

*"ARTICLES OF ASSOCIATION"*

**TITLE I. – NAME – REGISTERED OFFICE – PURPOSE - DURATION**

**Article 1. Name**

The organization is founded as an international non profit organization (hereafter "Association") following the Code on companies and associations in Belgium.

The Association carries the name "**International Cellulosics Association**" (ICA).

This name should figure in all deeds, invoices, announcements, publications, letters, orders and other documents by the organization, and should immediately be preceded or followed by the words "international non profit organization" or by its abbreviation "INPO", as well as the exact designation of the seat of the organization.

**Article 2. Registered office**

The registered office of the Association is located at 1150 Woluwe-Saint-Pierre, Avenue de Tervueren 188a box 4, Brussels Capital Region.

The Board has the competence to move the seat to any place within the French-speaking region in Belgium in accordance with the Code on companies and associations.

**Article 3. Purposes**

The Association has as international non-profit making purpose of international use:

To support the interest of its members with regards to the manufacturing and use of cellulose and cellulose derivatives in foodstuffs, pharmaceutical products, feedstuffs, personal care as well as in other industrial applications, by:

1. Informing members on official rules and regulations concerning cellulose and cellulose derivatives at international level.
2. Being a trusted knowledge partner on the science behind the safety of cellulose and cellulose derivatives.
3. Coordinating and commissioning analytical and toxicological research work, particularly with a view to continue demonstrating the safety of cellulose and cellulose derivatives for human health.
4. Supporting the evaluation and related activities of cellulose and cellulose derivatives for their use in foodstuffs, pharmaceutical products, feedstuffs, personal care as well as in other industrial applications.
5. Implementing education activities on the benefits of cellulose and cellulose derivatives.
6. Coordinating appropriate activities with other relevant stakeholders involved with cellulose and cellulose derivatives to achieve the above-mentioned objectives.

#### **Article 4. Duration**

The Association is established for an indefinite period of time.

### **TITLE II. MEMBERSHIP**

#### **Article 5. Membership**

There are two categories of Association member:

##### **Section 1: Full Members**

Full Member is any legal organization that manufacture cellulose and cellulose derivatives for use in either foodstuffs, pharmaceutical products, feedstuffs, personal care as well as in other industrial applications.

Full Members have all rights and obligations that are mentioned in the Code on companies and associations and that are written down in these articles of association.

##### **Section 2: Associate Members**

Associate Member is the user and distributor of cellulose and cellulose derivatives products.

Associated Members have no voting rights.

#### **Article 6. Application for membership**

The candidate member addresses its application for membership to the Secretary General by indicating in which membership category it wants to join and providing a proof of being constituted or incorporated in accordance with the laws of its jurisdiction of constitution or incorporation.

The Secretary General submits such application to the Board that will decide whether or not to accept the candidate as Full Member or Associate Member at its following meeting. The decision will be taken by a simple majority of the members of the Board.

The Board has the discretion to decide on objective and neutral grounds that a certain candidate will not be accepted as a Full Member or Associate Member.

#### **Article 7. The rights and obligations**

All members have the right to participate to the meetings of the General Assembly.

The obligations of the Full Member and Associate Member shall include:

- abiding by these Statutes and any other rule and regulation established by the Board or the General Assembly

- paying the membership fee fixed annually by the General Assembly, upon recommendation of the Board.

The Board has the right to invite companies, which do not qualify for membership, but which have an interest in the activities of the association, to attend the association's meetings.

## **Article 8. Resignation and termination of membership**

### Section 1: Resignation from membership

Any member wishing to resign from the Association must provide written notice thereof to the Secretary General. If notice of such resignation is received by the Secretary General on or before June 30<sup>th</sup>, then no membership dues will be payable by the resigning member for the following year. If notice of such resignation is received by the Secretary General on or after July 1<sup>st</sup> the resigning member's half year (six months) dues for the following year will continue to be payable.

Withdrawal shall be effective upon fulfilment of all financial obligations incurred up to and including the date said withdrawal becomes effective.

