

Statutes of the Association “Initiative to Combat Cybercrime against Consumers and Retail Investors in Europe” (EFRI European Funds Recovery Initiative)

§ 1 Name, registered office and field of activity

- (1) The association bears the name "Initiative to Combat Cybercrime against Consumers and Retail Investors in Europe" (EFRI European Funds Recovery Initiative).
- (2) The association is based in Vienna and extends its activities to European countries. The financial year corresponds to the calendar year.
- (3) The establishment of branch associations is not intended.

§ 2 Purpose

The purpose of the association, whose activities are not for profit, is to promote and support national and international projects and various initiatives to combat cybercrime and promote cybersecurity, as well as knowledge of real wealth creation in the consumer and retail investor user segment.

With increasing digitalisation and the resulting global cybersociety, the extent of cybercrime is also increasing massively. The activities of many initiatives to increase cybersecurity focus primarily on the technical and organisational aspects of companies. The *EFRI European Funds Recovery Initiative*, on the other hand, concentrates on protecting consumers from online fraudsters through technical, organisational, communicative and legal measures. The protection of consumers and small investors forms the basis for the development of a sustainable cybersociety.

The organisation's activities focus on the following areas, among others:

- Preventive education/information/training on the dangers of cybercrime for consumers.
- Coordination and contact point for authorities, non-government organisations and private initiatives for data exchange and warnings regarding scams and investment fraud.
- Public early warning system against online fraudsters and their enablers in co-operation with media partners and social media operators.
- Development of a cybercrime database for statistical analysis.
- Ombudsman and contact point for victims of cybercrime and scams.
- Supporting victims in recovering their losses.
- All other measures to achieve the objective of the organisation.

The activities of the association are not profit-oriented, and the association pursues exclusively and directly charitable purposes according to its statutes and is therefore a non-profit organisation within the meaning of the applicable tax law provisions (§§ 34- 47 of the BAO)

§ 3 Means for achieving the purpose of the Association

- (1) The purpose of the association shall be achieved by the non-material and material means listed in paragraphs 2 and 3.
- (2) The following serve as intangible assets
 - a) Events
 - b) Public relations
 - c) Issuing of publications
 - d) Information activities
- (3) The necessary material resources are to be raised through
 - a) Donations
 - b) Membership fees
 - c) Sponsors
 - d) Other financial contributions

§ 4 Types of membership

- (1) The members of the association are divided into ordinary, extraordinary and honorary members.
- (2) **Ordinary** members are those who participate fully in the work of the association. **Extraordinary** members are those who support the Association's activities, primarily by paying a membership fee. **Honorary members** are persons or organisations who are appointed for special services to the association.

§ 5 Acquisition of membership

- (1) Physical persons as well as legal entities and partnerships with legal capacity can become members of the association.
- (2) The Executive Board decides on the admission of ordinary and extraordinary members. Admission can be refused without giving reasons.
- (3) Until the association is established, the provisional admission of ordinary and extraordinary members is carried out by the founders of the association or, in the case of an already appointed Executive Board, by the latter. This membership only becomes effective when the association is established. If an Executive Board is not appointed until after the association has been established, the (definitive) admission of ordinary and extraordinary members shall also be carried out by the founders of the association until then.

- (4) Appointment as an honorary member is made by the General Assembly at the request of the Executive Board.

§ 6 Termination of membership

- (1) Membership expires upon death, and in the case of legal entities and partnerships with legal capacity upon loss of legal status, voluntary resignation and exclusion.
- (2) Resignation can take place at any time. It must be declared in writing to the Executive Board at least one month before it becomes effective. The date of posting is decisive for timeliness.
- (3) The Executive Board may expel a member if, despite two written reminders setting a reasonable grace period, the member is more than six months in arrears with the payment of the membership fee.
- (4) The exclusion of a member from the association can also be ordered by the Executive Board for gross violation of other membership obligations and for dishonourable behaviour.
- (5) The revocation of honorary membership can be decided by the general meeting on the basis of a motion by the Executive Board for the reasons stated in paragraph 4.

