

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
COUNCIL ON STATE TAXATION

As adopted by the Board of Directors on November 6, 2001

ARTICLE I
NAME

1. Name. The name of the corporation is COUNCIL ON STATE TAXATION, a Virginia nonstock corporation (hereinafter called the "Corporation").

ARTICLE II
PURPOSE

2.1 Purpose. The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. The Corporation is organized to promote the common business interests of its members and shall be operated exclusively for the purposes enumerated in §501(c)(6) of the United States Internal Revenue Code of 1986, as amended (the "Code"). The nature of the business of the Corporation and the objects or purposes to be transacted, promoted or carried on by it are as follows:

- (i) to preserve and promote the use of equitable and non-discriminatory methods of state and local taxation of business enterprises conducting business in more than one taxing jurisdiction;
- (ii) to eliminate inequitable and discriminatory distortion of otherwise legitimate methods of determining taxes levied on corporations and to prevent further extension thereof;
- (iii) to promote the adoption of proper methods of assigning values, income, and taxable incidents among the several taxing jurisdictions;
- (iv) to restrict the bases for taxation by states and localities to those reasonably related to activities carried on within their respective geographical boundaries;

- (v) to collect, analyze, and disseminate information with respect to existing and proposed legislation, regulations, and administrative actions that is pertinent to the purposes of the Corporation as stated above;
- (vi) to present the views of the Corporation to other organizations, governmental bodies and other interested persons;
- (vii) to educate and inform members of the Corporation regarding substantive and procedural state taxation issues and the Corporation's related purposes; and
- (viii) to do any and all such acts or things and to exercise any and all such further powers or rights as may be necessary, incidental, relative, conducive, appropriate or desirable for the accomplishment, carrying out or attainment of the purposes stated in this Article or other purpose that is not inconsistent with the organization and operation as a trade or business association within the meaning of Section 501 (c)(6) of the Internal Revenue Code.

The foregoing enumerated objects and purposes shall be in no way limited or restricted by reference to, or inference from, the terms of any other clause of these Articles of Incorporation, as amended from time to time (the "Articles") (other than Article IV), and shall each be regarded as independent; and they are intended to be and shall be construed as powers as well as purposes and objects of the Corporation and shall be in addition to and not in limitation of the general powers of nonprofit public benefit corporations under the laws of the Commonwealth of Virginia.

2.2 Compliance with the Code. Notwithstanding any other provision of these articles, the Corporation shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under §501(c)(6) of the Internal Revenue Code.

ARTICLE III MEMBERS

3. Members. The Corporation shall be a membership corporation and shall have no authority to issue capital stock. The corporation shall have two classes of members. The qualifications and rights of members, including but not limited to voting rights, shall be as stated in the Bylaws.

ARTICLE IV DIRECTORS

4.1 Number, Term, Classification. The number of Directors which shall constitute the whole of the Board of Directors shall be established by resolution adopted by an affirmative vote of a majority of the Board of Directors from time to time. Except as provided in Section 4.2, the Directors of the Corporation shall be elected or appointed as follows:

- (i) All Directors (except as provided in subsection (iii) below) who shall be designated representatives of active voting members of the Corporation, shall be elected by the active voting members, each for a term of three (3) years. Only one representative from the same voting member may serve as a Director on the Board of Directors at any given time. The Directors shall be divided into three (3) classes, as nearly equal in number as possible: the first class, the second class and the third class. Each Director shall serve for a term ending on the third annual meeting following the annual meeting at which such Director was elected. At each such annual meeting, beginning in 2001, the successors to the class of Directors whose term expires at the time shall be elected by the active voting members [to hold office for a term of three (3) years] to succeed those Directors whose term expires, so that the term of one class of Directors shall expire each year, unless by reason of any intervening changes in the authorized number of Directors, the Board of Directors shall have designated one (1) or more directorships whose term then expires as directorship of another class in order more nearly to achieve equality of number of Directors among the classes of Directors. Notwithstanding the requirements that the three (3) classes of Directors shall be as nearly equal in number of directors as possible, in the event of any change in the authorized number of Directors, each Director then continuing to serve as such shall nevertheless continue as a Director of the class of which she/he is a member until the expiration of her/his current term, or her/his prior resignation, disqualification, disability or removal.
- (ii) Each year following the election of the applicable class of Directors, the Directors shall elect a Chair of the Board, a Vice-Chair of the Board, a Treasurer and a Secretary selected from the existing Board of Directors, each for a term of one (1) year.
- (iii) Previous Chairs of the Board, so long as such previous Chairs of the Board are designated representatives of active voting members of the Corporation, may serve on the Board of Directors without election.

If, for any reason, any election specified above shall not have occurred at an annual meeting, such election may occur as soon thereafter as convenient in the manner provided in the Bylaws of the Corporation.

4.2 Vacancies. Vacancies on the Board of Directors shall be filled by a majority vote of the Board of Directors in accordance with procedures set forth in the Bylaws, provided, however, that:

- (i) Only previous Chairs of the Board are eligible to fill positions on the Board of Directors established pursuant to Section 4.1(iii) hereinabove.
- (ii) In the event the position of Chair of the Board becomes vacant, the Vice-Chair of the Board shall become the Chair of the Board for the remainder of the Chair's term. The

vacancy in the position of the Vice-Chair of the Board shall be filled by a majority vote of the Board of Directors in accordance with procedures set forth in the Bylaws.

