

## **Bylaws of the European Plastics Distributors Association**

### **Article 1**

#### **Name, Registered Office and Fiscal Year**

- (1) The Association shall have the legal form of a registered association as an “eingetragener Verein” under German law (i.e. an incorporated association with independent legal existence), and shall have the name “European Plastics Distributors Association e.V.” (**EPDA**).
- (2) The principal office of the Association shall be in **Laufach, Germany** (place).
- (3) The Association is entered in the Register of Associations of the competent Local Court Aschaffenburg.
- (4) Its fiscal year shall be the calendar year.

### **Article 2**

#### **Purpose, Objectives**

- (1) The EPDA shall have the purpose of promoting the business interests of the plastics distributing and plastics processing industry and its members, and of representing them vis-à-vis third parties, in particular by fulfilment of the following tasks:
  1. Keeping the responsible authorities informed of problems, concerns and wishes of its members;
  2. Advising and supporting the legislative bodies, and government departments at national and regional levels, as well as in the European Union, in the elaboration and preparation of relevant legislative issues and legal regulations;

3. Elaborating rules of competition where needed, and having them registered with the competent cartel authority;
  4. Combating unfair competition in business advertising and in all other forms by all means available, and vigorously opposing any violations of commercial ethics and improper commercial practice;
  5. Maintaining contact with the press by means of public relations, keeping the media (specialist and general interest newspapers and magazines) constantly informed of problems, concerns and wishes of the Association and its members, and working for a favourable image and reputation of the Association and its members in public;
  6. Monitoring, maintaining and constantly improving the quality and standards of raw materials and semi-finished plastic products and plastic articles;
  7. Growing the plastics distribution industry through educating the membership and the greater plastics community about the characteristics and benefits of plastics materials.
- (2) The objectives indicated above are to be achieved by intensive exchange of information and consultation among the members, exchange of experience and cooperation of members among one another, lectures, seminars, working groups and social events, and by the appointment of expert commissions in certain areas.
- (3) The Association shall not pursue any goals contrary to cartel legislation, and shall abstain from any behaviour and activities that could even give rise to suspicion of a cartel. Departures from these rules may be affected exclusively by way of change in the Bylaws, by a resolution of the Meeting of Members.

The Association shall not engage in commercial business.

### **Article 3**

#### **Membership**

(1) Members of the EPDA may be physical persons or legal entities, or groups of persons or legal entities, whereby the following conditions (section 2-4) must be fulfilled.

(2) Membership of the EPDA is subdivided into the following categories:

– Distributor members:

These are companies that primarily operate as wholesalers for distribution of finished or semi-finished plastic products/plastic goods. They must have a total annual sales volume in distribution of plastic products/plastic goods of more than €1 million. Their sales volume in distribution of plastic products/plastic goods must account for at least 25% of the total gross sales volume of the company.

– Manufacturer members:

These are companies whose primary activities are manufacture of finished or semi-finished plastic products. They have to make use of distributors for sale of their products, and sell at least 51% of their gross sales volume in plastic products through distributors.

– Honorary members and special members:

The Board of Directors may by unanimous decision grant a physical person Honorary or Special Membership, if such person has rendered outstanding services to the EPDA or to the plastic processing and distributing industry. The Board of Directors shall determine the duration of such membership and, if applicable, shall determine the amount of the annual membership fee.

– Association members:

An incorporated association to which a number of companies of the plastic processing or plastic distribution industry belong may be granted membership of the Association under the following conditions:

- + Such association has been in existence for more than two years;
- + The members of such association conduct their business in a manner which is in accordance with the practices of the EPDA and with the provisions of the present Bylaws;
- + Such association and its members comply with applicable law in their business operations, in particular with the applicable European and international rules of competition.

Exceptions to the above requirements can be made for any membership category by the Board of Directors, provided that this involves no disadvantages for the EPDA.

(3) The EPDA comprises full members and associate members.

Full members are those members to whom distributor, manufacturer or association membership has been granted.

Associate members are those to whom honorary or special membership has been granted.

(4) The number of members of the EPDA is not limited, but at least 51% of the full members must be distributor members.