### Section 2: Termination of membership

Membership in the Association may be terminated if the entity ceases to meet the membership criteria as set forth in Article 5.

A member may be excluded from the Association, on recommendation of the Board, by a vote of the members holding at least two-thirds of the votes in the General Assembly, by reason of non-payment of dues or other amounts owed within six (6) months after they become due, in the event of a member no longer fulfilling the conditions of membership or in the event of a member failing to comply with the rules and regulations of the Association or for cause.

Prior to any such vote, the member will have the right to be heard by the General Assembly either in person or via conference call or via written procedure. For purposes of determining the vote required for exclusion, the member that is subject to the exclusion vote shall not be permitted to vote, nor shall his voting rights be counted as part of the total voting rights for purposes of determining whether the required voting majority is reached. The presence of the member concerned shall be counted for the purposes of determining whether the quorum requirement is met.

Any member, which has not paid its dues or other amounts owed within six (6) months after they become due, will have all its membership rights restricted until payment.

Any member, which ceases to be part of the Association for any reason, will no longer have any claim of right on or access to the Association funds or documentation.

Confidential information - shared to the Association by a member whose membership has terminated - shall continue to be treated as confidential and should not be used, unless its use is relevant as it refers to a study/project/dossier not finalized yet and started when the member was still in the association's membership.

## **Article 9. Additional membership categories**

The General Assembly may also decide to create new membership categories in the Association by specifying the rights and obligations of the newly created membership category.

### **Title III Membership Dues and Finances**

## **Article 10. Membership Dues**

### **Section 1: Annual Dues.**

The membership dues are established every year by the General Assembly upon recommendation of the Board, based on the estimated budget of the Association for the coming year.

New members shall pay the full dues upfront for the first 12 months of their membership following the Board's acceptance of the application for membership. If a company joins the Association after the start of the financial year, it will pay upfront the yearly dues but pro-rated to the number of months from when the Board has accepted the application form until the end of the year. The company will benefit from the rights of being a member of the association (as described in Article 7 above) only upon the association's receipt of the upfront payment of the that year's dues.

If a member resigns or is excluded from the Association, all dues shall remain payable for the year in which the resignation or exclusion is effective. Furthermore, a resigning member must comply with the notice and payment requirements of Article 8. hereof.

### **Section 2: Other Fees and specific expenses.**

The Board may determine from time to time the amount of other fees and specific expenses payable to the Association and proposed for the carrying out of any special project or study.

Specific projects / studies might be carried out by some of the members. In this case, only those members participating at the specific project / study will bear the costs of the project / study and will agree on how to shares those costs amongst themselves.

## **Article 11. Payment of Dues and Other Fees and default of payment**

### **Section 1: Payment of Dues and Other Fees**

The yearly total of the membership dues shall be sufficient to cover the operating expenses of the Association for that year.

All dues shall be payable by the members within thirty (30) days of the issuance of the invoice thereof.

When joining the Association, each member shall determine if they wish to pay the dues in one instalment per year (for the total of the dues) or in two instalments per year (each instalment for half of the total amount of the yearly dues).

Other fees and specific expenses levied by the Association as set forth in Section 2. of this Article should be paid within thirty (30) days of the issuance of the invoice and shall be levied in only one instalment.

## Section 2: Default in Payment

Failure to pay the dues and other fees may result in termination of membership as set forth in Article 8. Section 2.

## **Article 12. Finances**

### Section 1: Financial Accountability

Each member is obliged to pay the amount of the dues and other fees fixed by the Board and approved annually by the General Assembly, but is not otherwise liable for any and all financial commitments undertaken in the name of the Association.

### Section 2: Financial Year.

The financial year of the Association is the calendar year and therefore starts on January 1 and ends on December 31 of each year. During the first year of incorporation, the financial year will exceptionally run from the date of incorporation until 31 December 2021.