A vacancy on the Board of Directors shall be deemed to exist under this section in the case of the death, removal or resignation of any Director.

4.3 Amendments to Bylaws. The Board of Directors is expressly authorized to make, alter, or repeal the Bylaws of the Corporation.

ARTICLE V AMENDMENTS TO ARTICLES

5. Amendment to Articles. The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon members herein are granted subject to this reservation.

ARTICLE VI LIMIT ON LIABILITY AND INDEMNIFICATION

6.1 Definitions. For purposes of this Article the following definitions shall apply:

(a) “Corporation” means this Corporation only and no predecessor entity or other legal entity;

(b) “expenses” include counsel fees, expert witness fees, and costs of investigation, litigation and appeal, as well as any amounts expended in asserting a claim for indemnification;

(c) “liability” means the obligation to pay a judgment, settlement, penalty, fine, or other such obligation, including without limitation, any excise tax assessed with respect to an employee benefit plan;

(d) “legal entity” means a corporation, partnership, joint venture, trust, employee benefit plan or other enterprise;

(e) “predecessor entity” means a legal entity the existence of which ceased upon its acquisition by the Corporation in a merger or otherwise; and

(f) “proceeding” means any threatened, pending, or completed action, suit, proceeding or appeal whether civil, criminal, administrative or investigative and whether formal or informal.

6.2 Limit on Liability. In every instance in which the Virginia Nonstock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of liability of Directors or Officers of a corporation to the corporation or its Members, the Directors and Officers of the Corporation shall not be liable to the Corporation or its Members.

6.3 Indemnification of Directors and Officers. The Corporation shall indemnify any individual who is, was or is threatened to be made a party to a proceeding (including a proceeding by or in the right

of the Corporation or by or on behalf of its Members) because such individual is or was a Director or Officer of the Corporation or because such individual is or was serving the Corporation, or any other legal entity in any capacity at the request of the Corporation while a Director or Officer of the Corporation, against all liabilities and reasonable expenses incurred in the proceeding except such liabilities and expenses as are incurred because of such individual's willful misconduct or knowing violation of the criminal law. Service as a Director or Officer of a legal entity controlled by the Corporation shall be deemed service at the request of the Corporation. The determination that indemnification under this Section 6.3 is permissible and the evaluation as to the reasonableness of expenses in a specific case shall be made, in the case of a Director, as provided by law, and in the case of an Officer, as provided in Section 6.4 of this Article; provided, however, that if a majority of the Directors of the Corporation has changed after the date of the alleged conduct giving rise to a claim for indemnification, such determination and evaluation shall, at the option of the person claiming indemnification, be made by special legal counsel agreed upon by the Board of Directors and such person. Unless a determination has been made that indemnification is not permissible, the Corporation shall make advances and reimbursements for expenses incurred by a Director or Officer in a proceeding upon receipt of an undertaking from such Director or Officer to repay the same if it is ultimately determined that such Director or Officer is not entitled to indemnification. Such undertaking shall be an unlimited, unsecured general obligation of the Director or Officer and shall be accepted without reference to such Director's or Officer's ability to make repayment. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that a Director or Officer acted in such a manner as to make such Director or Officer ineligible for indemnification. The Corporation is authorized to contract in advance to indemnify and make advances and reimbursements for expenses to any of its Directors or Officers to the same extent provided in this Section 6.3.

6.4 Indemnification of Others. The Corporation may, to a lesser extent or to the same extent that it is required to provide indemnification and make advances and reimbursements for expenses to its Directors and Officers pursuant to Section 6.3, provide indemnification and make advances and reimbursements for expenses to its employees and agents, the Directors, Officers, employees and agents of its subsidiaries and predecessor entities, and any person serving any other legal entity in any capacity at the request of the Corporation, and may contract in advance to do so. The determination that indemnification under this Section 6.4 is permissible, the authorization of such indemnification and the evaluation as to the reasonableness of expenses in a specific case shall be made as authorized from time to time by general or specific action of the Board of Directors, which action may be taken before or after a claim for indemnification is made, or as otherwise provided by law. No person's rights under Section 6.3 of this Article shall be limited by the provisions of this Section 6.4

6.5 Miscellaneous. The rights of each person entitled to indemnification under this Article shall inure to the benefit of such person's heirs, executors and administrators. Special legal counsel selected to make determinations under this Article may be counsel for the Corporation. Indemnification pursuant to this Article shall not be exclusive of any other right of indemnification to which any person may be entitled, including indemnification pursuant to a valid contract, indemnification by legal entities other than the Corporation and indemnification under policies of insurance purchased and maintained by the Corporation

or others. However, no person shall be entitled to indemnification by the Corporation to the extent such person is indemnified by another, including an insurer. The Corporation is authorized to purchase and maintain insurance against any liability it may have under this Article or to protect any of the persons named above against any liability arising from their service to the Corporation or any other legal entity at the request of the Corporation regardless of Corporation's power to indemnify against such liability. The provisions of this Article shall not be deemed to preclude the Corporation from entering into contracts otherwise permitted by law with any individuals or legal entities, including those named above. If any provision of this Article or its application to any person or circumstance is held invalid by a court of competent jurisdiction, the invalidity shall not affect other provisions or applications of this Article, and to this end the provisions of this Article are severable.

6.6 Amendments. No amendment, modification or repeal of this Article shall diminish the rights provided hereunder to any person arising from conduct or events occurring before the adoption of such amendment, modification or repeal.