**Article 4**  
**Rights and Duties of Members; Membership Fees**

- (1) Every member has the right to use the facilities of the Association and to call upon its support within the framework of the purposes of the Association as set out in the Bylaws.
- (2) Full members have the following rights:
  - They shall be invited by the Board of Directors to the annual Meeting of Members;
  - On request by 30% of the full members, a special Meeting of Members can be convened;
  - They have the right of voting, which can be exercised at every Meeting of Members;
  - Their voting right may be exercised by proxy in accordance with the provisions of the present Bylaws, at every Meeting of Members;
  - They shall be entitled to inspect the register showing the minutes of the Meeting of Members;
  - Further rights may be granted to full members by the Bylaws.
- (3) Full members have the following duties:
  - Payment of the annual membership fees, and of the admission fees, in accordance with the provisions of the present Bylaws and of the Rules for Membership Fees;
  - Avoidance of any behaviour that would conflict with the objectives of the EPDA and the provisions of the present Bylaws;
  - Further duties may be established by the Bylaws.

- (4) Associate members have the following rights:
- They shall be invited by the Board of Directors to every annual Meeting of Members; if so decided by the Board of Directors, they may also be invited to special Meeting of Members;
  - Right to inspect the register of minutes of Meeting of Members;
  - Further rights may be determined by the present Bylaws.
- (5) The associate members have the following duties:

- Payment of the annual membership fees and the admission fee, in accordance with the provisions of the present Bylaws and of the Rules for Payment of Fees;
- Avoidance of any behaviour that would conflict with the objectives of the EPDA and the provisions of the present Bylaws;
- Further duties may be established by the Bylaws.

Associate members have no voting rights at the Meeting of Members.

- (6) The members shall support the objectives and the standing of the Association to the best of their abilities. They therefore have a duty to comply with commercial standards and ethics and to observe fair behaviour in competition.
- (7) The EPDA incurs costs in the fulfilment of its functions, and these are covered by the non-recurring admission fees paid by new members on admission and by the annual membership fees. The details of this, such as the amount, due date for payment, and consequences of late payment, are regulated by the Rules for Membership Fees which are to be adopted by the Meeting of Members. These rules may also specify differentiated admission and membership fees. The Meeting of Members may adopt resolutions for special contributions or charges in order to cover the costs resulting from specified projects.

**Article 5**  
**Admission of New Members**

- (1) The application for admission, in which the applicant undertakes to comply with the provisions of the Bylaws, is to be addressed on an application form provided by the EPDA to the Board of Directors, which is to decide on admission by unanimous vote.
  
- (2) The conditions for admission are as follows:
  - Compliance with the criteria for the membership categories as set out in Article 3 (2);
  - At least two years uninterrupted engagement in business in the plastics processing or plastics distribution industry;
  - A company that seeks distributor membership must have sponsorship from two members of the EPDA or the International Association of Plastics Distribution, at least one of which is a manufacturer member;
  - A company that seeks manufacturer membership must have sponsorship from at least two distributor members of the EPDA or the International Association of Plastics Distribution.

**Article 6**  
**Termination of Membership**

- (1) Membership shall be terminated by:
  - Death or, in the case of legal entities and associations of persons, dissolution thereof;
  - Resignation, which is to be declared to the Board of Directors in writing with a period of notice of 3 months prior to the year-ending 31 December;

- Formal expulsion, which shall be possibly by resolution of the Meeting of Members (cf. para. 2);
- Expulsion by resolution of the Board of Directors, if the member is 2 months or more behind in payment of the annual membership fee, and the Association has already sent two written notices of reminder for payment without effect, whereby the first such reminder notice is to be sent not earlier than 4 weeks after the due date for payment, and the second reminder notice is to be sent not earlier than 6 weeks after the due date for payment, making reference to the threatening expulsion, if the member has become insolvent or if the member has violated the relevant rules of competition.