### Section 3: Budget of the Association.

The Secretary General (or such other person as may be required by the Board) shall, with the prior consent of the Board, submit to the General Assembly a budget for the administrative expenses of the Association for the coming year and will at the same time submit for its approval to the General Assembly the accounts for the preceding year.

Within the context of the overall budget, other fees and specific expenses proposed for the carrying out of any special project or study as set forth in Article 10 Section 2. shall be included in separate budgets, which shall be brought to the Board of Directors for approval. Such budgets shall demonstrate how such expenses will be allocated among members who accept or participate in those projects or studies.

### Section 4: Books, Records and Accounts.

The Association shall keep correct and complete books and records of account in accordance with the Code on companies and associations and the implementing decrees. The balance sheet will be deposited at the registry of the court of commerce in accordance with the relevant provisions of the Code on companies and associations.

The Secretary General shall report to the Board on a quarterly basis the record of account for the quarter and shall report the year-end accounts at the beginning of the following year.

## **Title IV – The organization**

### **Article 13. Structure of the association**

The structure of the Association shall be as follows:

- (a) the General Assembly;
- (b) the Board of Directors, including the President, the Vice-President and Treasurer of the Association;
- (c) the Secretary General;
- (d) the Working Groups and Task Forces of Special Interest.

### **Article 14. General Assembly**

#### Section 1: General

- a) The General Assembly shall be composed of all members of the Association.
- b) The General Assembly shall, as a matter of routine, be convened by the Secretary General, upon recommendation of the Board or of the President, by mail or by any other communication means with a material support and sent no later than fifteen (15) working days prior to the meeting, at least once per year within 6 months from the end of the association's financial year. The agenda shall be mentioned in the notice.
- c) An Extraordinary General Assembly may be convened whenever necessary, at the discretion of the President or at the request of members holding not less than 50% of the voting rights, within a period of time no longer than 4 weeks from the request.

The notice of and proposed agenda for the Extraordinary General Assembly shall be circulated to the members up to eight (8) working days prior to the meeting, depending on the urgency of the matters for which the Extraordinary General Assembly is convened.

- d) The members shall be free to suggest any other items to be added to the proposed agenda. The final agenda shall be circulated in advance to the members.
- e) No decision may be taken by the General Assembly on an item not included in the final agenda unless all members are present or represented and unanimously vote for the inclusion of such an item onto the agenda.
- f) Full Members shall normally be represented at the General Assembly by a senior executive with relevant responsibility for the company's cellulose derivative business.
- g) Each Full Member has one (1) vote at the General Assembly – Associate Member have no voting right at the General Assembly.

#### Section 2. Powers.

The following exclusive powers can be exercised solely by the General Assembly:

1. the modification of the Statutes;
2. the election of the Board of Director;
3. the appointment and dismissal of the Secretariat and of the Secretary General;

4. the nomination and dismissal of the auditor and the fixation of its fee, if relevant;
5. the discharge of the Directors of the Board;
6. the approval of the accounts of the previous year and the budgets for the coming year;
7. the approval of the report from the auditor, if appointed;
8. the dissolution and liquidation of the Association;
9. the exclusion of a Member;
10. the decision on the amount of the membership fees;
11. the decision on the organizational structures and processes of the Association;
12. the decision on the preconditions and procedure for new Member to join;

### Section 3: Quorum and Voting

The quorum for a General Assembly is the number of voting members, present or represented, sufficient to exercise two-thirds of the votes of all voting members. In the event of a quorum not being present the General Assembly may be convened a second time, at not less than two weeks' notice, stating the time and place of the meeting, but only for the purpose of dealing with those items included in the agenda of the original meeting.

Members who have not fully paid their dues by the time of a General Assembly shall not be entitled to vote and shall be disregarded for the purposes of determining if the meeting is quorate. Associate members have no right to vote and shall also be disregarded for the purposes of determining if the meeting is quorate.

Except as the Code on companies and associations or the Statutes of the Association prescribe otherwise, two-thirds of the votes of all members present or represented are required for a decision to be carried.

The voting can proceed by way of call (out), raise of hands or, when requested by at least one Full Member present, by way of secret ballot.