§ 7 Rights and duties of members

- (1) Members are entitled to participate in all events organised by the association and to use the association's facilities. Only ordinary members have the right to vote at the general meeting and to stand for election.
- (2) Every member is entitled to request the Executive Board to hand over the Statutes.
- (3) At least one tenth of the members may request the Executive Board to convene a general meeting.
- (4) The members shall be informed by the Executive Board about the activities and financial management of the association at each general meeting. If at least one tenth of the members request this, stating reasons, the Executive Board must also provide the members concerned with such information within four weeks.
- (5) The Executive Board must inform the members about the audited financial statements (accounting). If this is done at the general meeting, the auditors must be involved.
- (6) Members are obliged to promote the interests of the association to the best of their ability and to refrain from doing anything that could jeopardise the reputation and purpose of the association. They must comply with the statutes and the resolutions of the association's bodies. Ordinary and extraordinary members are obliged to pay membership fees punctually in the amount decided by the General Assembly.

§ 8 Bodies of the Association

The bodies of the Association are the General Meeting (§§ 9 and 10), the Executive Board (§§ 11 to 13), the Advisory Board (§ 14) and the Executive Advisory Board (§ 15), the Auditors (§ 16) and the Court of Arbitration (§ 17). If female persons hold positions on governing bodies, they are assigned the female function designation.

§ 9 General Meeting

- (1) The General Meeting is the "members' meeting" within the meaning of the Association Act 2002. An ordinary general meeting takes place every five years and can also be held as part of a moderated virtual meeting within the meaning of Section 3 VirtGesG
- (2) In this case, the provisions for holding general meetings with the physical presence of participants apply mutatis mutandis, whereby all members entitled to participate must be guaranteed barrier-free access to the meeting. The Executive Board is responsible for deciding whether a virtual meeting should be held and which connection technology should be used.
- (3) An Extraordinary General Meeting is held at
 - a) resolution of the Executive Board or the General Meeting,
 - b) written application by at least one tenth of the members,
 - c) request of the auditors (§ 21 para 5 first sentence VereinsG),
 - d) resolution of the auditor(s) (§ 21 Para. 5 second sentence VereinsG, § 11 Para. 2 third sentence of these Statutes),
 - e) decision of a court-appointed trustee (§ 11 para. 2 last sentence of these statutes)within four weeks.
- (4) All members must be invited to both ordinary and extraordinary general meetings in writing, by fax or email (to the fax number or email address provided to the association by the member) at least two weeks before the date of the meeting. The general meeting must be convened, stating the agenda. The meeting shall be convened by the Executive Board (Para. 1 and Para. 2 lit a - c), by the auditor(s) (Para. 2 lit d) or by a court-appointed trustee (Para. 2 lit e).
- (5) Motions for the general meeting must be submitted to the Executive Board in writing, by fax or by e-mail at least three days before the date of the general meeting.

- (6) Valid resolutions - with the exception of those on a motion to convene an extraordinary general meeting - can only be passed on the agenda.
- (7) All members are entitled to attend the general meeting. Only ordinary members are entitled to vote. Each voting member has one vote. The transfer of voting rights to another member entitled to vote by means of a written authorisation is permitted.
- (8) The general meeting is quorate irrespective of the number of attendees.
- (9) Elections and resolutions at the general meeting are generally passed by a simple majority of the valid votes cast. However, resolutions to amend the association's statutes or to dissolve the association require a qualified majority of two-thirds of the valid votes cast.
- (10) The general meeting is chaired by the Chairman or, if he is unable to attend, by his deputy. If the latter is also unable to attend, the oldest member present shall chair the meeting.

§ 10 Tasks of the General Meeting

The following tasks are reserved for the general meeting:

- a) Resolution on the budget.
- b) Receipt and approval of the statement of accounts and the financial statements with the involvement of the auditors.
- c) Election and dismissal of the members of the Executive Board and the auditors.
- d) Authorisation of legal transactions between the auditors and the association.
- e) Discharge of the Executive Board.
- f) Determination of the amount of the joining fee and the membership fees ordinary and extraordinary members.
- g) Conferral and revocation of honorary membership.
- h) Resolution on amendments to the statutes and the voluntary dissolution of the Association.
- i) Consultation and resolution on other matters on the agenda.