(2) The Meeting of Members may declare expulsion of a member by a 2/3 majority of the votes of full members in attendance, if

- The member wilfully violates the objectives or interests of the Association to a significant extent or repeatedly violates them;
- The member has been legally convicted of violating anti trust law;
- The conditions for admission set out in Article 5 (2) are no longer fulfilled, or did not exist in the first place;

The Board of Directors shall inform the member affected of such expulsion by recorded delivery. Such expulsion resolution may be contested only within a period of 2 months from the date of delivery of such letter.

(3) On termination of membership for the reasons set out above, the former member or its legal successor shall not be entitled to reimbursement, either in full or in part, of the annual membership fee paid.

**Article 7**  
**Sources of Income**

- (1) The expenditures and costs arising from the functions of the Association are to be covered by membership fees, donations and other income.
- (2) Members are required to pay membership fees and an admission fee on admission to the Association. The amount of the membership fees and admission fees and the due dates for payment of membership fees are decided by the Meeting of Members by means of the separate Rules for Membership Fees. The Board of Directors by majority vote may decide on penalties or penalties assessed to members for late payment of membership fees and/or other amounts due the Association.

**Article 8**  
**Official Bodies of the Association**

The official bodies of the Association are:

- The Meeting of Members;
- The Board of Directors;
- The Advisory Board, which may be formed on resolution of the Meeting of Members from persons who appear suitable for the purpose.

**Article 9**  
**Meeting of Members**

- (1) The ordinary meetings of the Meeting of Members shall be convened every year within the period from the first half of May to the second half of June. The Board of Directors shall convene the Meeting of Members by a special written invitation, indicating the agenda. The invitation must be sent by recorded delivery to the last address of each full or associate member known to the Board

of Directors, and shall be posted at least one month but not more than three months before the date of the meeting.

The Board of Directors shall determine the agenda, and any full member may submit a written application for addition to the agenda up to a final date of one week before the meeting. Whether such addition is made is up to the Board of Directors, which shall decide at its own discretion and in duty bound. However, it is required to make such addition if such application is supported by one tenth or more of the full members. Any addition is to be notified to the members in the same way as the invitation to the meeting was issued. If that is not possible, the Meeting Chairman shall provide information of such addition at the beginning of the meeting.

- (2) A special Meeting of Members shall be convened if required by the interests of the Association or if 30% or more of the full members submit a written request to the Board of Directors to that effect.
- (3) The Meeting of Members is responsible for ordering the business of the Association, except where allocated by the present Bylaws to another body. It shall in particular adopt resolutions on the following:
  - Appointment, approval of the acts of and dismissal of Board of Directors members;
  - Appointment and dismissal of Advisory Board members;
  - The Rules on Membership Fees;
  - Any new objectives of the Association;
  - Expulsion of a member;
  - Dissolution of the Association and allocation of its assets, requiring a majority of 2/3 of the full members present;

- Amendments to the Bylaws, requiring a 2/3 majority of the full members present.
- (4) Meetings of the Meeting of Members shall not be open to the public. The Meeting Chairman may admit guests to the meeting, unless the Assembly decides otherwise.

Every full member shall have one vote at the Meeting of Members. Proxy voting shall be permissible. Such power of proxy must be submitted to the Chairman of the Board of Directors in writing at least seven days before the convened meeting.

Mail Ballots. All matters of business, which are subject to a vote, can be submitted to the membership by mail ballot. If a vote is carried out by mail ballot a respite of 60 (sixty) days needs to be granted to the membership to turn in their vote. If the membership has been notified at the time of submission of the mail ballot that the poll shall be deemed closed as soon as a, for the issue in question necessary, majority is reached, this 60 day period can be abbreviated. The mail ballot can be carried out on printed matter or electronically.

These provisions for a mail ballot are also in effect for all matters reserved or assigned to the Board of Directors.

If notice thereof is given with the mail ballot, the 60-day period may be waived upon receipt of ballots from a majority of the membership.

The Meeting of Members shall be quorate if properly convened and if at least half of the full members are present or duly represented, or in the case of adoption of a resolution on dissolution of the Association or expulsion of a member at least 2/3 of the full members are present or duly represented. If the requisite attendance is not achieved, the Meeting of Members shall be convened again, observing the provisions applicable for convening a meeting; a new

meeting shall be quorate even if attendance is less than the specified levels but at least three full members with voting rights are present, provided that the invitation convening such second meeting contains a reference to the fact that the meeting will be quorate if three or more full members with voting rights are present. Resolutions shall be adopted by the majority of full members present, except in cases of amendment of the Bylaws, expulsion of a member pursuant to Article 6 (2) or dissolution of the Association pursuant to Article 12.