### Section 4: Communication of the decisions of the General Assembly

Minutes will be drawn up and signed by the minute taker and the Chairperson after being accepted by the General Assembly. Minutes are kept in a register of minutes and can be looked into by any Member. Members can exercise their right of inspection in accordance with the modalities provided by the Code on companies and associations.

### Section 5: Meeting via conference call

A meeting of the General Assembly or of the Extraordinary General Assembly may consist of a conference call between members, who are not all in one place, but of whom each is able, whether directly or by telephonic communication, to converse with each of the others simultaneously. A member taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating in the conference is assembled, or, if there is no group, at the registered office of the Association.

The minutes of such meeting will be circulated among all members and will be kept in the records of the Association.

#### Section 6: Proxy.

A member unable to attend a General Assembly, either in person or through telephonic communication, may also designate another member or the President of the Association to exercise his or her vote upon the delivery on or before the date of the General Assembly of a written proxy – based on a template provided by the Secretariat - to the President with a copy to the designated member. A member may not represent more than two other members at one and the same General Assembly.

#### Section 7: Decision taken by written procedure.

In exceptional circumstances, when the urgent necessity and the interest of the Association require so, the decisions of the General Assembly can be taken by unanimous written consent of the Full Members. To this end, it is required that the Full Members come to an unanimous agreement on proceeding by way of written decision-making. Written decision-making supposes in any case that a deliberation per e-mail, video or phone conference took place.

### **Article 15. Board of Directors**

#### Section 1: Election and term of office

The Association shall be managed by a Board of Directors consisting of three (3) to five (5) Full Members. If there are fewer than eight (8) Full Members, there shall be three (3) Board of Directors. If there are eight (8) or more Full Members, there shall be five (5) Board of Directors.

The Board members shall be appointed in function by the General Assembly by simple majority of the members present or represented. Board members are appointed for a period of at most 2 years. One year is the period between two successive annual General Assemblies. Board members are re-eligible.

#### Section 2: Powers

The Board of Directors is qualified to take all decisions that are necessary or useful for the realisation of the purpose of the Association. Amongst other things, the Board is qualified to:

- Appoint the President, Vice-President and Treasurer amongst the Directors of the Board
- Prepare the policy and recommendations for the General Assembly
- Execute the policy and decisions of the General Assembly
- Implement the budget
- Prepare the organizational structures and processes
- Prepare the contract to define role, tasks, budget, etc. of the Secretariat and of the Secretary General
- Acceptance of Full and Associate Members
- Ensure a successor in the case of premature withdrawal of a Director for the rest of the election period
- Issue and modify Internal Rules



Instruments which bind the Association with regard to third parties, and which are not concerned with day-to-day administrative matters shall be signed by the President or by two members of the Board of Directors.

Legal proceedings as plaintiff as well as defendant shall fall within the competence of the Board of Directors, represented by the President or by a member of the Board of Directors appointed by the President to this end.

The members of the Board cannot take decisions without the approval of the General Assembly concerning purchase or sale of properties of the Association and/or the taking out of a mortgage. These restrictions of powers cannot bind third parties, not even when made public. Acts in breach of these internal restrictions entail the internal liability of all Directors concerned.

### Section 3: President, Vice-president and Treasurer

The President of the Association shall take the chair at the General Assembly or, if he or she is unable to attend, the Vice-President of the Association shall take the chair.

In case a new President of the Association is to be appointed during the Vice-President's term of office, the Vice-President can stand for nomination as President of the Association.

The treasurer of the association supports the Secretary General on the financial management of the Association.

### Section 4: Meetings, deliberations and decisions

The Secretary General calls the meetings of the Board, upon request of the President, whenever the interest of the Association requires so.

The Board is presided by the President, or, in his/her absence, by the Vice-President.

The Board can only deliberate and decide in a valid way, when at least a majority of its members are present at the meeting. The decisions are taken by unanimous decision of the members present.

