

FINANZAMT ST. WENDEL
(INLAND REVENUE)

Agent: Mr. H. Meister
Phone: 129
Room: 014
Tax Number: 060/140/02659

**Attachment to the Notice of Assessment of the Corporate Income Tax for
Year 2001 issued
30. 04. 2003**

**Name of corporation:
IFOAM, HOFGUT IMSBACH, 66636 THOLEY**

- 1. The tax liability extends itself exclusively on (uniform) taxable business operations of the corporation. As for all other activities, the corporation – according to § 5, section 1, no. 9 KStG*) - is exempt from corporate income tax, because the corporation is exercising solely and directly tax privileged nonprofit activities according to §§ 51 and seqq AO*).**
- 2. Notice concerning the issue of donation receipts:**

The corporation promotes the following activities, which are particularly recognized as being nonprofit:

Protection of the Environment and Nature, as well as vocational education

(see: Section A, No. (n) 4 and 5 of attachment to § 48 EStDV*)

Handling of donation receipts

The corporation is entitled to issue donation receipts for contributions granted for the above mentioned activities by using the legal form as described in § 50, section 1 EStDV*).

Treatment of affiliation fees

The corporation is entitled to issue donation receipts for affiliation fees paid, by using the appropriate legal form as described in § 50, section 1 EStDV*).

Notice: Anyone who – intentionally or negligently – issues an incorrect donation receipt, or, anyone responsible for ordering such an incorrect receipt not in agreement with the named tax privileged activities, will be held liable for any loss of taxes occurred by such incorrect donation receipts to the Fiscal authorities. As a matter of fact, losses of Income or Corporate Tax will be valued and charged by the Fiscal authorities at a flat rate amounting to 40% Corporate Tax and 10%

Trade Tax of the donated original amount (see § 10 b section 4 EStG, § 9, section 3 KStG, § 9, No. 5 GewStG*).

The donation receipt has to bear the date of the last corporate tax assessment or of the last notice of exemption. The tax office of the donator will assume falseness of the donation receipt, if the dates of the assessments are older than 5 years.

Donations for promotion of scientific, charitable and particularly recognized cultural purposes range above others in tax privileges (§ 10 b, section 1, sentence 2 to 4 EStG*), § 9, section 1, no. 2, sentence 2 to 4 KStG*), § 9 no. 5, line 2 to 4 GewStG*). If besides these activities other collateral tax favored activities are promoted, the revenues and expenses for the different activities have to be clearly separated on the corporation management level. This also applies in those cases where along with tax privileged activities acc. to §10 b section 1, EStG*) other activities of public interest, not tax privileged according to §10 b Abs. 1 EStG*), are promoted.

In reference to para 2, no decision is made of the organization's tax exempt status for the year(s) to follow the last corporate tax assessment period.

The notice has the purpose to inform you about the interpretation of the law by the fiscal authorities. They form no part of the corporate tax statement and are not, in any way, an administrative act in the sense of § 118 AO*), with the consequence that against such notice legal objection is not possible. The deductibility of donations is decided upon by the donator's tax authorities within the framework of the donators tax assessment procedure (see also the judgment by the (German) Federal Finance Court of September 11th, 1956, BStBl*) 1956 III p. 309).

Directions concerning the (*Collected Laws of the Laender**) are not affected by a recognition (of the corporation) as a tax-privileged organization.

Translation of German fiscal terms used in this document:

AO (Abgabenordnung)	Tax Procedural Law
BStBl (Bundessteuerblatt)	Federal Law Gazette
EStG (Einkommensteuergesetz)	Income Tax
EStDV (Einkommenssteuer-Durchführungsverordnung)	Executive Order concerning Income taxes
GewStG (Gewerbsteuergesetz)	Trade Tax
KStG (Körperschaftsteuer)	Corporate Tax
*Laender	The (single) Federal States of Germany

Original German version contains an official seal of the Internal Revenue Office in St. Wendel/Germany.