§ 11 Executive Board

- (1) The Executive Board consists of the Chairman or Chairwoman and a Deputy Chairman or Deputy Chairwoman (hereinafter referred to as the Chairman or Deputy Chairman). The allocation of functions within the Executive Board is the responsibility of the Executive Board, which may adopt its own rules of procedure.
- (2) The Executive Board is elected by the General Meeting. If an elected member resigns, the Executive Board has the right to co-opt another eligible member in his or her place, whereby subsequent approval must be obtained at the next general meeting. If the Executive Board is unable to fulfil its duties at all or for an unforeseeably long period of time without self-appointment by co-optation, the auditors are obliged to immediately convene an extraordinary general meeting for the purpose of electing a new Executive Board. If the auditors are also unable to act, any ordinary member who recognises the emergency situation must immediately apply to the competent court for the appointment of a trustee, who must immediately convene an extraordinary general meeting.
- (3) The term of office of the Executive Board is five years; re-election is possible. Each

function on the Executive Board must be exercised personally.

- (4) The Executive Board is quorate if all its members have been invited and all its members are present.
- (5) The Executive Board passes its resolutions unanimously.
- (6) Apart from death and expiry of the term of office (Para. 3), the function of a member of the Executive Board expires through dismissal (Para. 9) and resignation (Para. 10).
- (7) The General Meeting may dismiss the entire Executive Board or individual members at any time. The dismissal takes effect upon the appointment of a new Executive Board or Executive Board member.
- (8) Members of the Executive Board may resign in writing at any time. The declaration of resignation must be addressed to the Executive Board or, in the case of the resignation of the entire Executive Board, to the General Meeting.

§ 12 Tasks of the Executive Board

The Executive Board is responsible for the management of the association. It is the "management body" within the meaning of the Association Act 2002 and is responsible for all tasks that are not assigned to another body of the association by the statutes. In particular, it is responsible for the following matters:

- a) Establishment of an accounting system in line with the requirements of the organisation with ongoing recording of income/expenditure and maintenance of a balance sheet as a minimum requirement.
- b) Preparation of the annual budget, the annual report and the financial statements.
- c) Preparation and convening of the general meeting in the cases of § 9 para. 1 and para. 2 lit a - c of these statutes.
- d) Informing the members of the association about the association's activities, the association's management and the audited financial statements.
- e) Management of the association's assets.
- f) Admission and exclusion of ordinary and extraordinary members of the association.
- g) Admission and termination of employees of the association.
- h) Appointment and dismissal of members of the association's advisory board.

§ 13 Special duties of individual members of the Executive Board

- (1) The chairman/chairwoman manages the day-to-day business of the association.

- (2) The association is represented externally by the chairman or deputy chairman. Written documents issued by the association require the signatures of two members of the Executive Board to be valid. Legal transactions between members of the Executive Board and the association require the approval of another member of the Executive Board.
- (3) Legal authorisations to represent the association externally or to sign on its behalf can only be granted by the members of the Executive Board named in para. 2.
- (4) In the event of imminent danger, the Chairman is authorised to make independent decisions under his own responsibility, even in matters that fall within the remit of the general meeting or the Executive Board; however, in the internal relationship, these require subsequent approval by the responsible association body.
- (5) The Chairman chairs the general meeting and the Executive Board.
- (6) The Chairman keeps the minutes of the general meeting and the Executive Board. He/she may also appoint a minute taker in individual cases.
- (7) In the event that the Chairman is unable to attend, his or her deputy shall take his or her place.

§ 14 Advisory Board

- (1) An Advisory Board is established to support the Executive Board in the performance of its activities. The Advisory Board has an advisory function and does not assume any executive responsibilities.
- (2) Advisory Board members can resign from their position at any time without giving reasons. The resignation is effective upon notification of the relevant Advisory Board member to the Executive Board.
- (3) The Advisory Board consists of at least 23 representatives of victims from various European countries. This is intended to support the organisation in being able to operate in the individual countries and to incorporate local conditions and practices into its management. After a member of the Advisory Board has resigned, a replacement is appointed based on the proposal of the Executive Advisory Board to be established (§15).
- (4) The Advisory Board members elect a Chairman and a Deputy Chairman; in addition to managing the Advisory Board, these persons are also members of the Executive Advisory Board (Section 15). Appointments are made by simple majority, whereby members can cast their vote by email or in online meetings.

