for the following contribution year. If an ordinary member does not provide evidence of the previous year's turnover or does not do so in accordance with the contribution regulations by November 30 of the current contribution year, the Presidium shall estimate the turnover for the following year and determine the corresponding contribution class. An appeal against this assessment is admissible. It must be submitted in writing to the office with proof of the previous year's turnover within six weeks at the latest (receipt by the Association) after presentation of the invoice. The Presidium shall decide on the merits of the objection.

8. the membership fee for affiliated companies of a member within the meaning of the German Stock Corporation Act (Aktiengesetz) may be calculated as follows upon application and proof: Basic amount of EUR 10,000 for the association and 50% of the regular fee for each company of the association. The Presiding Committee shall decide on the application by resolution.

The membership fee for agencies based in Germany that belong to an agency network that is subject to the Sarbanes Oxley Act can be calculated as follows upon application and proof: Basic amount of EUR 7,500 plus EUR 2,500 for each agency belonging to the group. The membership of the respective network has to be stated to the membership administration. The Executive Committee decides on the application by resolution.

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10. The Presidium may decide on special arrangements in justified individual cases and, if necessary, impose conditions.

# § 3 Special member

Special members pay an annual membership fee of 50% of the fee applicable to full members in the respective category. The contributions are non-refundable also if the special member does not make use of his membership rights or terminates the membership prematurely.

# § 4 Supporting member

The contribution amount for supporting members is a flat rate of 50% of the minimum contribution. Educational institutions under public law (universities, universities of applied sciences, etc.) are exempt from the compulsory contribution. Each sustaining member is entitled to voluntarily pay a higher than obligatory sustaining contribution to support the association. The voluntary amount is available for the purposes of the association like a membership fee.

## § 5 Due date and settlement

- 1. the membership fee is due in advance 21 days after invoicing for the current calendar year.
- 2. if the membership fee is not paid on time, the member is obliged to reimburse the association for the necessary costs and expenses incurred as a result of the collection.
- 3. if a member joins during the calendar year, the membership fee shall be owed pro rata only for the remaining full months of the year of joining. The resulting membership fee is due for payment three weeks after invoicing.
- 4. the member is obliged to inform the office of the association immediately of any changes leading to a different membership status. Subsequent claims or refunds of membership fees are possible within the statutory limitation periods.
- 5. in the event of withdrawal from the association during the calendar year, the full annual membership fee shall nevertheless be owed.
- 6. in the event of a transformation of companies, the assessment of membership fees for the current calendar year shall remain unaffected; all transferring and acquiring legal entities shall be jointly and severally liable for the membership fee liabilities, including any payment arrears.
- (7) Newly established companies or companies established by other means (demerger, spin-off, transformation, etc.) shall be assessed independently as of the beginning of the calendar year following their registration. In the event of a merger, the calculation of the membership fee in the following year shall be irrefutably based on the sum of the annual sales evidenced by the previous member companies in the current calendar year. In the event of a merger of companies with the participation of non-member companies, the next higher class compared to the previous year shall be assessed in the second year in accordance with the contribution table. In the event of a demerger,  $\S$  2 paras. 1 and 2 shall be applied in the following year.
- (8) The Presidium may decide on special arrangements in justified individual cases.

# § 6 Entry into force

These contribution regulations shall enter into force on January 1, 2023.