- (5) Minutes shall be prepared of the deliberations of the Meeting of Members, and signed by the Minute Keeper. The minutes shall be made accessible to the members in appropriate form within six weeks from the date of the meeting. Any objections to the minutes may be raised only within one month from this time. All minutes shall be retained in a register at the registered office of the Association.

### **Article 10** **Board of Directors**

- (1) The Board of Directors shall comprise the President, Vice President, Immediate Past President, up to two further members of the Board of Directors and appointed committee chairs. (1) Any representative of a distributor member or a manufacturer member is eligible for membership of the Board of Directors, whereby the Board must be composed of at least 51 percent distributor members at any time.
- (2) The members of the Board of Directors are elected by the Meeting of Members for a term of two years; re-election is permissible, but the office of President of the Board of Directors may be exercised for two years only. The term of office of a member of the Board of Directors ends with taking over of office by the respective successor. If the office of a member of the Board of Directors is terminated prematurely due to death, resignation or expulsion, the Board of

Directors, at its discretion, may choose to have the remaining members of the Board of Directors take over that member's responsibilities until a new member has been elected at the next Meeting of Members, or appoint a candidate to fulfil the remaining term of the position.

- (3) The position of President may be fulfilled by either a representative of a distributor or manufacturer association member in good standing.
- (4) The Board of Directors shall manage the business of the Association. Its responsibilities include all business which has not been allocated by the Bylaws to the Meeting of Members or the Advisory Board.
- (5) The Board of Directors makes its decisions by resolutions at meetings of the Board of Directors, which it shall convene at least two times a year, and of which minutes are to be kept. Invitations to meetings of the Board of Directors are to be issued, indicating the agenda, and with a period of notice of one week, by the President or Vice President, whereby the Vice President shall do so only in the event that the President is prevented from doing so. The presence of six Board of Directors members, including the President or Vice President, shall be sufficient for the Board of Directors to be quorate. Voting shall be by the majority of the Board of Directors members present; in the event of parity of voting, the President or Vice President shall have the casting vote, whereby the Vice President shall have this right only in the event that the President is prevented from attending.
- (6) The President or Vice President, in the event that the President is unable to attend, shall be entitled to sole representation for acts in law of the Association. In their actions they shall at all times be guided by the purposes of the Association, in particular by the Bylaws and by resolutions of the Meeting of Members, the Advisory Board and the Board of Directors.
- (7) The office of a member of the Board of Directors' shall come to an end prematurely under the following conditions:

- If the member of the Board of Directors wishes to resign its office prematurely at its own request;
- If the company for which the Board of Directors member is a member of the Board of Directors ceases to be a member of the Association;
- If the majority of the full members present adopts a resolution for its expulsion.

### **Article 11** **Advisory Board**

- (1) The Advisory Board shall if possible comprise at least five persons, who represent the different areas of interest of the Association and who do not belong to the Board of Directors. The members of the Advisory Board are elected by the Meeting of Members for a term of two years; re-election is permissible, but the office of President of the Board of Directors may be exercised for two years only. The members of the Advisory Board shall elect from among their number a President and Vice President.
  
- (2) The principal function of the Advisory Board is to advise the Board of Directors in all matters concerning the Association. The Advisory Board shall also represent the interests of the members vis-à-vis the Board of Directors in the periods between Meetings of Members. The Board of Directors shall invite the Advisory Board members to its meetings, indicating the agenda, and giving reasonable notice.

**Article 12**  
**Dissolution**

- (1) Dissolution of the Association may only be resolved by the Meeting of Members with a majority of 2/3 of the full members present.
- (2) Division of assets shall then be effected in accordance with the provisions of the German Civil Code (BGB). The use of any Association assets remaining after said division of assets shall be decided by the Meeting of Members.