Members of the Board may invite external experts or representatives from Full Members to participate in the meeting as observers. The Secretary General will attend the Board meetings in a consultative capacity. Observer and the Secretariat staff will have no voting right in the Board.

Voting members of the Board shall not be remunerated.

Members of the Board who are unable to attend a meeting may be represented by other members of the Board through a proxy. A member may never represent more than one other member of the Board.

Minutes are drawn up and kept in a register of minutes and can be looked into by the Full Members.

### Section 5: Meeting via conference call

A meeting of the Board of Directors may consist of a conference call or webinar between members.

#### Section 6: Decision taken by written procedure

In exceptional circumstances, when the urgent necessity and the interest of the association require such, the decisions of the Board can be taken by unanimous written consent of the Directors. To this end it is required that the Directors come to an unanimous agreement on proceeding by way of written decision making.

#### Section 7: Vacancies and dismissal/suspension

In case of resignation of a Director of the Board during its term of office, the other Board members can appoint a successor for the remaining of the current term of office. The successor will take up its duties immediately and his appointment shall be ratified by the General Assembly at its next meeting.

An incomplete Board – in case a successor is not appointed - remains competent to manage the Association.

At all time, a Board member may be dismissed or suspended by the General Assembly by simple majority of the members present or represented with statement of reasons.

#### **Article 16. The Secretary General**

The Secretary General, which may be a legal entity or an individual, is appointed by the General Assembly for a term of two years, these years being counted from the end of one ordinary General Assembly till the end of the following ordinary General Assembly.

The Secretary General is responsible for the daily management of the Association, the continuous execution of the decisions of the General Assembly and the Board of Directors, for preparing and circulating draft agendas in advance of the Association's meetings and for preparing and circulating draft minutes of such meetings.

The Board can delegate to the Secretary General tasks and authorities.

All staff members in the Secretariat are under the control of the Secretary General.

The Board will fix the goals and objectives of the Secretariat and of the Secretary General for the year to come and evaluate previous year's achievements.

#### **Article 17. Liability of the members of the Board and the Daily Management**

The Directors and the persons empowered for the daily management are not personally liable for the obligations of the Association.

Toward the Association and towards third parties, their liability is limited to the accomplishment of their duties in accordance with common law, the legal provisions and the provisions in the articles of association.

The Directors are liable for the shortcomings in their (daily) management.

## **Article 18. Working Groups and Task Force of Special Interest**

### Section 1: Working Groups.

Working Groups dealing with issues of general interest to the membership or groups of members will be included in the Association's structure. These Working Groups will be designated by and under the control of the Board of Directors, which may determine their respective mission.

The Working Groups may choose their respective Chairman and optionally a Vice-Chairman from among their own members. All members may participate or be represented in the Working Groups.

The Working Groups shall meet in the presence of the Secretary General. The Secretary General will transmit the Working Groups' requests and recommendations to the Board of Directors, which will decide in what manner the work of the Working Groups shall, from time to time, be brought to the notice of all the members of the Association.

### Section 2: Task Forces of Special Interest

The Board of Directors may authorize the formation of Task Forces of Special Interest to be composed of concerned members for purposes of dealing with issues which are of more specific interest than those dealt with by the Working Groups.

Each Task Force shall be presided over by a member of the Board of Directors or by a person nominated by it. A report on the activity of the Task Force shall be made to the Board of Directors by a member of the Board of Directors or by the chairman of the Task Force.

Unless otherwise decided, Working Groups and Task Forces of Special Interest should be attended by the Secretariat and/or the Secretary General for governance reasons.

## **Title V. Miscellaneous**

### **Article 19. Anti-trust Rules**

The Members hereby agree and undertake with each other that they will procure that

- the Association does not engage in any anti-competitive behaviour or practices including, without limitation, the co-ordination of sales activities or discussion of pricing or other sensitive commercial information; and
- to act in accordance with the provisions of the Code of Conduct.

### **Article 20. Internal Rules**

The Association may elect to have Internal Rules of Procedure. The Internal Rules of Procedure of the Association are drafted and modified, as the case may be, by the Board of Directors and communicated to the General Assembly.