§15 Executive Advisory Board (EAB)

- (5) An Executive Advisory Board (EAB) is set up to support the Executive Board in strategic and financial decisions.

- (6) The EAB consists of at least three members, whereby the chairperson and the deputy chairperson of the Advisory Board (Section 14) are mandatory members. The remaining members may be specialists from the fields of cybersecurity, consumer protection, law, etc. The EAB can have a maximum of five members. If the EAB consists of more than three members, at least three members must always be consumers affected by cybercrime and members of the Advisory Board pursuant to Section 14.
- (7) The Executive Board will involve the EAB in important issues relating to the management of the organisation and/or decisions on important issues, listen to its opinion and consult it on strategic issues in particular.
- (8) The EAB has decision-making powers with regard to
 - the decision with which third-party financing partners redress actions are brought pursuant to section 5 (3) of the Austrian QEG
 - decisions in the context of settlement offers in connection with redress actions filed pursuant to § 5 (3) of the Austrian QEG.
 - acceptance of donations from third parties that exceed € 10,000 per donation.
- (9) However, the above decisions should always be made in consultation with the Executive Board. If no joint agreement is reached after several unsuccessful attempts to reach an agreement, the decision regarding the above issues (which third-party funding partner, which conditions of the settlement offer, whether a grant is accepted) is made by the users affected by cybercrime represented in the EAB and members of the Advisory Board in accordance with Section 14.
- (10) Potential conflicts of interest in the above decisions must be disclosed by all members of the Executive Board and the EAB involved in the decision before the decision is made.
- (11) If the Chairman or Deputy Chairman of the Advisory Board is himself affected by the settlement agreement, another consumer affected by cybercrime from the Advisory Board shall take his position in accordance with Section 14 in order to avoid conflicts of interest.
- (12) With the exception of the Chairman and Deputy Chairman of the Advisory Board, the members of the EAB are appointed by the Executive Board on the basis of proposals from the Advisory Board.
- (13) The term of office is **two years**, with the possibility of reappointment.
- (14) Decisions within the EAB are made by simple majority.

§ 16 Auditors

- (1) Two auditors are elected by the General Meeting for a term of five years. Re-election is possible. The auditors may not belong to any body - with the exception of the General Meeting - whose activities are the subject of the audit.
- (2) The auditors are responsible for ongoing business control and auditing the financial management of the organisation with regard to the correctness of the accounts and the use of funds in accordance with the Statutes. The Executive Board must submit the necessary documents to the auditors and provide the necessary information. The auditors must report to the Executive Board on the results of the audit.
- (3) Legal transactions between auditors and the association require the approval of the general meeting. In all other respects, the provisions of § 11 (8) to (10) apply mutatis mutandis to the auditors.

§ 17 Arbitration Court

- (1) The association's internal arbitration court is responsible for settling all disputes arising from the internal association relationship. It is a "conciliation body" within the meaning of the Associations Act 2002 and not an arbitration court in accordance with §§ 577 ff ZPO.
- (2) The arbitration court shall be composed of three ordinary members of the association. It is formed in such a way that one party to the dispute nominates a member as arbitrator to the Executive Board in writing. At the request of the Executive Board within seven days, the other party to the dispute shall nominate a member of the arbitration court within 14 days. After notification by the Executive Board within seven days, the nominated arbitrators shall elect a third official member to chair the arbitration court within a further 14 days. In the event of a tie, the nominees shall be chosen by lot. The members of the arbitration court may not belong to any body - with the exception of the general meeting - whose activities are the subject of the dispute.
- (3) The arbitration court shall reach its decision by a simple majority of votes in the presence of all its members after both sides have been heard. It shall decide to the best of its knowledge and belief. Its decisions are final within the association.

§ 18 Voluntary dissolution of the association

- (1) The voluntary dissolution of the association can only be decided at a general meeting and only with a two-thirds majority of the valid votes cast.
- (2) This general meeting must also decide on the liquidation of the association, provided that there are assets. In particular, it must appoint a liquidator and decide to whom the liquidator is to transfer the remaining assets of the association after covering the liabilities.

- (3) In the event of the dissolution of the association or the discontinuation of the intended purpose of the association, the remaining assets of the association shall be used exclusively for the purposes listed in this legal basis and favoured in accordance with § 4a para. 2 EStG 1988.