### **Article 21. Amendment of the Statutes and Dissolution of the Association**

#### Section 1: Amendment of the Statutes.

Any proposal for the amendment, repeal or alteration in whole or in part of the Statutes shall be submitted in writing to the President, by the Board of Directors or by at least three (3) Full Members of the association, who will include it in the agenda for the following General Assembly, subject to the provisions

regarding quorum laid down in Article 14 Section 3 of the Statutes. At least two-thirds of the votes of all the Full Members present or represented at the General Assembly are required to amend the Statutes.

#### Section 2: Publication requirements

The nomination of the members of the Board and of the persons authorized to represent the Association and the termination of their function must be made public by means of deposit at the registry of the court of enterprises, and by means of an extract of which is to be published in the Annexes to the Belgian State Gazette. From these documents it should in any case be clear whether the persons representing the Association would bind the Association either each separately, collectively, or as a board as well as the scope of their powers.

#### Section 3. Dissolution of the Association

Any proposal for the dissolution of the Association shall be sent to the President by registered mail bearing the signatures of at least two-third of the Full Members of the Association. In the event of such a proposal, the General Assembly shall be convened as rapidly as possible.

The deliberation and decision-making concerning the dissolution respects the quorum as defined in Article 14, Section 3 of these Statutes. At least three-fourths of the votes of all Full Members present or represented at the General Assembly to dissolve the Association. As soon as the decision to dissolve the Association is taken, the organization will always mention to be an “Association in dissolution”.

In the event that the proposal concerning the dissolution of the organization is accepted, the General Assembly will designate one or more liquidators. The General Assembly will describe their mission.

In the event of the dissolution and liquidation of the organization, the General Assembly (whether Ordinary or Extraordinary) will decide upon the destination of the assets of the Association. These assets must be designated to another non profit organization with a similar or connected purpose.

All decisions concerning the dissolution, the liquidation requirements, the nomination and the termination of office of the liquidators, the closure of the liquidation and the destination of the assets of the organization will be deposited at the registry and published in the Annexes of the Belgian State Gazette.

#### **Article 22. Dispute Resolution.**

In the event of any dispute, claim or controversy arising out of or in connection with membership of the Association or these Statutes, including their formation, existence, validity, enforceability, performance, interpretation, implementation, breach or termination, the parties shall consult and negotiate with each other and with the Secretary General and attempt a good faith resolution of the dispute or controversy by negotiation.

If a negotiated resolution is not reached within a period of 40 days of written notice by either party of a dispute, claim or controversy under this Article, either party may refer the dispute to arbitration in accordance with this Article.

All disputes, claims or controversies arising out of or in connection with membership of the Association or these Statutes, including their formation, existence, validity, enforceability, performance, interpretation, implementation, breach or termination, shall be finally determined by arbitration administered by the International Centre for Dispute Resolution (“ICDR”) in accordance with its International Arbitration Rules. Document disclosure, if any, shall be limited and conducted in accordance with the International Bar Association’s Rules on the Taking of Evidence in International Commercial Arbitration (“IBA Rules”).

The seat of arbitration shall be Brussels, Belgium. The language of the arbitration shall be English. The IBA Rules shall govern the interpretation of, enforcement of, and proceedings pursuant to this Article. Judgment upon any award made by the arbitrator(s) may be entered in any court having jurisdiction thereof.

The parties shall keep any arbitration pursuant to this Article confidential and shall not disclose to any person, other than those necessary to the proceeding, the existence of the arbitration, any information regarding the arbitration, any documents or evidence submitted or disclosed in connection with the arbitration, transcripts of any proceeding, or any award except as may be required by law or by any governmental authority or for financial reporting purposes in each party’s financial statements or in connection with proceedings to recognize or enforce an award.

#### **Article 23. Languages**

The working language of the Association shall be English. For interpretation of the present Statutes, the French version of the text will be considered the authentic and prevailing version; all versions in other languages are translations.

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